

# IFSL Marlborough No 2 OEIC

**Interim Report and Unaudited Financial Statements**  
for the six month period ended 31 January 2023

IFSL

— Fund Services —

Marlborough

## IFSL MARLBOROUGH NO 2 OEIC

### CONTACT INFORMATION

#### Registered Office

Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

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

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

#### Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

#### Sub-Investment Managers

IFSL Marlborough Far East Growth Fund  
BEA Union Investment Management Limited  
5/F The Bank of East Asia Building  
10 Des Voeux Road Central  
Hong Kong

Authorised and regulated by the Securities and Futures Commission in Hong Kong.

IFSL Marlborough Global Essential Infrastructure Fund and IFSL Marlborough Global SmallCap Fund

Ausbil Investment Management Ltd  
Level 27 Grosvenor Place  
225 George Street  
Sydney 2000  
Australia

#### Depository

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

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

#### Auditor

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

#### Directors of IFSL

Andrew Staley (Non-Executive)  
Allan Hamer  
Dom Clarke - appointed 30 January 2023  
Helen Derbyshire  
Helen Redmond  
Sally Helston - appointed 12 August 2022  
Guy Sears (Independent Non-Executive)  
Sarah Peaston (Independent Non-Executive)

IFSL Marlborough Multi Cap Income Fund and IFSL Marlborough Nano-Cap Growth Fund

Canaccord Genuity Asset Management Limited (previously Hargreave Hale Limited to 2 November 2022)  
88 Wood Street  
London

EC2V 7QR

Authorised and regulated by the Financial Conduct Authority.

## **IFSL MARLBOROUGH NO 2 OEIC**

<b>CONTENTS</b>	<b>PAGE</b>
AUTHORISED STATUS	1
GENERAL INFORMATION	1
AUTHORISED CORPORATE DIRECTOR'S STATEMENT	6
NOTES TO THE INTERIM FINANCIAL STATEMENTS	6
<b>INDIVIDUAL SUB-FUNDS</b>	
IFSL MARLBOROUGH FAR EAST GROWTH FUND	7
IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND	17
IFSL MARLBOROUGH GLOBAL SMALLCAP FUND	25
IFSL MARLBOROUGH MULTI CAP INCOME FUND	33
IFSL MARLBOROUGH NANO-CAP GROWTH FUND	44
<b>The statements for each of the above sub-funds are set out in the following order:</b>	
AUTHORISED INVESTMENT MANAGER'S REPORT	
COMPARATIVE TABLE	
SYNTHETIC RISK AND REWARD INDICATOR	
PORTFOLIO STATEMENT	
PORTFOLIO TRANSACTIONS	
<b>UNAUDITED INTERIM FINANCIAL STATEMENTS</b>	
STATEMENT OF TOTAL RETURN	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	
BALANCE SHEET	

## IFSL MARLBOROUGH NO 2 OEIC

### AUTHORISED STATUS

IFSL Marlborough No 2 OEIC (the Company) is an investment company with variable capital incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000415 and is authorised and regulated by the Financial Conduct Authority with effect from 21 October 2005. The shareholders are not liable for the debts of the Company.

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

The Company currently has five sub-Funds: IFSL Marlborough Far East Growth Fund; IFSL Marlborough Global Essential Infrastructure Fund; IFSL Marlborough Global SmallCap Fund; IFSL Marlborough Multi Cap Income Fund; and IFSL Marlborough Nano-Cap Growth Fund.

### GENERAL INFORMATION

#### IFSL Marlborough Far East Growth Fund

##### Investment objective

The investment objective of the sub-fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The sub-fund aims to outperform the average of the IA Asia Pacific excluding Japan sector over any 5 year period, after any charges have been taken out of the sub-fund, however, there is no certainty this will be achieved.

##### Investment policy

At least 80% of the sub-fund will be invested in the shares of companies which are incorporated, headquartered, operating in or listed on stock markets in the Asia Pacific region (excluding Japan).

This may include up to 10% through funds (including exchange traded funds which typically track an index) which themselves invest in these markets or which gain exposure through financial instruments whose returns are linked to these markets (also known as derivatives). The sub-fund may also invest in shares of investment trusts and other securities whose returns are linked to company performance, such as depositary receipts.

The sub-fund may also hold money market instruments, a type of short term loan, and money market funds, which themselves invest in these instruments.

The sub-fund is actively managed which means the Manager decides which investments to buy or sell and when, and will maintain a relatively concentrated portfolio. The sub-fund will normally hold between 50 – 70 holdings in companies of a range of sizes and will not go outside this range for more than 3 consecutive months or exceed between 45 – 80 holdings.

The team approaches construction of the portfolio from three overlapping standpoints:

- economic and market conditions in each country and sector;
- a selection of companies which the team believes to be financially strong or whose valuations appear out of line with expectations; and
- companies which fit broader themes, such as, manufacturing automation, which the investment team believes are likely to drive share price returns over the medium term. Themes will change and this can often happen quickly.

The team use the Morningstar OIP Asia Ex Japan Net Return Index as a reference point for portfolio construction and risk management purposes, however, the sub-fund will not be constrained by the Index.

The sub-fund may invest in derivatives and forward transactions, including those whose returns are linked to exchange rates, in order to reduce risk (also known as hedging) although this is anticipated to be infrequent.

The sub-fund may hold cash to enable ready settlement of liabilities, for the efficient management of the sub-fund and in order to meet its objective. This will typically be below 10% but may from time to time exceed this level.

## IFSL MARLBOROUGH NO 2 OEIC

### GENERAL INFORMATION

#### IFSL Marlborough Far East Growth Fund (continued)

##### Performance target

The performance target is the level of performance the sub-fund aims to deliver 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. The sub-fund aims to be in the top half of all funds included in the IA Asia Pacific excluding Japan sector.

##### Assessing performance

To assess the performance of the sub-fund, you may want to compare it to the performance of the Morningstar OIP Asia Ex Japan Net Return Index, which the investment team uses as a reference point for portfolio construction and risk management purposes, however the sub-fund is not constrained by this index.

#### IFSL Marlborough Global Essential Infrastructure Fund

##### Investment objective

The investment objective of the sub-fund is to provide capital growth, that is, to increase the value of your investment, as well as to provide income, that is, money paid out from an investment as dividends from shares, over a minimum of 5 years.

##### Investment policy

The sub-fund will invest at least 80% in the shares of global infrastructure companies, including investment companies and investment trusts, listed on a range of global developed and emerging market stock exchanges, however exposure to emerging markets will be limited to 10% of the sub-fund. Notwithstanding the emerging markets limit, investments will span a range of global markets with no maximum or minimum exposure to any other market or geographical region.

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. The sub-fund will generally hold between 25 and 45 listed companies.

The Investment Manager seeks to invest in global infrastructure companies that have assets that are "essential" for the basic functioning of a society, such as regulated utilities (eg electricity, gas and water), transport (eg toll roads, airports), energy (eg regulated or contracted pipelines) and communications (eg mobile phone towers).

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

The sub-fund will not invest in other collective investment schemes.

The sub-fund may hold up to 20% in cash or near cash, to enable the ready settlement of liabilities (including redemptions), for the efficient management of the sub-fund and in pursuit of the sub-fund's objectives.

The sub-fund will not invest in derivatives (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets).

##### Investment strategy

The Investment Manager reviews financial publications, available broker opinions and talks to the directors and/or management of the companies that are within the scope of the investment policy, to form views on which companies are suitable for buying and selling. The Investment Manager will assess the appropriate weightings for each sector and company based on their view of the market and outlook for the future.

The Investment Manager aims to exploit the inefficiencies within the global listed infrastructure universe by conducting thorough research and analysis which considers the overall quality and long-term cash flow valuation of a company.

##### Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

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

## IFSL MARLBOROUGH NO 2 OEIC

### GENERAL INFORMATION

#### IFSL Marlborough Global SmallCap Fund

##### Investment objective

The investment objective of the sub-fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

The sub-fund aims to deliver greater returns than the MSCI World Small Cap Index in GBP over any 5 year period after charges, however, there is no certainty this will be achieved.

##### Investment policy

The sub-fund will invest in the shares of companies, of which at least 90% of the sub-fund will be in the shares of small companies listed on a range of global stock exchanges. Investments will span a range of global markets with no maximum or minimum exposure to any one market or geographical region.

The Investment Manager defines small companies as either:

- any company within the MSCI World Small Cap Index above a market capitalisation (the market value of a company's shares) of USD 500 million.
- any company, that is not part of the above index, with a market capitalisation between USD 500 million and USD 5 billion listed in the developed countries represented within the MSCI World Small Cap Index.

Any company that no longer meets either of the above definitions will be sold within 12 months, where possible.

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

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. The sub-fund will generally hold between 50 and 80 listed companies.

The sub-fund will not invest in other collective investment schemes.

The sub-fund may hold up to 10% in cash or near cash, to enable the ready settlement of liabilities (including redemptions), for the efficient management of the sub-fund and in pursuit of the sub-fund's objectives.

The sub-fund will not invest in derivatives (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets).

##### Investment strategy

The Investment Manager reviews financial publications, available broker opinions and talks to the directors and/or management of the companies that are within the scope of the investment policy, to form views on which companies are suitable for buying and selling. The Investment Manager will assess the appropriate weightings for each sector and company based on their view of the market and outlook for the future.

The Investment Manager aims to exploit the inefficiencies within the asset class by investing in quality companies, which in their view display unrecognised growth potential at attractive valuations.

##### Performance target

The performance benchmark is the level of performance the sub-fund aims to deliver however there is no certainty this will be achieved.

The MSCI World Small Cap Index has been chosen as the performance target as the composition of the index is broadly similar to the holdings in the sub-fund.

## IFSL MARLBOROUGH NO 2 OEIC

### GENERAL INFORMATION

#### IFSL Marlborough Global SmallCap Fund (continued)

##### Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

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

You should note that whilst the IA Global Sector represents the global nature of the sub-fund, the sector contains funds investing across the market capitalisation spectrum from large cap to small cap. Therefore, when larger cap shares are performing better than small cap shares the sub-fund is more likely to underperform the sector. Conversely, the sub-fund is more likely to outperform the sector when small cap shares perform better than large cap shares.

#### IFSL Marlborough Multi Cap Income Fund

##### Investment objective

The investment objective of the sub-fund is to provide income, that is, money paid out from an investment as dividends from shares, as well as to deliver capital growth, that is to increase the value of your investment, over a minimum of 5 years.

The sub-fund aims to deliver a greater income than the FTSE All-Share Index, over any 3 year period, after any charges have been taken out of the sub-fund, however, there is no certainty that this will be achieved.

##### Investment policy

The sub-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, with a bias towards small and medium companies.

The sub-fund is actively managed, which means the manager decides which investments to buy and sell and when. Investments are selected based on individual company research.

The sub-fund invests in companies which the manager believes:

- have the ability to increase their dividends and offer the potential for growth; or
- companies which have previously paid steady dividends and are expected to continue to do so.

The sub-fund may also invest in companies which are listed on overseas stock exchanges, other securities which offer returns linked to the company performance, such as warrants, preference shares and convertible bonds, unquoted companies and other funds.

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

##### Performance target

The performance benchmark is the level of performance the sub-fund aims to deliver however there is no certainty this will be achieved.

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

## IFSL MARLBOROUGH NO 2 OEIC

### GENERAL INFORMATION

#### IFSL Marlborough Nano-Cap Growth Fund

##### Investment objective

The investment objective of the sub-fund is to increase the value of your investment by more than any increase in the FTSE SmallCap Index (ex-Investment Companies) over any 10 year period, after any charges have been taken out of the sub-fund, however, there is no certainty this will be achieved.

##### Investment policy

At least 80% of the sub-fund will be invested in the shares of very small companies and investment trusts listed on UK stock exchanges. These are companies whose market capitalisation (the market value of a company's shares) is £200m 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 sub-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 sub-fund is actively managed, which means the investment manager decides which investments to buy or sell and when. The sub-fund invests in a diverse portfolio of investments and is not constrained by any industry or sector.

The sub-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 sub-fund and in order to meet its objective.

##### Performance target

The performance benchmark is the level of performance the sub-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 the composition of the index is broadly similar to the holdings in the sub-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 sub-fund's investment policy puts it in the IA UK Smaller Companies sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

#### **Rights and terms attached to each share class**

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

#### **Changes in prospectus**

On 11 August 2022, the investment policy of IFSL Marlborough Nano-Cap Growth Fund changed to define 'very small companies' as companies with a maximum initial market capitalisation limit of £100m, at the time of initial purchase, to a new maximum initial market capitalisation limit of £200m.

On 20 September 2022, the Company launched two new new sub-funds: IFSL Marlborough Global Essential Infrastructure Fund; and IFSL Marlborough Global SmallCap Fund.

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.

#### **Cross Holdings**

The sub-funds of the Company do not hold shares in other sub-funds of the Company.

**AUTHORISED CORPORATE 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  
24 March 2023

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

for the six month period ended 31 January 2023

**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 sub-funds. 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 2022 and are described in those annual financial statements.

The investments of the sub-funds have been valued at their fair value at 12 noon on 31 January 2023.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 January 2023

**Performance to 31 January 2023**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Far East Growth Fund	(0.56)%	(11.29)%	9.84%	(0.72)%
IA Asia Pacific excluding Japan Sector	5.76%	2.18%	24.52%	24.54%
Morningstar OIP Asia excluding Japan Net Return Index	3.70%	(1.14)%	20.31%	17.85%

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

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

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

**Investment commentary**

Performance commentary

The Asian equity markets were very volatile during the period under review, with a sharp pull back in September 2022. Market sentiment was extremely weak on rising macro and social economic concerns with rising possibility of a global recession ahead. Other concerns included Central Banks tightening, US dollar strength, rising inflation, escalating geopolitical tensions and energy crisis. The sub-fund underperformed its benchmark index over the period.

In August, the main detraction came from Hong Kong and China. Our investment in the industrials sector also impacted the performance negatively. During September and October, our underweight position in China, on the contrary, withstood the negative market force and kept the sub-fund performance ahead of the benchmark index. Our overweight positions in Indonesia and Singapore also contributed positively. A sharp turn of China's zero-COVID policy in November boosted the Asian equity markets drastically and caught most international investors off guard. The main performance detraction during the reporting period occurred in November due to the sub-fund's underweight position in China. The positive contribution from Taiwan was not sufficient to offset the drag from our underweight position in China. The continued strong rotation into China's reopening theme in December, was the main reason for underperformance in that month. We managed to narrow the performance gap in January 2023 by underweighting India and overweighting Australia; where our overweight position in the materials sector and underweight position in the utilities sector, also supported performance.

Portfolio activity

Following the weak economic backdrop of the first half of 2022, the sub-fund remained cautious and gradually raised its cash level during the first part of the reporting period.

In the earlier part of the reporting period, the sub-fund was more weighted towards the Association of Southeast Asian Nations (ASEAN) and Australia. We preferred ASEAN for its defensiveness via banks, and preferred Australia for its resources sector and quality exposure.

Following China's surprise U-turn on strict COVID restrictions in November, the sub-fund turned more constructive toward China. Since November, the sub-fund has gradually increased its exposure to China, mainly via companies which are earlier beneficiaries of China reopening post lock-down and ended the reporting period with an overweight position. The rotation into China was funded by cash and by reducing our exposure in ASEAN, India and Australia.

During the transition to raise positioning in China, our preference for reopening plays was for exposure into consumer services and laggards. We increased healthcare, consumer discretionary and insurers.

Market review

Asian equity markets took a tumble during the reporting period. Central Banks tightening, US dollar strength, rising inflation, recessionary fears, escalating geopolitical tensions and energy crisis continued to cloud market outlook and investor sentiment. China's market was particularly hit by its stringent COVID policy and property crisis. The market was disappointed by the outcome from the Chinese National Party Congress held in October where no concrete economic policies were announced. The newly elected Chinese government officials were new to the spotlight and without sound economic background caused further concern. In November, a deadly fire incident in Urumqi triggered a series of protests in Shanghai and Guangzhou against zero-COVID policy. What followed was a subtle and abrupt end to the zero-COVID policy, which led to improved investor confidence towards China's reopening.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 January 2023

Investment outlook

As markets adjust to lowered global growth outlook, the focus remains on geopolitics, the pace of China's reopening, and foreign fund flows back to Emerging Asia. We believe Asia and China will likely be the engine of global economic growth in 2023. In China, the new cabinet will be in place after National Party Congress in March 2023. As the country gradually returns to normal post pandemic, the market expects that the new government will launch additional supportive fiscal policies to restore market confidence and economic growth. Beijing's policy direction has clearly shifted from risk control to economic growth for 2023.

Another focus will be the pace of US monetary policy tightening. While retail sales and industrial output points to weakness in the US, Purchasing Managers Index (PMI) recovered back to 55.2 after a brief dip below 50 in December 2022. The job market remains tight but wage hike pressure continues to ease. Meanwhile, inflation appears to be rolling over in the US. We note that the US Federal Reserve is slowing its pace of monetary tightening, with recession fear diminishing.

Nevertheless, markets will likely remain volatile off the back of geopolitical tensions and China's policy response post pandemic under President Xi's new team.

BEA Union Investment Management Limited  
22 February 2023

**Distributions**

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.2840	0.4646	0.0517	0.2135
Net income paid 30 September		2.3409	1.6752	1.9919
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.3542	0.5746	0.0796	0.2588
Net accumulation paid 30 September		2.9077	2.0645	2.4282
<u>P Income (pence per share)</u>				
Net income paid 31 March	1.1526	1.5073	0.9901	1.0890
Net income paid 30 September		3.2960	2.7068	2.8104
<u>P Accumulation (pence per share)</u>				
Net accumulation paid 31 March	1.4233	1.8235	1.1801	1.2766
Net accumulation paid 30 September		4.0128	3.2453	3.3256

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the six month period ended 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Tencent Holdings	974,336
Meituan	515,319
AIA Group	474,083
Ping An Insurance (Group) Co 'H'	428,618
ICICI Bank	404,502
Pinduoduo - ADR	403,317
GDS Holdings	372,940
COSCO Shipping Energy Transportation Co 'H'	352,763
LG Chem	337,305
Zijin Mining Group Co 'H'	332,922
Other purchases	8,760,164
Total purchases for the period	13,356,269
<u>Largest sales</u>	<u>Proceeds (£)</u>
Reliance Industries	777,521
Singapore Telecommunications	602,686
Ganfeng Lithium Co	602,364
China Mengniu Dairy Co	569,973
DBS Group Holdings	561,430
United Overseas Bank	512,757
Meituan	478,824
Santos	449,407
SBI Cards and Payment Services	390,304
Astra International	383,337
Other sales	10,915,726
Total sales for the period	16,244,329

IFSL MARLBOROUGH NO 2 OEIC  
IFSL MARLBOROUGH FAR EAST GROWTH FUND

COMPARATIVE TABLE

<b><u>A Income shares</u></b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	235.57	268.49	229.11	235.72
Return before operating charges*	(0.19)	(25.67)	45.29	(0.63)
Operating charges	(1.99)	(4.44)	(4.18)	(3.77)
Return after operating charges*	(2.18)	(30.11)	41.11	(4.40)
Distributions on income shares	(0.28)	(2.81)	(1.73)	(2.21)
Closing net asset value per share	233.11	235.57	268.49	229.11
* after direct transaction costs of:	0.59	1.32	0.38	0.36
<b>Performance</b>				
Return after charges <sup>A</sup>	(0.93)%	(11.21)%	17.94%	(1.87)%
<b>Other information</b>				
Closing net asset value (£)	1,255,366	1,304,818	1,858,105	4,580,875
Closing number of shares	538,523	553,897	692,055	1,999,458
Operating charges	1.72% <sup>B,C</sup>	1.68% <sup>B</sup>	1.67% <sup>B</sup>	1.68%
Direct transaction costs	0.52% <sup>C</sup>	0.50%	0.15%	0.16%
<b>Prices (pence per share)</b>				
Highest share price	241.39	283.04	286.00	245.30
Lowest share price	212.29	233.30	223.82	186.84
<b><u>A Accumulation shares</u></b>				
<b>Change in net assets per share</b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	295.63	333.09	282.42	287.78
Return before operating charges*	(0.23)	(31.95)	55.94	(0.75)
Operating charges	(2.50)	(5.51)	(5.27)	(4.61)
Return after operating charges*	(2.73)	(37.46)	50.67	(5.36)
Distributions on accumulation shares	(0.35)	(3.48)	(2.14)	(2.69)
Retained distributions on accumulation shares	0.35	3.48	2.14	2.69
Closing net asset value per share	292.90	295.63	333.09	282.42
* after direct transaction costs of:	0.74	1.63	0.48	0.44
<b>Performance</b>				
Return after charges <sup>A</sup>	(0.92)%	(11.25)%	17.94%	(1.86)%
<b>Other information</b>				
Closing net asset value (£)	10,460,765	12,984,676	18,612,101	20,662,212
Closing number of shares	3,571,434	4,392,171	5,587,728	7,316,257
Operating charges	1.72% <sup>B,C</sup>	1.68% <sup>B</sup>	1.67% <sup>B</sup>	1.68%
Direct transaction costs	0.52% <sup>C</sup>	0.50%	0.15%	0.16%
<b>Prices (pence per share)</b>				
Highest share price	302.94	351.11	352.62	299.47
Lowest share price	266.42	289.90	275.89	228.22

<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 NO 2 OEIC  
IFSL MARLBOROUGH FAR EAST GROWTH FUND

COMPARATIVE TABLE

<b>P Income shares</b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	235.97	269.02	229.52	236.12
Return before operating charges*	(0.16)	(25.78)	45.61	(0.60)
Operating charges	(1.13)	(2.47)	(2.41)	(2.10)
Return after operating charges*	(1.29)	(28.25)	43.20	(2.70)
Distributions on income shares	(1.15)	(4.80)	(3.70)	(3.90)
Closing net asset value per share	233.53	235.97	269.02	229.52
* after direct transaction costs of:	0.60	1.32	0.39	0.36
<b>Performance</b>				
Return after charges <sup>A</sup>	(0.55)%	(10.50)%	18.82%	(1.14)%
<b>Other information</b>				
Closing net asset value (£)	4,662,707	5,005,480	6,337,504	4,433,113
Closing number of shares	1,996,645	2,121,232	2,355,731	1,931,503
Operating charges	0.97% <sup>B,C</sup>	0.93% <sup>B</sup>	0.92% <sup>B</sup>	0.93%
Direct transaction costs	0.52% <sup>C</sup>	0.50%	0.15%	0.16%
<b>Prices (pence per share)</b>				
Highest share price	241.90	284.39	287.47	246.59
Lowest share price	213.04	234.54	224.37	187.34
<b>P Accumulation shares</b>				
<b>Change in net assets per share</b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	291.36	325.82	274.19	277.30
Return before operating charges*	(0.21)	(31.46)	54.51	(0.64)
Operating charges	(1.39)	(3.00)	(2.88)	(2.47)
Return after operating charges*	(1.60)	(34.46)	51.63	(3.11)
Distributions on accumulation shares	(1.42)	(5.84)	(4.43)	(4.60)
Retained distributions on accumulation shares	1.42	5.84	4.43	4.60
Closing net asset value per share	289.76	291.36	325.82	274.19
* after direct transaction costs of:	0.74	1.61	0.47	0.43
<b>Performance</b>				
Return after charges <sup>A</sup>	(0.55)%	(10.58)%	18.83%	(1.12)%
<b>Other information</b>				
Closing net asset value (£)	5,766,026	6,163,976	10,632,193	8,496,996
Closing number of shares	1,989,909	2,115,601	3,263,233	3,098,977
Operating charges	0.97% <sup>B,C</sup>	0.93% <sup>B</sup>	0.92% <sup>B</sup>	0.93%
Direct transaction costs	0.52% <sup>C</sup>	0.50%	0.15%	0.16%
<b>Prices (pence per share)</b>				
Highest share price	298.67	344.37	344.69	289.59
Lowest share price	263.05	285.60	268.02	220.98

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

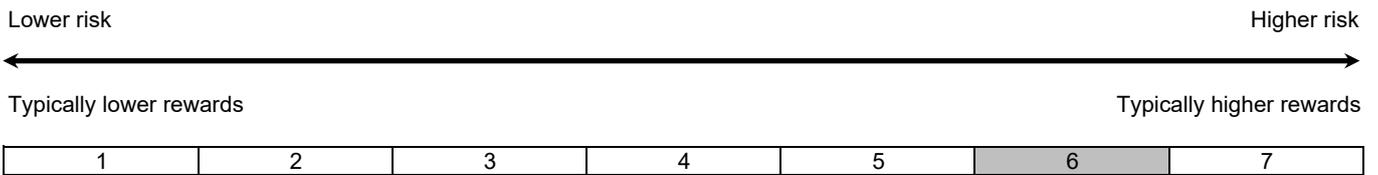
<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

<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 share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

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



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

This sub-fund has been measured as 6 because its investments have experienced high volatility historically. During the period the synthetic risk and reward indicator changed from 5 to 6.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AUSTRALIA</b> (31 July 2022 - 7.59%)		
9,105 Charter Hall Group	70,303	0.32
21,888 Goodman Group	247,295	1.12
161,324 Karoon Energy	209,745	0.95
1,323 Macquarie Group	140,424	0.63
45,289 Northern Star Resources	321,410	1.45
72,306 Santos	291,878	1.32
Total Australia	1,281,055	5.79
<b>CHINA/HONG KONG</b> (31 July 2022 - 36.45%)		
53,200 AIA Group	487,681	2.20
64,392 Aier Eye Hospital Group Co	254,107	1.15
85,500 Alibaba Group Holding	951,503	4.30
520,000 Aluminum Corporation of China 'H'	224,479	1.01
826 BeiGene - ADR	171,546	0.77
16,000 BYD Co	405,478	1.83
86,500 China Merchants Bank Co	454,900	2.05
470,000 China Oilfield Services	459,310	2.07
210,000 COSCO Shipping Energy Transportation Co 'H'	159,135	0.72
109,000 Country Garden Services Holdings Co	238,656	1.08
70,626 Estun Automation Co	221,372	1.00
35,600 Ganfeng Lithium Co	262,585	1.19
180,500 GDS Holdings	426,037	1.92
79,800 H World Group	309,379	1.40
7,500 Hong Kong Exchanges and Clearing	273,455	1.23
23,159 JD.com	554,778	2.51
154,000 Jiumaojiu International Holdings	318,850	1.44
1,200 Kweichow Moutai Co	265,995	1.20
2,870 Meituan	51,846	0.23
42,900 NARI Technology Co	135,909	0.61
4,997 Pinduoduo - ADR	393,800	1.78
68,500 Ping An Insurance (Group) Co 'H'	430,088	1.94
96,400 Sands China	291,903	1.32
312,000 Seazen Group	98,512	0.45
136,000 SITC International Holdings Co	240,189	1.08
44,500 Swire Pacific	329,614	1.49
31,900 Tencent Holdings	1,262,168	5.70
11,750 Trip.Com Group	351,537	1.59
43,000 WuXi Biologics (Cayman)	290,459	1.31
31,800 WuXi Lead Intelligent Equipment Co	176,168	0.80
8,700 Yunnan Energy New Material Co	162,875	0.74
252,000 Zijin Mining Group Co 'H'	336,532	1.52
Total China/Hong Kong	10,990,846	49.63
<b>INDIA</b> (31 July 2022 - 14.25%)		
9,651 Adani Ports and Special Economic Zone	58,629	0.26
123,241 Bharat Electronics	116,322	0.53
23,994 Bharti Airtel	183,149	0.83
27,999 HDFC Bank	445,558	2.01
42,825 ICICI Bank	354,261	1.60
19,544 Infosys	297,183	1.34
17,354 Larsen & Toubro	364,568	1.65
2,108 Maruti Suzuki India	185,579	0.84
8,248 Reliance Industries	192,614	0.87
Total India	2,197,863	9.93
<b>INDONESIA</b> (31 July 2022 - 6.37%)		
462,700 Bank Central Asia	212,251	0.96
284,000 Bank Mandiri	152,951	0.69
585,500 Bank Rakyat Indonesia	145,146	0.66
682,200 Telkom Indonesia	141,793	0.64
Total Indonesia	652,141	2.95

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>MALAYSIA</b> (31 July 2022 - 0.58%)		
<b>PHILIPPINES</b> (31 July 2022 - 2.72%)		
88,272 BDO Unibank	160,307	0.72
120,800 International Container Terminal Services	368,443	1.66
Total Philippines	<u>528,750</u>	<u>2.38</u>
<b>SINGAPORE</b> (31 July 2022 - 7.47%)		
14,200 DBS Group Holdings	312,962	1.41
16,800 United Overseas Bank	308,692	1.39
196,300 Yangzijiang Shipbuilding (Holdings)	154,772	0.70
Total Singapore	<u>776,426</u>	<u>3.50</u>
<b>SOUTH KOREA</b> (31 July 2022 - 10.15%)		
2,482 Hotel Shilla Co	129,008	0.58
5,182 KB Financial Group	189,768	0.86
748 LG Chem	338,230	1.53
32,494 Samsung Electronics Co	1,300,840	5.87
914 Samsung SDI Co	410,892	1.86
2,867 SK Hynix	166,330	0.75
Total South Korea	<u>2,535,068</u>	<u>11.45</u>
<b>TAIWAN</b> (31 July 2022 - 9.14%)		
42,000 ASE Technology Holding Co	113,318	0.51
13,000 Mediatek	251,836	1.14
103,000 Taiwan Semiconductor Manufacturing Co	1,450,636	6.55
Total Taiwan	<u>1,815,790</u>	<u>8.20</u>
<b>THAILAND</b> (31 July 2022 - 1.19%)		
61,100 Airports of Thailand - NVDR	111,373	0.50
118,400 Central Retail	123,533	0.56
Total Thailand	<u>234,906</u>	<u>1.06</u>
<b>UNITED STATES</b> (31 July 2022 - 1.87%)		
6,020 Freeport-McMoRan	214,864	0.97
4,384 Prologis	454,869	2.05
Total United States	<u>669,733</u>	<u>3.02</u>
<b>Portfolio of investments</b>	21,682,578	97.91
<b>Net other assets</b>	462,286	2.09
<b>Total net assets</b>	<u><u>22,144,864</u></u>	<u><u>100.00</u></u>

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 January 2023

	£
Total purchases costs, including transaction charges	13,356,269
Total sales proceeds, net of transaction charges	16,244,329

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Income:				
Net capital losses		(374,027)		(27,734)
Revenue	250,513		380,088	
Expenses	<u>(159,592)</u>		<u>(231,405)</u>	
Net revenue before taxation	90,921		148,683	
Taxation	<u>(14,660)</u>		<u>(28,279)</u>	
Net revenue after taxation		<u>76,261</u>		<u>120,404</u>
Total return before distributions		(297,766)		92,670
Distributions		(75,635)		(124,904)
Change in net assets attributable to shareholders from investment activities		<u><u>(373,401)</u></u>		<u><u>(32,234)</u></u>

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

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 25,458,950		37,442,715
Amounts receivable on issue of shares	940,673		1,691,504	
Amounts payable on cancellation of shares	(3,926,949)		(7,006,318)	
Amounts payable on share class conversions	<u>-</u>		<u>(15)</u>	
		(2,986,276)		(5,314,829)
Dilution adjustment		4,621		15,592
Change in net assets attributable to shareholders from investment activities		(373,401)		(32,234)
Retained distribution on accumulation shares		40,970		74,617
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		<u><u>22,144,864</u></u>	<sup>A</sup>	<u><u>32,185,862</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 NO 2 OEIC**  
**IFSL MARLBOROUGH FAR EAST GROWTH FUND**

**BALANCE SHEET**  
as at 31 January 2023

	<b>31 January 2023</b>	<b>31 July 2022</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	21,682,578	24,892,558
<b>Current Assets:</b>		
Debtors	124,205	409,067
Cash and bank balances	417,929	1,003,607
<b>Total assets</b>	<u>22,224,712</u>	<u>26,305,232</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income shares	24,543	82,883
Bank overdrafts	-	605,706
Other creditors	55,305	157,693
<b>Total liabilities</b>	<u>79,848</u>	<u>846,282</u>
<b>Net assets attributable to shareholders</b>	<u>22,144,864</u>	<u>25,458,950</u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the period from 20 September 2022 to 31 January 2023

The launch period of the sub-fund ran from 20 September 2022 to 17 October 2022. Shares were first valued on 18 October 2022.

**Investment commentary**

Since the sub-fund's inception on 17 October 2022 to 31 January 2023, the sub-fund generated a total return of +8.45% outperforming the benchmark return of +5.53% (as measured by the IA Infrastructure sector).

Global markets have been on a roller coaster ride since the sub-fund's inception. After the market rebounded at the start of the December 2022 quarter, they sold down in the second half of December due to a combination of hawkish updates from both the US Federal Reserve and the European Central Bank (ECB). These extinguished hopes of early interest rate cuts in 2023 and the market sold off as a result. However, optimism over falling inflation and sharply lower commodity prices in January 2023 fueled a market rebound.

Within this context, infrastructure participated in the rally, but to a lesser extent than general equities given the relative outperformance seen in 2022, and lower sensitivity overall to the economic cycle.

All major sectors and regions of essential infrastructure were up during the period, except for North American energy infrastructure which fell 9.9% as a group due to bearish sentiment towards energy related stocks for 2023. On individual names, Cheniere fell 17.1% during the period. The stock was impacted by negative sentiment towards the outlook for Liquefied Natural Gas (LNG) in 2023. We continue to see good opportunities in the name as it is benefitting from multi-decade contracts that secure cashflow for many years to come and can expand its existing LNG export facilities to meet market demand.

On the positive side, European mobile phone towers and transportation stocks were the standout performers during the period, up 21% and 19% respectively. Spanish mobile phone tower name Cellnex rose +20.8% partly on the back of rumoured mergers and acquisitions (M&A) activity, while Spanish airport group AENA was up +32% after providing a positive update on its 2022-2026 strategic plan.

Outlook

Central banks are focused on fighting persistent inflation and are willingly prepared to move policy settings to restrictive levels. Their collective primary, and only objective, is to keep inflationary expectations well anchored despite the downside risks it presents to global economic growth. The US Federal Reserve (the Fed) does not see a recession as inevitable, and Powell is clear that he does not see interest rate cuts in 2023. There is a general consensus that we are close to the end of the tightening cycle. In this environment, we think earnings growth will be harder to come by this year at a market level, though we see a number of sectors and quality leaders still capable of delivering superior earnings growth in a slowing economy. We think the sub-fund is, once again, relatively well positioned. Inflation protection is one of the hallmarks of infrastructure and, as mentioned above, we estimate that 95% of our sub-fund has an effective means through which to pass through inflation.

In addition, despite a potential recession, the secular growth thematics of infrastructure remain strong. These thematics include the continued build-out of renewable energy, the upgrading of mobile phone networks to 5G, and the recovery of air travel back to pre-COVID levels, to mention a few. If global economies are heading into a recession, then growth expectations will reduce across the market and the growth rates of these secular trends will look increasingly attractive to investors.

Whilst interest rates remaining high is a concern, we have spent a lot of time looking at the debt profiles of our companies to ensure that we are comfortable with upcoming refinancing of maturing debt, and also the fixed/floating rate composition of the debt books.

Whatever your view of 2023, we believe that the sub-fund contains a lot of the desirable characteristics that investors are looking for. Our modelling is showing that infrastructure continues to offer good long-term opportunities, and as a result we remain fully invested.

As always, the team will continue to apply the process we have developed in a consistent manner as we seek attractive investment opportunities in high-quality names that also have sound environmental, social and governance (ESG) credentials.

Ausbil Investment Management Ltd  
9 March 2023

**Distributions**

	<u>Year 2023</u>
<u>X Income (pence per share)</u>	
Net income paid 31 March	0.5060
<u>X Accumulation (pence per share)</u>	
Net accumulation paid 31 March	0.5061

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the period from 20 September 2022 to 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
NextEra Energy	247,651
Transurban Group	214,270
Cellnex Telecom	205,026
American Tower	193,568
Cheniere Energy	188,514
Sempra Energy	177,474
VINCI	172,645
Ferrovial	172,642
Getlink	166,598
Ørsted	164,128
Other purchases	2,064,718
Total purchases for the period	3,967,234
<u>Sales</u>	<u>Proceeds (£)</u>
Vantage Towers	79,336
Transurban Group	41,355
Aena SME	36,696
Dominion Energy	28,973
National Grid	27,184
Aéroports de Paris	15,414
Severn Trent	11,405
Pennon Group	9,100
Total sales for the period	249,463

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**COMPARATIVE TABLE**

The launch period of the sub-fund ran from 20 September 2022 to 17 October 2022 where shares were available at 100 pence. The first valuation point was on 18 October 2022.

<b>X Income shares</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>31.01.2023<sup>A</sup></b>
	<b>pence</b>
Opening net asset value per share	100.00
Return before operating charges*	8.56
Operating charges	(0.20)
Return after operating charges*	8.36
Distributions on income shares	(0.51)
Closing net asset value per share	107.85
* after direct transaction costs of:	0.17
<b>Performance</b>	
Return after charges <sup>B</sup>	8.36%
<b>Other information</b>	
Closing net asset value (£)	55,343
Closing number of shares	51,312
Operating charges	0.64% <sup>C</sup>
Direct transaction costs	0.55% <sup>C</sup>
<b>Prices</b> (pence per share)	
Highest share price	109.97
Lowest share price	99.11
<b>X Accumulation shares</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>31.01.2023<sup>A</sup></b>
	<b>pence</b>
Opening net asset value per share	100.00
Return before operating charges*	8.56
Operating charges	(0.20)
Return after operating charges*	8.36
Distributions on accumulation shares	(0.51)
Retained distributions on accumulation shares	0.51
Closing net asset value per share	108.36
* after direct transaction costs of:	0.17
<b>Performance</b>	
Return after charges <sup>B</sup>	8.36%
<b>Other information</b>	
Closing net asset value (£)	4,011,075
Closing number of shares	3,701,629
Operating charges	0.64% <sup>C</sup>
Direct transaction costs	0.55% <sup>C</sup>
<b>Prices</b> (pence per share)	
Highest share price	109.97
Lowest share price	99.11

<sup>A</sup> Period from 17 October 2022 being the end of the launch period.

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

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

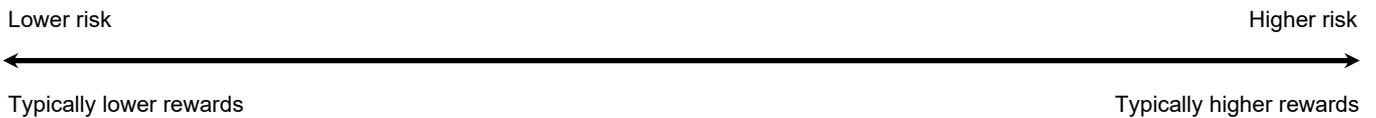
**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**COMPARATIVE TABLE**

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the period. However, the OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, www.ifslfunds.com) give an estimate of future costs. As the sub-fund does not have 12 months accounting data the OCFs are based on estimated expenses. The sub-fund is benefiting from expense funding whereby some of the charges outlined in the prospectus have been fully or partially funded. Without this expense funding it is anticipated the OCF would be higher and potentially to the extent of having a noticeable impact on the returns investors receive. The expenses will continue to be funded until the sub-fund grows to a size able to support the OCF quoted on the KIID.

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

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



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

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

The sub-fund has been measured as 6 because its investments have experienced high volatility in the past.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AUSTRALIA</b>		
32,541 Atlas Arteria	126,674	3.12
24,807 Transurban Group	194,413	4.78
Total Australia	<u>321,087</u>	<u>7.90</u>
<b>BELGIUM</b>		
908 Elia Group	103,205	2.54
Total Belgium	<u>103,205</u>	<u>2.54</u>
<b>DENMARK</b>		
2,330 Ørsted	166,938	4.10
Total Denmark	<u>166,938</u>	<u>4.10</u>
<b>FRANCE</b>		
1,140 Aéroports de Paris	143,004	3.52
12,346 Getlink	169,198	4.16
2,226 VINCI	203,587	5.01
Total France	<u>515,789</u>	<u>12.69</u>
<b>ITALY</b>		
7,859 Infrastrutture Wireless Italiane	69,665	1.71
26,486 Terna	169,454	4.17
Total Italy	<u>239,119</u>	<u>5.88</u>
<b>NEW ZEALAND</b>		
28,893 Auckland International Airport	127,855	3.14
Total New Zealand	<u>127,855</u>	<u>3.14</u>
<b>SPAIN</b>		
1,092 Aena SME	132,454	3.26
7,702 Cellnex Telecom	243,867	6.00
771 Corporación Acciona Energías Renovables	25,514	0.63
8,385 Ferrovial	200,082	4.92
Total Spain	<u>601,917</u>	<u>14.81</u>
<b>UNITED KINGDOM</b>		
3,351 National Grid	34,348	0.84
11,123 Pennon Group	101,998	2.51
3,216 Severn Trent	90,530	2.23
Total United Kingdom	<u>226,876</u>	<u>5.58</u>
<b>UNITED STATES</b>		
2,012 Ameren	141,992	3.49
1,134 American Tower	205,846	5.06
752 American Water Works Company	95,600	2.35
6,082 CenterPoint Energy	148,807	3.66
1,313 Cheniere Energy	162,822	4.00
1,267 Exelon	43,426	1.07
3,773 NextEra Energy	228,836	5.63
1,351 Ormat Technologies	101,557	2.50
665 SBA Communications 'A'	160,790	3.95
1,397 Sempra Energy	181,968	4.47
4,702 Williams Companies	123,143	3.03
1,660 Xcel Energy	92,749	2.28
Total United States	<u>1,687,536</u>	<u>41.49</u>
<b>Portfolio of investments</b>	3,990,322	98.13
<b>Net other assets</b>	76,096	1.87
<b>Total net assets</b>	<u><u>4,066,418</u></u>	<u><u>100.00</u></u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**PORTFOLIO TRANSACTIONS**

for the period from 20 September 2022 to 31 January 2023

£

Total purchases costs, including transaction charges

3,967,234

Total sales proceeds, net of transaction charges

249,463

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**STATEMENT OF TOTAL RETURN**

for the period from 20 September 2022 to 31 January 2023

	<b>31 January 2023</b>	
	£	£
Income:		
Net capital gains		248,497
Revenue	19,378	
Expenses	<u>(5,494)</u>	
Net revenue before taxation	13,884	
Taxation	<u>(2,341)</u>	
Net revenue after taxation		<u>11,543</u>
Total return before distributions		260,040
Distributions		(16,357)
Change in net assets attributable to shareholders from investment activities		<u><u>243,683</u></u>

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

for the period from 20 September 2022 to 31 January 2023

	<b>31 January 2023</b>	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	3,805,497	
Amounts payable on cancellation of shares	<u>(2,451)</u>	
		3,803,046
Dilution adjustment		955
Change in net assets attributable to shareholders from investment activities		243,683
Retained distribution on accumulation shares		18,734
Closing net assets attributable to shareholders		<u><u>4,066,418</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL ESSENTIAL INFRASTRUCTURE FUND**

**BALANCE SHEET**  
as at 31 January 2023

	<b>31 January 2023</b>
	<b>£</b>
<b>Assets:</b>	
<b>Fixed Assets:</b>	
Investments	3,990,322
<b>Current Assets:</b>	
Debtors	8,446
Cash and bank balances	70,666
Total assets	<u>4,069,434</u>
<b>Liabilities:</b>	
<b>Creditors:</b>	
Distribution payable on income shares	260
Other creditors	2,756
Total liabilities	<u>3,016</u>
<b>Net assets attributable to shareholders</b>	<u><u>4,066,418</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the period from 20 September 2022 to 31 January 2023

The launch period of the sub-fund ran from 20 September 2022 to 17 October 2022. Shares were first valued on 18 October 2022.

**Investment commentary**

Since the sub-fund's inception on 17 October 2022 to 31 January 2023, the sub-fund generated a total return of +4.49% underperforming the benchmark return of +8.28% (as measured by the IA Global sector).

The sub-fund underperformed the index by 3.79% since inception. The majority of the underperformance can be attributed to the elevated market risks during the January rally. The underweight allocation to the Energy sector and investments in the Health Care, Information Technology and Communication Services sectors were positive. However, this was offset by the sub-fund's overall defensive positioning which was a negative contributor to performance, especially the overweight positions in Consumer Staples and Utilities.

Disappointingly, the largest detractors came from our holdings in North America, particularly in the defensive Consumer Staples names which struggled to keep up with a rising market where anything that was significantly 'beat up' in 2022 had a remarkable turnaround at the start of 2023. Similarly, businesses with defensive growth earnings profiles across Materials, Financials and Real Estate were not rewarded by the market. Global Communication Services and European businesses exposed to Emerging Markets contributed positively to performance. Companies involved in manufacturing and capital goods and that are exposed to the return of manufacturing back to the US were also a highlight. Unique businesses with positive earnings trajectories also added strong contributions, such as Tecan Group in life sciences and domiciled in Switzerland; Greggs, the bakery chain in the UK; and power management business Vertiv in the US.

Outlook

Central banks are focused on fighting persistent inflation and are willingly prepared to move policy settings to restrictive levels. Their collective primary, and only objective, is to keep inflationary expectations well anchored despite the downside risks it presents to global economic growth. The US Federal Reserve (the Fed) does not see a recession as inevitable, and Powell is clear that he does not see interest rate cuts in 2023. There is a general consensus that we are close to the end of the tightening cycle. In this environment, we think earnings growth will be harder to come by this year at a market level, though we see a number of sectors and quality leaders still capable of delivering superior earnings growth in a slowing economy.

With the ending of the zero-COVID policy in China and the reported decrease in infection rates, real time data indicates a positive trend in the country's public health situation. Additionally, further government support for the household goods, automotives, and housing sectors in 2023 could lead to increased domestic consumer spending and economic growth. We expect businesses in sectors such as industrials and materials with substantial earnings exposure to China to benefit. The sub-fund is exposed to companies supplying inputs like raw materials, specialised chemicals and machinery to China and Emerging Markets. We increased this exposure during January. Similarly, we expect China consumer exposed businesses in Travel, Consumer Apparels and Automotives to see positive revisions to earnings. China exposure continues to offer some of the best risk/reward characteristics in our universe, and potentially strong annual returns relative to US focused growth and other disruptive opportunities.

The strategy remains biased to future global titans which we expect will deliver positive earnings surprises in the near and midterm. While we expect central banks to maintain restrictive monetary policies, creating tight financial conditions, the strategy continues to find unrecognised growth in niche global leaders in our universe of under-researched small caps.

Ausbil Investment Management Ltd  
9 March 2023

**Distributions**

X Accumulation (pence per share)

Net accumulation paid 31 March

Year 2023

0.2647

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the period from 20 September 2022 to 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Repligen	106,120
Selective Insurance Group	94,494
Vertiv Holdings Co	78,593
Atkore	75,931
EastGroup Properties	75,478
QIAGEN	72,783
Weis Markets	70,378
Menicon Co	65,871
ASR Nederland	64,749
Ingles Markets 'A'	63,073
Other purchases	2,457,297
Total purchases for the period	3,224,767

<u>Largest sales</u>	<u>Proceeds (£)</u>
Repligen	87,763
Capcom Co	66,225
EastGroup Properties	53,489
QIAGEN	53,263
Aedifica	48,388
Selective Insurance Group	47,617
Hubbell	42,924
ICF International	40,569
ASR Nederland	39,905
Vertiv Holdings Co	38,447
Other sales	562,822
Total sales for the period	1,081,412

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**COMPARATIVE TABLE**

The launch period of the sub-fund ran from 20 September 2022 to 17 October 2022 where shares were available at 100 pence. The first valuation point was on 18 October 2022.

<b>X Accumulation shares</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>31.01.2023<sup>A</sup></b>
	<b>pence</b>
Opening net asset value per share	100.00
Return before operating charges*	4.70
Operating charges	(0.30)
Return after operating charges*	4.40
Distributions on accumulation shares	(0.26)
Retained distributions on accumulation shares	0.26
Closing net asset value per share	104.40
* after direct transaction costs of:	0.12
<b>Performance</b>	
Return after charges <sup>B</sup>	4.40%
<b>Other information</b>	
Closing net asset value (£)	2,281,764
Closing number of shares	2,185,688
Operating charges	0.99% <sup>C</sup>
Direct transaction costs	0.41% <sup>C</sup>
<b>Prices (pence per share)</b>	
Highest share price	106.54
Lowest share price	98.78

<sup>A</sup> Period from 17 October 2022 being the end of the launch period.

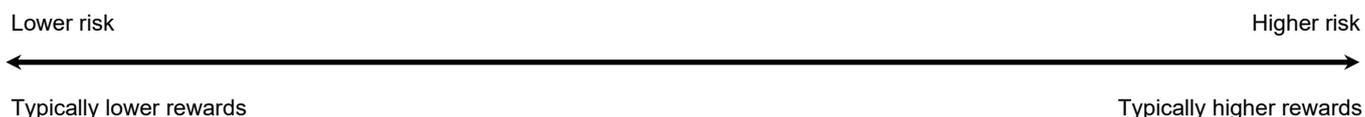
<sup>B</sup> The return after charges is calculated using the underlying investments bid prices.

<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 share class in the period. However, 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. As the sub-fund does not have 12 months accounting data the OCFs are based on estimated expenses. The sub-fund is benefiting from expense funding whereby some of the charges outlined in the prospectus have been fully or partially funded. Without this expense funding it is anticipated the OCF would be higher and potentially to the extent of having a noticeable impact on the returns investors receive. The expenses will continue to be funded until the sub-fund grows to a size able to support the OCF quoted on the KIID.

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

**SYNTHETIC RISK AND REWARD INDICATOR**



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

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

The sub-fund has been measured as 6 because its investments have experienced high volatility in the past.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AUSTRALIA</b>		
9,658 29Metals	10,781	0.47
2,824 Allkem	20,952	0.92
9,027 Sandfire Resources	32,246	1.41
Total Australia	<u>63,979</u>	<u>2.80</u>
<b>BELGIUM</b>		
258 Montea	16,757	0.74
Total Belgium	<u>16,757</u>	<u>0.74</u>
<b>CAYMAN ISLANDS</b>		
653 Cambium Networks	11,371	0.50
Total Cayman Islands	<u>11,371</u>	<u>0.50</u>
<b>DENMARK</b>		
375 Topdanmark	16,388	0.72
Total Denmark	<u>16,388</u>	<u>0.72</u>
<b>FINLAND</b>		
1,404 Kempower	28,311	1.24
573 QT Group	27,062	1.19
Total Finland	<u>55,373</u>	<u>2.43</u>
<b>FRANCE</b>		
946 Rexel	16,905	0.74
Total France	<u>16,905</u>	<u>0.74</u>
<b>GERMANY</b>		
472 Eckhart & Ziegler	22,159	0.97
479 Siltronic	32,167	1.41
Total Germany	<u>54,326</u>	<u>2.38</u>
<b>ISRAEL</b>		
1,190 InMode	33,883	1.49
Total Israel	<u>33,883</u>	<u>1.49</u>
<b>ITALY</b>		
2,220 Azimut Holding	44,765	1.96
2,187 Freni Brembo	23,777	1.04
Total Italy	<u>68,542</u>	<u>3.00</u>
<b>JAPAN</b>		
500 AIN Holdings	17,496	0.77
1,800 Amano	26,622	1.17
1,500 BIPROGY	31,680	1.39
800 BML	16,046	0.70
900 DMG Mori Seiki Co	11,073	0.49
1,500 Horiba	55,767	2.44
1,100 Konoike Transport Co	10,530	0.46
3,200 Menicon Co	56,986	2.50
300 Okuma	9,785	0.43
800 The Yokohama Rubber Company	10,597	0.46
300 ULVAC	11,266	0.49
Total Japan	<u>257,848</u>	<u>11.30</u>
<b>NETHERLANDS</b>		
740 ASR Nederland	28,322	1.24
529 QIAGEN	21,054	0.92
Total Netherlands	<u>49,376</u>	<u>2.16</u>
<b>SPAIN</b>		
949 CIE Automotive	22,812	1.00

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>SPAIN (continued)</b>		
542 Viscofan	28,291	1.24
Total Spain	<u>51,103</u>	<u>2.24</u>
<b>SWEDEN</b>		
2,412 Axfood	50,711	2.22
1,842 HEXPOL	16,097	0.71
1,880 Inwido	16,517	0.72
1,989 Lagercrantz Group 'B'	16,919	0.74
785 Paradox Interactive	11,323	0.50
923 Surgical Science Sweden	10,566	0.46
Total Sweden	<u>122,133</u>	<u>5.35</u>
<b>SWITZERLAND</b>		
78 Bucher Industries	28,599	1.25
145 Tecan Group	49,008	2.15
Total Switzerland	<u>77,607</u>	<u>3.40</u>
<b>UNITED KINGDOM</b>		
5,138 Britvic	39,922	1.75
1,696 CVS Group	33,954	1.49
1,240 Diploma	33,852	1.48
1,907 Greggs	51,298	2.25
993 Keywords Studios	28,042	1.23
1,690 Softcat	20,381	0.89
Total United Kingdom	<u>207,449</u>	<u>9.09</u>
<b>UNITED STATES</b>		
556 American States Water Company	42,577	1.87
446 Applied Industrial Technologies	51,901	2.27
889 Atkore	94,033	4.12
919 California Water Service Group	45,761	2.01
230 Cirrus Logic	16,891	0.74
742 Community Bank System	34,771	1.52
166 EastGroup Properties	22,687	0.99
426 EMCOR Group	51,321	2.25
162 Evercore	17,067	0.75
1,298 Flowers Foods	29,174	1.28
1,229 Heartland Financial USA	49,344	2.16
440 Ingles Markets 'A'	33,926	1.49
2,183 LSB Industries	22,546	0.99
739 LTC Properties	22,903	1.00
3,628 LXP Industrial Trust	34,020	1.49
3,149 Marten Transport	56,473	2.48
631 MasTec	50,366	2.21
182 Medpace Holdings	32,692	1.43
974 National Health Investors	46,529	2.04
2,322 Omega Healthcare Investors	55,510	2.43
304 Patrick Industries	17,529	0.77
585 Selective Insurance Group	45,150	1.98
1,368 Silgan Holdings	59,882	2.62
256 Stepan Company	22,847	1.00
1,642 Sterling Infrastructure	48,540	2.13
361 Tetra Tech	45,620	2.00
414 Trex Co	17,739	0.78
3,972 Vertiv Holdings Co	45,864	2.01
476 Weis Markets	33,384	1.46
Total United States	<u>1,147,047</u>	<u>50.27</u>
<b>Portfolio of investments</b>	2,250,087	98.61
<b>Net other assets</b>	31,677	1.39
<b>Total net assets</b>	<u><u>2,281,764</u></u>	<u><u>100.00</u></u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**PORTFOLIO TRANSACTIONS**

for the period from 20 September 2022 to 31 January 2023

**£**

Total purchases costs, including transaction charges

3,224,767

Total sales proceeds, net of transaction charges

1,081,412

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**STATEMENT OF TOTAL RETURN**

for the period from 20 September 2022 to 31 January 2023

	<b>31 January 2023</b>	
	£	£
Income:		
Net capital gains		87,806
Revenue	10,649	
Expenses	<u>(3,510)</u>	
Net revenue before taxation	7,139	
Taxation	<u>(1,470)</u>	
Net revenue after taxation		<u>5,669</u>
Total return before distributions		93,475
Distributions		(5,669)
Change in net assets attributable to shareholders from investment activities		<u><u>87,806</u></u>

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

for the period from 20 September 2022 to 31 January 2023

	<b>31 January 2023</b>	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	2,199,724	
Amounts payable on cancellation of shares	<u>(11,630)</u>	
		2,188,094
Dilution adjustment		77
Change in net assets attributable to shareholders from investment activities		87,806
Retained distribution on accumulation shares		5,787
Closing net assets attributable to shareholders		<u><u>2,281,764</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH GLOBAL SMALLCAP FUND**

**BALANCE SHEET**  
as at 31 January 2023

	<b>31 January 2023</b>
	<b>£</b>
<b>Assets:</b>	
<b>Fixed Assets:</b>	
Investments	2,250,087
<b>Current Assets:</b>	
Debtors	21,896
Cash and bank balances	13,706
Total assets	<u>2,285,689</u>
<b>Liabilities:</b>	
<b>Creditors:</b>	
Other creditors	3,925
Total liabilities	<u>3,925</u>
<b>Net assets attributable to shareholders</b>	<u><u>2,281,764</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 January 2023

**Performance to 31 January 2023**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Multi Cap Income Fund	(4.82)%	(10.58)%	(9.36)%	(0.47)%
IA UK Equity Income Sector	4.13%	2.27%	10.28%	16.62%
FTSE All-Share Total-Return (TR) Index	5.29%	5.20%	15.64%	23.08%

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

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

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

**Investment commentary**

The price of the sub-fund at the end of July 2022 was 224.13p (based on the P Accumulation share class). The sub-fund's target benchmark, the FTSE All-Share Index, was 4,107.01 at that time. Since then, the target benchmark has risen to 4,257.05 (31 January 2023); an increase of 3.65%.

The sub-fund price fell to 213.32p (based on the P Accumulation share class), down 4.82% in the half year to 31 January 2023. In comparison, the FTSE All-Share Total Return (TR) Index was up 5.20% from one year ago. The differential in performance versus the target benchmark is explained by the bias towards small and mid-cap stocks and a significant lack of commodities relative to the index, which rallied on both inflationary fears as well as the tragic consequences of Russia invading Ukraine. It was further compounded by the shock mini budget in the UK, under the short-lived Liz Truss government.

Since inception to the end of January 2023, the sub-fund is up 123.56%<sup>A</sup> (based on the P Accumulation share class) compared with the FTSE All-Share TR Index up 107.20% from 4,233.69 to 8,772.38 over the same period.

During the accounting period the sub-fund's comparator benchmark, the IA UK Equity Income Sector, returned 4.13%. The differential in performance versus the comparator benchmark is explained by the fact that the bulk of the peers are invested mainly in large-caps, in contrast to the sub-fund which is small and mid-cap focused.

The sub-fund was marked ex-dividend for the six month period to 31 January 2023, on 1 February 2023. Payments were made at the end of March 2023, as usual. There are slight variations in income distribution across the range of share classes, but we focus on the P Income share class, most held by investors. Please see the distributions table below.

The sub-fund value (based on bid values including creations) at the end of July 2022 was circa (c.) £792m. As of the end of January 2023, the sub-fund value was c. £631m. The sub-fund experienced net outflows to total c. £113m. Much of this was at a time when the weak pound hampered prospects for smaller domestic companies; the core focus of where this portfolio has a remit to invest. By way of reminder, although a multi-cap strategy with a relatively unconstrained approach, the sub-fund is still required to have a bias towards small-mid cap companies, which is what we have abided by since launch.

Since last month, the International Monetary Fund (IMF) has further downgraded its forecast for UK Gross Domestic Product (GDP) to -0.6% in 2023 compared with the +0.3% it had been expecting (in October 2022). Currency has been fairly stable at or above \$1.20/£ under the new Prime Minister, Rishi Sunak. We would like to see it retrace towards \$1.30/£ over the next 12-24 months as further sterling strength should help the domestic economy. It has been higher than this historically but will need genuine improvements in the current account deficit first.

Financial services company UBS, forecasts a 10-15% decline in the US dollar versus the G10 country currencies in 2023 (The Skinny Global Economics & Markets Outlook 2023-2024). In theory, this can be good for the pound, other things being equal. Hence, the backdrop is better now for UK domestic led businesses (and small mid cap stocks) as well as importers into the UK. There is likely to be some weaker economic data in the first half of 2023, which could be viewed as 'good news' if policy makers must then take a more dovish stance. This may be the catalyst for more supportive economic stimulus measures in the second half of the year. The UK raised rates by 50 basis points (bps) to 4% and the US Federal Reserve by 25bps to 4.75% in early February, which was expected in both cases.

Post pandemic, The Investment Association (IA) reinstated the dividend yield test (to deliver a historic yield on distributable income, in excess of 100% of the benchmark FTSE All-Share Index yield, at the "fund's year end on a 3-year rolling basis and 90% on an annual basis"). In this respect, we have continued to outperform the IA UK Equity Income Sector requirements, which keeps intact our record of beating the benchmark dividend yield consecutively in every year since launch.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 January 2023

Whilst not guaranteed, we feel the sub-fund remains well positioned for meeting its IA yield test objectives and currently offers a prospective yield of 5.05% compared with the FTSE All-Share Index yield at 3.42% (Financial Times 7 February 2023).

Hargreave Hale Limited  
7 February 2023

<sup>A</sup> P shares were not launched in 2011 but we assume an adjustment factor in the price here.

This report contains FTSE data. Source: FTSE International Limited ("FTSE") © FTSE 2023. "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>Year 2020</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	2.6841	2.8695	2.5064	3.4230
Net income paid 30 September		3.7747	3.3103	2.7146
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	4.4373	4.5254	3.7962	4.9620
Net accumulation paid 30 September		6.0690	5.1091	4.0207
<u>P Income (pence per share)</u>				
Net income paid 31 March	2.8881	3.0629	2.6551	3.5987
Net income paid 30 September		4.0455	3.5217	2.8662
<u>P Accumulation (pence per share)</u>				
Net accumulation paid 31 March	4.5467	4.6012	3.8310	4.9702
Net accumulation paid 30 September		6.1962	5.1776	4.0447

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
National Grid	4,161,642
Liontrust Asset Management	4,071,279
Clarkson	3,680,803
Gaztransport & Technigaz	3,559,427
Roche Holding	2,824,247
Redde Northgate	2,349,294
Solid State	2,199,265
GSK	2,019,469
Smith (DS)	1,959,282
Compass Group	1,933,489
Other purchases	49,548,428
Total purchases for the period	78,306,625
<u>Largest sales</u>	<u>Proceeds (£)</u>
Telecom Plus	15,298,448
Severn Trent	15,251,130
3i Group	9,983,370
Phoenix Group Holdings	9,223,939
EMIS Group	8,024,775
Strix Group	7,840,635
Legal & General Group	6,245,557
Princess Private Equity Holding	5,743,457
Safestore Holdings	4,863,724
NN Group	4,699,889
Other sales	82,707,715
Total sales for the period	169,882,639

IFSL MARLBOROUGH NO 2 OEIC  
IFSL MARLBOROUGH MULTI CAP INCOME FUND

COMPARATIVE TABLE

<b><u>A Income shares</u></b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	131.97	149.64	120.05	147.88
Return before operating charges*	(5.80)	(8.69)	37.61	(19.55)
Operating charges	(0.96)	(2.34)	(2.20)	(2.14)
Return after operating charges*	(6.76)	(11.03)	35.41	(21.69)
Distributions on income shares	(2.68)	(6.64)	(5.82)	(6.14)
Closing net asset value per share	122.53	131.97	149.64	120.05
* after direct transaction costs of:	0.11	0.22	0.31	0.47
<b>Performance</b>				
Return after charges <sup>A</sup>	(5.12)%	(7.37)%	29.50%	(14.67)%
<b>Other information</b>				
Closing net asset value (£)	31,182,912	38,281,300	49,376,994	52,893,731
Closing number of shares	25,448,713	29,006,590	32,998,094	44,058,946
Operating charges	1.58% <sup>B,C</sup>	1.60% <sup>B</sup>	1.62% <sup>B</sup>	1.53%
Direct transaction costs	0.18% <sup>C</sup>	0.15%	0.23%	0.33%
<b>Prices (pence per share)</b>				
Highest share price	134.23	159.43	153.74	164.94
Lowest share price	107.27	127.25	119.08	95.34
<b><u>A Accumulation shares</u></b>				
<b>Change in net assets per share</b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	218.26	236.05	181.85	214.36
Return before operating charges*	(9.61)	(14.07)	57.56	(29.38)
Operating charges	(1.59)	(3.72)	(3.36)	(3.13)
Return after operating charges*	(11.20)	(17.79)	54.20	(32.51)
Distributions on accumulation shares	(4.44)	(10.59)	(8.91)	(8.98)
Retained distributions on accumulation shares	4.44	10.59	8.91	8.98
Closing net asset value per share	207.06	218.26	236.05	181.85
* after direct transaction costs of:	0.18	0.35	0.48	0.68
<b>Performance</b>				
Return after charges <sup>A</sup>	(5.13)%	(7.54)%	29.80%	(15.17)%
<b>Other information</b>				
Closing net asset value (£)	51,393,951	58,528,386	69,165,210	68,046,502
Closing number of shares	24,820,774	26,815,413	29,300,796	37,419,657
Operating charges	1.58% <sup>B,C</sup>	1.60% <sup>B</sup>	1.62% <sup>B</sup>	1.53%
Direct transaction costs	0.18% <sup>C</sup>	0.15%	0.23%	0.33%
<b>Prices (pence per share)</b>				
Highest share price	221.94	251.44	237.29	240.84
Lowest share price	177.38	204.61	180.36	141.21

<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 NO 2 OEIC  
IFSL MARLBOROUGH MULTI CAP INCOME FUND

COMPARATIVE TABLE

<b>P Income shares</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.01.2023</b>	<b>31.07.2022</b>	<b>31.07.2021</b>	<b>31.07.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	141.70	159.45	126.97	155.20
Return before operating charges*	(6.21)	(9.30)	39.91	(20.62)
Operating charges	(0.54)	(1.34)	(1.25)	(1.15)
Return after operating charges*	(6.75)	(10.64)	38.66	(21.77)
Distributions on income shares	(2.89)	(7.11)	(6.18)	(6.46)
Closing net asset value per share	132.06	141.70	159.45	126.97

\* after direct transaction costs of: 0.12 0.24 0.33 0.49

**Performance**

Return after charges<sup>A</sup> (4.76)% (6.67)% 30.45% (14.03)%

**Other information**

Closing net asset value (£)	274,751,047	365,658,937	656,711,990	626,674,244
Closing number of shares	208,042,493	258,050,071	411,857,122	493,579,930
Operating charges	0.83% <sup>B,C</sup>	0.85% <sup>B</sup>	0.87% <sup>B</sup>	0.78%
Direct transaction costs	0.18% <sup>C</sup>	0.15%	0.23%	0.33%

**Prices (pence per share)**

Highest share price	144.17	170.44	163.81	173.74
Lowest share price	115.35	136.22	126.15	100.54

**P Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.01.2023</b>	<b>31.07.2022</b>	<b>31.07.2021</b>	<b>31.07.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	223.22	239.60	183.21	214.35
Return before operating charges*	(9.81)	(14.36)	58.22	(29.54)
Operating charges	(0.85)	(2.02)	(1.83)	(1.60)
Return after operating charges*	(10.66)	(16.38)	56.39	(31.14)
Distributions on accumulation shares	(4.55)	(10.80)	(9.01)	(9.01)
Retained distributions on accumulation shares	4.55	10.80	9.01	9.01
Closing net asset value per share	212.56	223.22	239.60	183.21

\* after direct transaction costs of: 0.19 0.36 0.48 0.69

**Performance**

Return after charges<sup>A</sup> (4.78)% (6.84)% 30.78% (14.53)%

**Other information**

Closing net asset value (£)	273,973,649	329,426,921	384,261,602	326,872,439
Closing number of shares	128,892,567	147,581,476	160,374,249	178,418,175
Operating charges	0.83% <sup>B,C</sup>	0.85% <sup>B</sup>	0.87% <sup>B</sup>	0.78%
Direct transaction costs	0.18% <sup>C</sup>	0.15%	0.23%	0.33%

**Prices (pence per share)**

Highest share price	227.06	256.05	240.84	241.84
Lowest share price	181.69	208.62	182.00	141.88

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

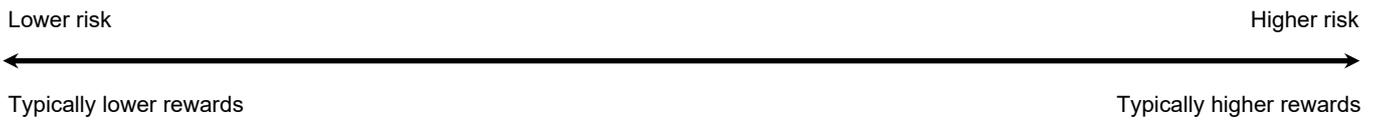
<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

<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 share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

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



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

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

The sub-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 NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AEROSPACE AND DEFENCE</b> (31 July 2022 - 0.39%)		
400,000 Chemring Group	1,122,000	0.18
1,300,000 QinetiQ Group	4,542,200	0.72
Total Aerospace and Defence	<u>5,664,200</u>	<u>0.90</u>
<b>BANKS</b> (31 July 2022 - 0.66%)		
350,000 Investec	1,824,900	0.29
53,895 Secure Trust Bank	390,200	0.06
Total Banks	<u>2,215,100</u>	<u>0.35</u>
<b>BEVERAGES</b> (31 July 2022 - 0.57%)		
348,511 Shepherd Neame	2,143,343	0.34
Total Beverages	<u>2,143,343</u>	<u>0.34</u>
<b>CHEMICALS</b> (31 July 2022 - 0.32%)		
<b>CLOSED END INVESTMENTS</b> (31 July 2022 - 1.10%)		
1,000,000 3i Infrastructure	3,320,000	0.53
100,000 Blackrock World Mining Trust	744,000	0.12
3,000,000 Gore Street Energy Storage Fund	3,300,000	0.52
3,500,000 Tufton Oceanic Assets	3,237,323	0.51
Total Closed End Investments	<u>10,601,323</u>	<u>1.68</u>
<b>CONSTRUCTION AND MATERIALS</b> (31 July 2022 - 5.16%)		
150,000 Balfour Beatty	551,100	0.09
1,004,114 Forterra	2,113,660	0.33
800,000 Marshalls	2,657,600	0.42
500,000 Morgan Sindall Group	8,030,000	1.27
691,111 Norcross	1,423,689	0.23
570,000 Renew Holdings	4,172,400	0.66
2,560,000 Ricardo	13,926,400	2.21
2,350,000 Severfield	1,438,200	0.23
Total Construction and Materials	<u>34,313,049</u>	<u>5.44</u>
<b>CONSUMER SERVICES</b> (31 July 2022 - 0.54%)		
100,000 Compass Group	1,929,000	0.31
Total Consumer Services	<u>1,929,000</u>	<u>0.31</u>
<b>ELECTRICITY</b> (31 July 2022 - 1.59%)		
1,700,000 Drax Group	10,897,000	1.73
Total Electricity	<u>10,897,000</u>	<u>1.73</u>
<b>ELECTRONIC AND ELECTRICAL EQUIPMENT</b> (31 July 2022 - 2.14%)		
300,000 Morgan Advanced Materials	933,000	0.15
250,000 Solid State	3,275,000	0.52
Total Electronic and Electrical Equipment	<u>4,208,000</u>	<u>0.67</u>
<b>FINANCE AND CREDIT SERVICES</b> (31 July 2022 - 2.84%)		
270,000 Mortgage Advice Bureau (Holdings)	1,539,000	0.24
500,000 OSB Group	2,722,500	0.43
3,500,000 Paragon Banking Group	20,877,500	3.31
Total Finance and Credit Services	<u>25,139,000</u>	<u>3.98</u>
<b>FOOD PRODUCERS</b> (31 July 2022 - 0.86%)		
300,000 MP Evans Group	2,406,000	0.38
100,000 Tate & Lyle	758,400	0.12
Total Food Producers	<u>3,164,400</u>	<u>0.50</u>
<b>GAS, WATER AND MULTI-UTILITIES</b> (31 July 2022 - 3.14%)		
800,000 National Grid	8,208,000	1.30
100,000 Severn Trent	2,828,000	0.45
Total Gas, Water and Multi-utilities	<u>11,036,000</u>	<u>1.75</u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>GENERAL INDUSTRIALS (31 July 2022 - 2.17%)</b>		
300,000 Coats Group	214,500	0.03
1,220,976 Hargreaves Services	5,262,407	0.83
9,388,467 Macfarlane Group	9,764,006	1.55
600,000 Smith (DS)	2,090,400	0.33
Total General Industrials	<u>17,331,313</u>	<u>2.74</u>
<b>HEALTH CARE PROVIDERS (31 July 2022 - 0.47%)</b>		
<b>HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2022 - 5.60%)</b>		
502,057 Churchill China	6,526,741	1.03
285,500 MJ Gleeson	1,147,710	0.18
5,400,003 Taylor Wimpey	6,264,004	0.99
2,300,000 Vistry Group	16,985,500	2.69
1,000,000 Watkin Jones	1,102,000	0.17
250,000 Sanderson Design Group	325,000	0.05
Total Household Goods and Home Construction	<u>32,350,955</u>	<u>5.11</u>
<b>INDUSTRIAL ENGINEERING (31 July 2022 - 0.32%)</b>		
400,000 Castings	1,424,000	0.23
450,000 Somero Enterprises	1,800,000	0.29
Total Industrial Engineering	<u>3,224,000</u>	<u>0.52</u>
<b>INDUSTRIAL METALS AND MINING (31 July 2022 - 2.82%)</b>		
750,000 Central Asia Metals	2,088,750	0.33
11,500,000 Ecora Resources	16,675,000	2.64
1,100,000 Kenmare Resources	5,236,000	0.83
Total Industrial Metals and Mining	<u>23,999,750</u>	<u>3.80</u>
<b>INDUSTRIAL SUPPORT SERVICES (31 July 2022 - 4.60%)</b>		
50,000 DCC	2,282,500	0.36
476,004 FDM Group (Holdings)	3,603,350	0.57
3,514,399 Hays	4,305,139	0.68
700,000 Inchcape	6,384,000	1.01
70,000 Keystone Law Group	301,000	0.05
1,500,000 Midwich Group	7,320,000	1.16
672,500 NWF Group	1,546,750	0.25
500,000 PageGroup	2,231,000	0.35
400,000 RWS Holdings	1,494,400	0.24
Total Industrial Support Services	<u>29,468,139</u>	<u>4.67</u>
<b>INDUSTRIAL TRANSPORTATION (31 July 2022 - 0.86%)</b>		
301,500 Braemar	946,710	0.15
110,000 Clarkson	3,333,000	0.53
900,000 Redde Northgate	3,910,500	0.62
1,425,000 Wincanton	4,218,000	0.67
Total Industrial Transportation	<u>12,408,210</u>	<u>1.97</u>
<b>INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2022 - 13.56%)</b>		
1,250,000 3i Group	19,575,000	3.10
1,100,000 Bridgepoint Group	2,642,200	0.42
4,602,190 Cenkos Securities	2,163,029	0.34
938,921 Finncap Group	117,365	0.02
100,000 Impax Asset Management Group	766,000	0.12
400,000 IntegraFin Holdings	1,260,000	0.20
1,400,000 Intermediate Capital Group	19,173,000	3.04
900,000 Liontrust Asset Management	10,368,000	1.64
1,000,000 M&G	2,021,000	0.32
3,000,000 Man Group	7,431,000	1.18
75,000 Mattioli Woods	480,000	0.08
500,000 Ninety One	995,000	0.16
1,117,790 Numis	2,274,703	0.36

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>INVESTMENT BANKING AND BROKERAGE SERVICES (continued)</b>		
4,443,000 Polar Capital Holdings	22,614,870	3.58
4,000,000 Premier Miton Group	4,600,000	0.73
292,867 Rathbone Brothers	6,120,920	0.97
500,000 Record	476,000	0.08
Total Investment Banking and Brokerage Services	<u>103,078,087</u>	<u>16.34</u>
<b>LEISURE GOODS (31 July 2022 - 1.06%)</b>		
120,000 Games Workshop Group	11,034,000	1.75
Total Leisure Goods	<u>11,034,000</u>	<u>1.75</u>
<b>LIFE INSURANCE (31 July 2022 - 6.36%)</b>		
500,000 Aviva	2,271,500	0.36
7,154,313 Chesnara	20,568,650	3.26
4,200,000 Legal & General Group	10,630,200	1.68
Total Life Insurance	<u>33,470,350</u>	<u>5.30</u>
<b>MEDIA (31 July 2022 - 3.22%)</b>		
5,150,000 Bloomsbury Publishing	22,685,750	3.59
1,171,466 STV Group	2,987,238	0.47
Total Media	<u>25,672,988</u>	<u>4.06</u>
<b>NON-LIFE INSURANCE (31 July 2022 - 1.72%)</b>		
300,000 Admiral Group	6,600,000	1.05
4,500,000 Sabre Insurance Group	4,509,000	0.71
Total Non-life Insurance	<u>11,109,000</u>	<u>1.76</u>
<b>OIL, GAS AND COAL (31 July 2022 - 4.76%)</b>		
1,900,000 BP	9,170,350	1.45
17,250,000 Diversified Energy Company	18,975,000	3.01
500,000 Gulf Keystone Petroleum	1,010,000	0.16
11,000,000 i3 Energy	2,266,000	0.36
1,250,000 Serica Energy	3,081,250	0.49
240,000 TotalEnergies	12,006,277	1.90
Total Oil, Gas and Coal	<u>46,508,877</u>	<u>7.37</u>
<b>PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2022 - 1.02%)</b>		
200,000 Greggs	5,360,000	0.85
3,000,000 Kitwave Group	5,460,000	0.86
Total Personal Care, Drug and Grocery Stores	<u>10,820,000</u>	<u>1.71</u>
<b>PERSONAL GOODS (31 July 2022 - Nil)</b>		
50,000 Burberry Group	1,223,500	0.19
Total Personal Goods	<u>1,223,500</u>	<u>0.19</u>
<b>PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2022 - 0.62%)</b>		
402,500 Anpario	1,368,500	0.22
45,000 Bioventix	1,836,000	0.29
190,000 GSK	2,696,860	0.43
Total Pharmaceuticals and Biotechnology	<u>5,901,360</u>	<u>0.94</u>
<b>PRECIOUS METALS AND MINING (31 July 2022 - 0.12%)</b>		
1,500,000 Sylvania Platinum	1,575,000	0.25
Total Precious Metals and Mining	<u>1,575,000</u>	<u>0.25</u>
<b>REAL ESTATE INVESTMENT AND SERVICES (31 July 2022 - 1.68%)</b>		
1,820,500 Belvoir Group	3,313,310	0.52
900,000 Boot (Henry)	2,142,000	0.34
976,919 M Winkworth	1,611,916	0.25
343,072 Savills	3,336,375	0.53
250,000 The Property Franchise Group	587,500	0.09
Total Real Estate Investment and Services	<u>10,991,101</u>	<u>1.73</u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>REAL ESTATE INVESTMENT TRUSTS</b> (31 July 2022 - 11.21%)		
1,550,000 Big Yellow Group	18,894,500	2.99
8,700,000 LondonMetric Property	16,538,700	2.62
1,000,000 LXi REIT	1,142,000	0.18
2,150,000 Safestore Holdings	21,822,500	3.46
5,500,000 Supermarket Income REIT	5,324,000	0.84
Total Real Estate Investment Trusts	<u>63,721,700</u>	<u>10.09</u>
<b>RETAILERS</b> (31 July 2022 - 3.68%)		
1,000,000 Dunelm Group	11,570,000	1.83
2,500,000 Halfords Group	5,060,000	0.80
3,400,000 Lookers	2,917,200	0.46
3,000,000 Pets at Home Group	10,740,000	1.70
758,992 Topps Tiles	349,895	0.05
Total Retailers	<u>30,637,095</u>	<u>4.84</u>
<b>SOFTWARE AND COMPUTER SERVICES</b> (31 July 2022 - 1.80%)		
<b>TELECOMMUNICATIONS EQUIPMENT</b> (31 July 2022 - 0.39%)		
1,100,000 Spirent Communications	2,422,200	0.38
Total Telecommunications Equipment	<u>2,422,200</u>	<u>0.38</u>
<b>TELECOMMUNICATIONS SERVICE PROVIDERS</b> (31 July 2022 - 4.36%)		
850,000 Telecom Plus	17,042,500	2.70
Total Telecommunications Service Providers	<u>17,042,500</u>	<u>2.70</u>
<b>TRAVEL AND LEISURE</b> (31 July 2022 - 0.33%)		
800,000 Cake Box Holdings	1,128,000	0.18
750,000 Hollywood Bowl Group	1,946,250	0.31
Total Travel and Leisure	<u>3,074,250</u>	<u>0.49</u>
<b>OVERSEAS SECURITIES</b> (31 July 2022 - 5.32%)		
40,000 Aker BP	970,753	0.15
215,234 Cibus Nordic Real Estate	2,507,392	0.40
45,000 Gaztransport & Technigaz	3,991,982	0.63
200,000 NN Group	6,987,836	1.11
2,000 Zurich Insurance Group	792,365	0.13
Total Overseas Securities	<u>15,250,328</u>	<u>2.42</u>
<b>Portfolio of investments</b>	623,625,118	98.78
<b>Net other assets</b>	7,676,441	1.22
<b>Total net assets</b>	<u><u>631,301,559</u></u>	<u><u>100.00</u></u>

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 January 2023

	£
Total purchases costs, including transaction charges	78,306,625
Total sales proceeds, net of transaction charges	169,882,639

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Income:				
Net capital losses		(55,502,623)		(26,455,264)
Revenue	15,603,855		22,850,826	
Expenses	<u>(2,981,402)</u>		<u>(5,069,595)</u>	
Net revenue before taxation	12,622,453		17,781,231	
Taxation	<u>(248,155)</u>		<u>(342,518)</u>	
Net revenue after taxation		<u>12,374,298</u>		<u>17,438,713</u>
Total return before distributions		(43,128,325)		(9,016,551)
Distributions		(15,060,164)		(22,093,454)
Change in net assets attributable to shareholders from investment activities		<u><u>(58,188,489)</u></u>		<u><u>(31,110,005)</u></u>

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

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 791,895,544		1,159,843,963
Amounts receivable on issue of shares	2,194,900		36,261,856	
Amounts payable on cancellation of shares	(111,612,691)		(71,947,840)	
Amounts payable on share class conversions	<u>4</u>		<u>2</u>	
		(109,417,787)		(35,685,982)
Dilution adjustment		50,384		349,722
Change in net assets attributable to shareholders from investment activities		(58,188,489)		(31,110,005)
Retained distribution on accumulation shares		6,961,737		8,541,820
Unclaimed distributions		170		-
Closing net assets attributable to shareholders		<u><u>631,301,559</u></u>		<sup>A</sup> <u><u>1,101,939,518</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 NO 2 OEIC**  
**IFSL MARLBOROUGH MULTI CAP INCOME FUND**

**BALANCE SHEET**  
as at 31 January 2023

	<b>31 January 2023</b>	<b>31 July 2022</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	623,625,118	770,984,471
<b>Current Assets:</b>		
Debtors	4,141,618	4,154,402
Cash and bank balances	15,934,547	30,661,578
<b>Total assets</b>	<u>643,701,283</u>	<u>805,800,451</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	687	-
Distribution payable on income shares	6,691,569	11,534,502
Other creditors	5,707,468	2,370,405
<b>Total liabilities</b>	<u>12,399,724</u>	<u>13,904,907</u>
<b>Net assets attributable to shareholders</b>	<u>631,301,559</u>	<u>791,895,544</u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**AUTHORISED INVESTMENT ADVISER'S REPORT**

for the six month period ended 31 January 2023

**Performance to 31 January 2023**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>01.11.2013<sup>A</sup></u>
IFSL Marlborough Nano-Cap Growth Fund	(1.64)%	(20.94)%	14.62%	36.45%	133.09%
IA UK Smaller Companies Sector	(3.04)%	(16.67)%	(1.42)%	9.16%	81.05%
FTSE SmallCap Index (ex. Investment Cos)	0.54%	(10.00)%	15.91%	18.72%	74.70%

<sup>A</sup> Launch period ended 31 October 2013.

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

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

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

**Investment commentary**

During the six-month period from 1 August 2022 to 31 January 2023, the price of the sub-fund's P Accumulation units fell 1.64%. This compared to a fall of 3.04% in the IA UK Smaller Companies sector.

The previous six months represented one of the most turbulent periods in recent times. Russia's invasion of Ukraine had a profound geopolitical and economic impact and contributed to elevated commodity prices that persisted throughout the period. This, in turn, led to a significant rise in inflation globally and depleted consumers' spending power. In response to multi-decade high inflation, central banks raised interest rates to curtail further increases in headline, and more importantly, core inflation. Whilst many commentators argued central bankers were not aggressive enough in their monetary policy tightening initiatives, their actions contributed to an aggressive sell-off, with growth-orientated and long duration assets particularly affected by rapid and substantial de-ratings. Although interest rates are likely to continue rising, they may be approaching their peak in this cycle.

We believe global investors' perception of the UK as a bastion of monetary, political, and fiscal stability was significantly undermined in the period. The period saw no fewer than three Prime Ministers and three Chancellors, marking it out as one of the most politically unstable periods in British history. In addition, the UK government's cost of borrowing rose sharply throughout the period as UK inflation reached a 41-year high and continued to diverge materially from the Bank of England base rate. UK government cost of borrowing as reflected by gilt yields posted record daily movements in the second half of 2022, peaking in September; and the pound hit a record low against the US dollar. It took the belated intervention by the Bank of England and a budget that promised a £55bn fiscal contraction from Jeremy Hunt as Chancellor to restore some semblance of calm in the financial markets.

Rising inflation and household expenditures, rising interest rates and rising taxes amounted to what has been labelled the 'cost-of-living crisis'. This, coupled with a confluence of strike action across multiple sectors throughout the period, contributed to UK consumer confidence hitting record lows. Moreover, Purchasing Managers Index (PMI) readings, a broad measure of economic vitality, deteriorated worldwide, indicating the UK was not the only region under pressure. Sources of encouragement thus far have been the unemployment rate remaining low with job vacancies appearing to be high, and solid corporate balance sheets, somewhat mitigating the negative impacts of an inflationary environment.

Despite the negative headlines, many of our companies issued positive results and demonstrated their ability to adapt during the period.

Biggest winners during the period included IG Design, IQGEO, hVIVO, Ten Lifestyle, Artisanal Spirits, Phoenix Copper, Intercede, K3 Capital, Record and Zoo Digital. Largest losers during the period included Xeros Technology, Creo Medical, Dianomi, Engage XR, Rosslyn Data Technologies, Eenergy, Gfinity, Induction Healthcare, Longboat Energy and XLMedia.

Winners

IG Design, the designer and manufacturer of gift packaging, stationery and arts and crafts products, rose 73% in the period. Following a disappointing prior twelve months, the company's trading improved significantly, with many customers moving to order forward prior to the 2022 Christmas period, which subsequently led management to report a very encouraging trading update and set of interim results. IG Design have not been immune to weak consumer sentiment and inflationary headwinds; however, the management team restructured and simplified the business to focus on growth initiatives and given its low valuation, we believe the business should continue to perform well moving forward.

Losers

Xeros Technology, the specialist technology company whose products are designed to save water and cut microplastics and chemicals used in textile manufacturing and laundry markets, fell 85% in the period. The company continued to burn cash in pursuit of commercial traction, which unfortunately did not materialise into tangible financial results despite serious interest from global players, and this subsequently led to a circa £6m fundraise at a significantly discounted price. Although disappointing, a new CEO was appointed in August 2022 who appears to have a solid commercial background and it is hoped his new commercial strategy will bear fruit in 2023.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**AUTHORISED INVESTMENT ADVISER'S REPORT**

for the six month period ended 31 January 2023

Moving forward into 2023, the economic and geopolitical environment remains volatile. While valuation multiples have contracted in 2022, it remains to be seen the extent to which earnings may contract in 2023. The duration and amplitude of a UK economic contraction should determine this and some companies could prove either more resilient to this environment or may already be valued in anticipation of part of this. We continue to believe UK assets are attractively valued relative to other markets and we will seek to invest in companies with attractive risk/reward profiles that we believe can perform over the medium-term, irrespective of the macroeconomic environment.

To conclude, we believe the UK equity market remains at a material discount relative to other developed market equity indices. This is particularly so for the small and mid-cap names that populate our portfolio. Asset allocators have moved to allocate a lower relative exposure to UK assets, though there is scope for this to shift. Inflation may moderate in the coming quarters, although it is uncertain where it ends up relative to pre-pandemic levels. Lower volatility and lower bond yields may translate to increased confidence, feeding a more positive equity backdrop. Stabilisation of the bond market may support the pound versus the US dollar. We also believe we will continue to see increased mergers and acquisitions (M&A) activity in the short- to medium-term.

Hargreave Hale Limited  
8 March 2023

This report contains FTSE data. Source: FTSE International Limited ("FTSE") © FTSE 2023. "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>Year 2020</u>
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	-	-	-	-
Net accumulation paid 30 September		-	-	-
<u>P Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.1437	-	-	-
Net accumulation paid 30 September		-	-	-

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**AUTHORISED INVESTMENT ADVISER'S REPORT**  
for the six month period ended 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
H&T Group	1,597,703
Ashtead Technology Holdings	1,439,178
Saietta Group	1,430,233
IG Design Group	1,096,546
Redcentric	881,135
Surface Transforms	745,330
Inspecc Group	704,781
Argentex Group	586,895
HeiQ	500,115
Zinc Media Group	500,000
Other purchases	6,110,060
Total purchases for the period	15,591,976

<u>Largest sales</u>	<u>Proceeds (£)</u>
IQGeo Group	4,029,831
Moxico Resources	2,263,221
ATTRAQT Group	2,106,044
Alpha Group International	1,700,054
Volex	1,604,870
Cerillion	1,468,996
Eagle Eye Solutions Group	1,124,999
Marlowe	1,087,960
Beeks Financial Cloud Group	1,018,399
Access Intelligence	979,999
Other sales	7,734,037
Total sales for the period	25,118,410

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**COMPARATIVE TABLE**

<b><u>A Accumulation shares</u></b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	211.28	279.21	166.25	169.31
Return before operating charges*	(7.52)	(63.87)	116.64	(0.49)
Operating charges	(1.61)	(4.06)	(3.68)	(2.57)
Return after operating charges*	(9.13)	(67.93)	112.96	(3.06)
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	202.15	211.28	279.21	166.25
* after direct transaction costs of:	0.10	0.17	0.24	0.17
<b>Performance</b>				
Return after charges <sup>A</sup>	(4.32)%	(24.33)%	67.95%	(1.81)%
<b>Other information</b>				
Closing net asset value (£)	22,769,346	25,065,803	34,831,740	19,579,431
Closing number of shares	11,263,563	11,863,768	12,474,902	11,777,079
Operating charges	1.56% <sup>B,C</sup>	1.56% <sup>B</sup>	1.56% <sup>B</sup>	1.55%
Direct transaction costs	0.10% <sup>C</sup>	0.07%	0.10%	0.10%
<b>Prices (pence per share)</b>				
Highest share price	215.81	297.58	293.57	186.23
Lowest share price	187.42	205.55	165.50	114.60
<b><u>P Accumulation shares</u></b>	<b>Period to 31.01.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>	<b>Year to 31.07.2020</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	225.91	296.21	175.09	176.93
Return before operating charges*	(8.02)	(68.05)	123.16	(0.44)
Operating charges	(0.90)	(2.25)	(2.04)	(1.40)
Return after operating charges*	(8.92)	(70.30)	121.12	(1.84)
Distributions on accumulation shares	(0.14)	-	-	-
Retained distributions on accumulation shares	0.14	-	-	-
Closing net asset value per share	216.99	225.91	296.21	175.09
* after direct transaction costs of:	0.11	0.19	0.25	0.18
<b>Performance</b>				
Return after charges <sup>A</sup>	(3.95)%	(23.73)%	69.18%	(1.04)%
<b>Other information</b>				
Closing net asset value (£)	167,186,319	183,131,853	315,583,278	163,648,738
Closing number of shares	77,047,298	81,064,828	106,539,742	93,467,101
Operating charges	0.81% <sup>B,C</sup>	0.81% <sup>B</sup>	0.81% <sup>B</sup>	0.80%
Direct transaction costs	0.10% <sup>C</sup>	0.07%	0.10%	0.10%
<b>Prices (pence per share)</b>				
Highest share price	230.62	315.80	310.74	195.33
Lowest share price	200.54	219.52	174.18	120.29

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

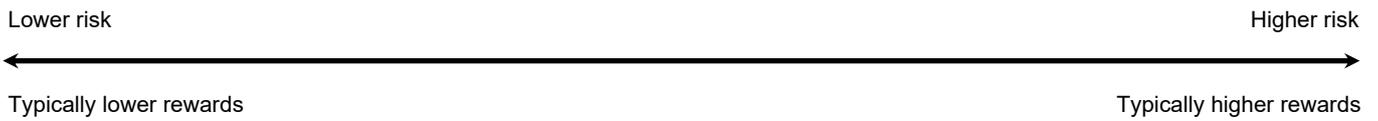
<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

<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 share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

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



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

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

The sub-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 NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AEROSPACE AND DEFENCE</b> (31 July 2022 - 0.07%)		
<b>AUTOMOBILES AND PARTS</b> (31 July 2022 - 0.65%)		
1,036,401 Saietta Group	497,472	0.26
4,684,255 Surface Transforms	1,686,332	0.89
Total Automobiles and Parts	<u>2,183,804</u>	<u>1.15</u>
<b>BEVERAGES</b> (31 July 2022 - 1.11%)		
1,524,463 Gusbourne	1,082,369	0.57
65,000 Shepherd Neame	399,750	0.21
1,250,000 The Artisanal Spirits Company	1,087,500	0.57
Total Beverages	<u>2,569,619</u>	<u>1.35</u>
<b>CHEMICALS</b> (31 July 2022 - 0.44%)		
2,525,305 Hardide	328,290	0.17
700,000 HeiQ	231,000	0.12
5,000,000 Plant Health Care	550,000	0.29
Total Chemicals	<u>1,109,290</u>	<u>0.58</u>
<b>CLOSED END INVESTMENTS</b> (31 July 2022 - 1.74%)		
550,000 Augmentum Fintech	533,500	0.28
2,000,000 Golden Prospect Precious Metals	710,000	0.37
3,750,000 KRM22	1,650,000	0.87
Total Closed End Investments	<u>2,893,500</u>	<u>1.52</u>
<b>CONSTRUCTION AND MATERIALS</b> (31 July 2022 - 0.90%)		
27,300 Accsys Technologies	23,860	0.01
25,000 Norcros	51,500	0.03
3,247,581 SigmaRoc	1,929,063	1.02
Total Construction and Materials	<u>2,004,423</u>	<u>1.06</u>
<b>ELECTRONIC AND ELECTRICAL EQUIPMENT</b> (31 July 2022 - 3.99%)		
22,635,807 CAP-XX	656,438	0.35
884,284 SDI Group	1,609,397	0.85
6,500,000 Thruvision Group	1,430,000	0.75
750,000 Volex	1,863,750	0.98
Total Electronic and Electrical Equipment	<u>5,559,585</u>	<u>2.93</u>
<b>FINANCE AND CREDIT SERVICES</b> (31 July 2022 - Nil)		
375,000 H&T Group	1,638,750	0.86
Total Finance and Credit Services	<u>1,638,750</u>	<u>0.86</u>
<b>GENERAL INDUSTRIALS</b> (31 July 2022 - 1.61%)		
631,500 Hargreaves Services	2,721,765	1.43
Total General Industrials	<u>2,721,765</u>	<u>1.43</u>
<b>HEALTH CARE PROVIDERS</b> (31 July 2022 - 2.52%)		
15,000 Cambridge Cognition Holdings	16,950	0.01
687,681 Diaceutics	722,065	0.38
11,680,000 hVIVO	1,927,200	1.01
2,290,000 Induction Healthcare Group	503,800	0.27
6,000,000 Totally	1,500,000	0.79
Total Health Care Providers	<u>4,670,015</u>	<u>2.46</u>
<b>HOUSEHOLD GOODS AND HOME CONSTRUCTION</b> (31 July 2022 - 0.72%)		
1,167,000 Springfield Properties	1,050,300	0.55
Total Household Goods and Home Construction	<u>1,050,300</u>	<u>0.55</u>
<b>INDUSTRIAL ENGINEERING</b> (31 July 2022 - 1.50%)		
550,000 Mpac Group	1,237,500	0.65
4,000,000 Renold	964,000	0.51
46,554 Somero Enterprises	186,216	0.10

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>INDUSTRIAL ENGINEERING (continued)</b>		
25,000 Xaar	41,800	0.02
10,598,942 Xeros Technology Group	498,150	0.26
Total Industrial Engineering	2,927,666	1.54
<b>INDUSTRIAL MATERIALS (31 July 2022 - Nil)</b>		
15,000,000 Haydale Graphene Industries	240,000	0.13
Total Industrial Materials	240,000	0.13
<b>INDUSTRIAL METALS AND MINING (31 July 2022 - 5.06%)</b>		
97,500,000 Andrada Mining	5,167,500	2.72
1,900,000 Horizonte Minerals	2,622,000	1.38
4,975,000 Phoenix Copper	2,139,250	1.13
620,000 Tharisa	644,800	0.34
Total Industrial Metals and Mining	10,573,550	5.57
<b>INDUSTRIAL SUPPORT SERVICES (31 July 2022 - 6.82%)</b>		
5,344,062 eEnergy Group	181,698	0.10
50,000 Equals Group	43,500	0.02
3,000,000 Frontier IP Group	1,950,000	1.03
1,648,500 Journeo	2,060,625	1.08
10,000 Keystone Law Group	43,000	0.02
360,000 Marlowe	1,792,800	0.94
40,000 Mind Gym	28,800	0.02
103,333,333 REACT Group	1,136,667	0.60
12,000 Science Group	46,800	0.02
2,600,000 Sureserve Group	2,314,000	1.22
50,000 Trifast	39,800	0.02
453,476 Water Intelligence	2,584,813	1.36
Total Industrial Support Services	12,222,503	6.43
<b>INDUSTRIAL TRANSPORTATION (31 July 2022 - 0.23%)</b>		
170,000 Avation	226,100	0.12
785,000 Facilities by ADF	423,900	0.22
92,620 Fisher (James) & Sons	338,526	0.18
Total Industrial Transportation	988,526	0.52
<b>INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2022 - 7.23%)</b>		
215,000 Alpha Group International	3,913,000	2.06
450,000 Argentex Group	569,250	0.30
808,500 DSW Capital	630,630	0.33
190,000 Impax Asset Management Group	1,455,400	0.77
540,297 K3 Capital Group	1,874,831	0.99
3,250,000 Record	3,094,000	1.63
60,000,000 RiverFort Global Opportunities	390,000	0.21
1,706,626 Team	938,644	0.49
754,939 TMT Investments	1,727,325	0.91
66,926 Volvere	669,260	0.35
3,743,000 WH Ireland Group	860,890	0.45
Total Investment Banking and Brokerage Services	16,123,230	8.49
<b>MEDIA (31 July 2022 - 7.18%)</b>		
837,001 Dianomi	544,051	0.29
3,050,000 Digitalbox	236,375	0.12
6,248,632 Ebiquity	3,249,289	1.71
1,375,426 Everyman Media Group	1,196,621	0.63
100,000 M&C Saatchi	160,200	0.08
3,450,000 National World	776,250	0.41
31,193,730 One Media iP Group	1,871,624	0.99
9,000,000 XLMedia	1,485,000	0.78
2,083,333 Zinc Media Group	1,708,333	0.90
Total Media	11,227,743	5.91

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>MEDICAL EQUIPMENT AND SERVICES (31 July 2022 - 2.25%)</b>		
1,053,835 Creo Medical Group	205,498	0.11
1,870,000 Inspiration Healthcare Group	953,700	0.50
10,000,000 Kromek Group	900,000	0.47
3,250,000 NIOX Group	1,238,250	0.65
Total Medical Equipment and Services	<u>3,297,448</u>	<u>1.73</u>
<b>OIL, GAS AND COAL (31 July 2022 - 2.36%)</b>		
600,000 Ashtead Technology Holdings	1,884,000	0.99
53,324,167 Deltic Energy	1,493,077	0.79
2,200,000 Jadestone Energy	1,804,000	0.95
2,133,332 Longboat Energy 'Reg S'	384,000	0.20
17,079,146 Westmount Energy	426,979	0.22
Total Oil, Gas and Coal	<u>5,992,056</u>	<u>3.15</u>
<b>OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (31 July 2022 - 0.18%)</b>		
625,000 450	9,375	0.01
2,250,000 TMT Acquisition	405,000	0.21
Total Open End and Miscellaneous Investment Vehicles	<u>414,375</u>	<u>0.22</u>
<b>PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2022 - 0.11%)</b>		
1,250,000 IG Design Group	2,000,000	1.05
Total Personal Care, Drug and Grocery Stores	<u>2,000,000</u>	<u>1.05</u>
<b>PERSONAL GOODS (31 July 2022 - Nil)</b>		
1,250,000 Inspects Group	1,437,500	0.76
350,000 Superdry	423,500	0.22
Total Personal Goods	<u>1,861,000</u>	<u>0.98</u>
<b>PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2022 - 0.79%)</b>		
6,500,000 Agronomics	858,000	0.45
1,500 Bioventix	61,200	0.03
Total Pharmaceuticals and Biotechnology	<u>919,200</u>	<u>0.48</u>
<b>PRECIOUS METALS AND MINING (31 July 2022 - 3.09%)</b>		
22,000,000 Jubilee Metals Group	2,706,000	1.42
10,000,000 Pan African Resources	1,654,000	0.87
14,945,455 Shanta Gold	1,569,273	0.83
Total Precious Metals and Mining	<u>5,929,273</u>	<u>3.12</u>
<b>REAL ESTATE INVESTMENT AND SERVICES (31 July 2022 - 0.91%)</b>		
650,000 The Property Franchise Group	1,527,500	0.80
Total Real Estate Investment and Services	<u>1,527,500</u>	<u>0.80</u>
<b>RETAILERS (31 July 2022 - 1.80%)</b>		
1,416,390 Angling Direct	410,753	0.22
813,750 CMO Group	219,712	0.12
10,717,441 Sosandar	2,732,947	1.44
500,000 TheWorks.co.uk	163,000	0.09
Total Retailers	<u>3,526,412</u>	<u>1.87</u>
<b>SOFTWARE AND COMPUTER SERVICES (31 July 2022 - 26.98%)</b>		
4,425,489 1Spatial	2,212,745	1.17
2,100,000 Access Intelligence	1,575,000	0.83
375,000 accesso Technology Group	3,007,500	1.58
1,200,000 Activeops	936,000	0.49
1,700,000 Beeks Financial Cloud Group	2,397,000	1.26
272,500 Cerillion	2,970,250	1.56
48,500,000 Crimson Tide	1,115,500	0.59
3,548,300 Crossword Cybersecurity	496,762	0.26
800,000 D4t4 Solutions	1,904,000	1.00
575,000 Eagle Eye Solutions Group	3,047,500	1.61

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>SOFTWARE AND COMPUTER SERVICES (continued)</b>		
1,808,906 essensys	850,186	0.45
3,885,000 GetBusy	2,758,350	1.45
6,750,000 GRC International Group	1,350,000	0.71
122,021 Gresham Technologies	214,757	0.11
1,543,207 Ingenta	1,774,688	0.93
329,924 Instem	2,045,529	1.08
1,374,125 Intercede Group	906,922	0.48
2,000,000 IQGeo Group	4,000,000	2.11
526,488 K3 Business Technology Group	579,137	0.30
1,023,639 Kooth	1,637,822	0.86
300,000 Microlise Group	360,000	0.19
65,000 Netcall	61,750	0.03
2,561,281 Oxford Metrics	2,638,119	1.39
3,859,791 PCI-PAL	2,161,483	1.14
750,000 Redcentric	1,008,750	0.53
20,000,000 Rossllyn Data Technologies	140,000	0.07
4,600,000 SEEEN	253,000	0.13
445,239 Sopheon	2,849,530	1.50
3,362,695 SysGroup	941,555	0.50
800,000 TPXimpact Holdings	208,000	0.11
60,000 Tribal Group	30,900	0.02
726,862 Vianet Group	508,803	0.27
12,435,913 VR Education Holdings	559,616	0.30
2,100,000 ZOO Digital Group	3,633,000	1.91
Total Software and Computer Services	<u>51,134,154</u>	<u>26.92</u>
<b>TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2022 - 1.70%)</b>		
4,075,000 Concurrent Technologies	3,178,500	1.67
75,000 Gooch & Housego	427,500	0.23
Total Technology Hardware and Equipment	<u>3,606,000</u>	<u>1.90</u>
<b>TELECOMMUNICATIONS EQUIPMENT (31 July 2022 - 2.42%)</b>		
1,250,000 BATM Advanced Communications	343,750	0.18
23,300,000 Filtronic	2,621,250	1.38
1,875,000 MTI Wireless Edge	900,000	0.47
Total Telecommunications Equipment	<u>3,865,000</u>	<u>2.03</u>
<b>TRAVEL AND LEISURE (31 July 2022 - 4.62%)</b>		
440,000 Cake Box Holdings	620,400	0.33
9,421,299 DP Poland	772,547	0.41
6,000,000 Gaming Realms	1,668,000	0.88
58,013,747 Gfinity	220,452	0.12
8,085,671 Nightcap	687,282	0.36
24,193,663 Tasty	725,810	0.38
3,000,000 Ten Lifestyle Group	2,625,000	1.38
3,667,003 The Fulham Shore	366,700	0.19
225,000 The Gym Group	297,450	0.16
875,000 Tortilla Mexican Grill	918,750	0.48
1,645,133 Various Eateries	509,991	0.27
Total Travel and Leisure	<u>9,412,382</u>	<u>4.96</u>
<b>WASTE AND DISPOSAL SERVICES (31 July 2022 - Nil)</b>		
35,000 Franchise Brands	70,000	0.04
Total Waste and Disposal Services	<u>70,000</u>	<u>0.04</u>
<b>OVERSEAS SECURITIES (31 July 2022 - 1.32%)</b>		
199,111 HealthBeacon	264,336	0.14
Total Overseas Securities	<u>264,336</u>	<u>0.14</u>

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UNQUOTED SECURITIES</b> (31 July 2022 - 3.11%)		
3,356,366 Albert Technologies <sup>A</sup>	-	-
2,600,000 Crawshaw Group <sup>B</sup>	-	-
1,500,000 Gable Holdings <sup>B</sup>	-	-
22,388,747 Gfinity Warrants (£1.25) 04.04.23 <sup>C</sup>	-	-
100,558 Gusbourne Warrants (£0.75) 15.12.22 <sup>E</sup>	-	-
2,843,978 HaloSource 'Reg S' <sup>F</sup>	-	-
7,500,000 Haydale Graphene Industries Warrants (£0.02) 14.09.23	-	-
5,942 Infinity Reliance <sup>C</sup>	249,980	0.13
1,500,000 Moxico Resources <sup>C</sup>	751,500	0.40
20,000,000 NFT Investments <sup>C</sup>	164,000	0.09
10,000,000 One Media iP Group Warrants (£0.06) 25.09.25	-	-
222,387 Prefcap <sup>A</sup>	-	-
18,000 SCA Investments <sup>C</sup>	664,740	0.35
3,198 SCA Investments 'M' <sup>C</sup>	118,102	0.06
9,489,983 Xeros Technology Group Warrants (£0.05) 21.04.24	-	-
Total Unquoted Securities	<u>1,948,322</u>	<u>1.03</u>
<b>Portfolio of investments</b>	176,471,727	92.90
<b>Net other assets</b>	13,483,938	7.10
<b>Total net assets</b>	<u><u>189,955,665</u></u>	<u><u>100.00</u></u>

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

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

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

<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 unlisted and are valued at zero, based on the latest information received.

<sup>F</sup> These shares are valued at zero, as the companies are being wound up with no expected return.

All holdings of warrants have been valued at the exercise price less the price of the underlying ordinary shares.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 January 2023

	£
Total purchases costs, including transaction charges	15,591,976
Total sales proceeds, net of transaction charges	25,118,410

**IFSL MARLBOROUGH NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Income:				
Net capital losses		(8,480,857)		(20,977,462)
Revenue	937,389		756,234	
Expenses	<u>(878,590)</u>		<u>(1,406,591)</u>	
Net revenue/(expense) before taxation	58,799		(650,357)	
Taxation	<u>(18,011)</u>		<u>(12,183)</u>	
Net revenue/(expense) after taxation		<u>40,788</u>		<u>(662,540)</u>
Total return before distributions		(8,440,069)		(21,640,002)
Distributions		(112,804)		31,423
Change in net assets attributable to shareholders from investment activities		<u><u>(8,552,873)</u></u>		<u><u>(21,608,579)</u></u>

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

for the six month period ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 208,197,656		351,164,297
Amounts receivable on issue of shares	2,230,113		3,836,039	
Amounts payable on cancellation of shares	(12,331,461)		(61,534,401)	
Amounts payable on share class conversions	<u>(86)</u>		<u>(422)</u>	
		(10,101,434)		(57,698,784)
Dilution adjustment		301,546		852,781
Change in net assets attributable to shareholders from investment activities		(8,552,873)		(21,608,579)
Retained distribution on accumulation shares		110,770		4
Closing net assets attributable to shareholders		<u><u>189,955,665</u></u>		<sup>A</sup> <u><u>272,709,719</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 NO 2 OEIC**  
**IFSL MARLBOROUGH NANO-CAP GROWTH FUND**

**BALANCE SHEET**  
as at 31 January 2023

	<b>31 January 2023</b>	<b>31 July 2022</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	176,471,727	194,477,105
<b>Current Assets:</b>		
Debtors	364,499	270,164
Cash and bank balances	13,607,561	14,223,562
<b>Total assets</b>	<u>190,443,787</u>	<u>208,970,831</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	-	311,132
Other creditors	488,122	462,043
<b>Total liabilities</b>	<u>488,122</u>	<u>773,175</u>
<b>Net assets attributable to shareholders</b>	<u>189,955,665</u>	<u>208,197,656</u>

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

Investor Support: (0808) 178 9321 (FREEPHONE)  
Fax: (01204) 533 045  
Email: [ifslclientsupport@ifslfunds.com](mailto:ifslclientsupport@ifslfunds.com)  
Website: [www.ifslfunds.com](http://www.ifslfunds.com)

Investment Fund Services Limited.  
Registered in England and Wales (company registration number 06110770).  
Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association.