

IFSL Marlborough Multi-Cap Growth Fund

Annual Report and Audited Financial Statements
for the year ended 20 March 2023

IFSL

— Fund Services —

Marlborough

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

CONTACT INFORMATION

Authorised Fund Manager (AFM) and Registrar

Investment Fund Services Limited (IFSL)
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BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

Andrew Staley (Non-Executive)
Allan Hamer
Dom Clarke - appointed 30 January 2023
Wayne D Green - resigned 24 March 2022
Helen Derbyshire
Helen Redmond
Sally Helston - appointed 12 August 2022
Guy Sears (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Sub-Investment Manager

Canaccord Genuity Asset Management Limited (previously Hargreave Hale Limited to 2 November 2022)
88 Wood Street
London
EC2V 7QR

Authorised and regulated by the Financial Conduct Authority.

Depository (in its capacity as Trustee)

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Auditor

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

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IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2023

Performance to 20 March 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Multi-Cap Growth Fund	0.18%	(9.81)%	30.06%	0.16%
FTSE All-Share Total Return Index	3.91%	1.21%	56.75%	23.75%
IA UK All Companies Sector	2.56%	(3.40)%	48.05%	13.33%

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

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

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

Investment commentary

During the year to 20 March 2023, the value of IFSL Marlborough Multi-Cap Growth Fund P Income unit class fell 10.5% from 376.9 to 337.5 (Please note that this return does not include the dividend distributed). This compares with a fall in the FTSE All Share index of 4.0% from 4,135.4 on 20 March 2022 to 3,970.1 on 20 March 2023.

Underperformance is primarily due to stock market returns being driven by macro-economic factors rather than company specific fundamentals. Investors have focused on rising inflation and interest rates and reacting to the uncertainty by choosing to lock-in profits of long-term successful growth companies.

Rotation out of growth stocks results in a disconnect between the share price of some companies and their strong trading performance and growth potential. Confirming the valuation gap, private equity and trade buyers have been active in the UK market buying companies across the market cap spectrum. Recent heightened volatility in bond markets has modestly reduced activity levels, however we expect this to be only a short-term lull. Aside from increased take-over activity we are also seeing increased director buying and share buy backs. Conversations we are having with management are not as bearish as investors are. Most, if not all, companies in the Fund are managing the current turbulence and raising prices offsetting increasing costs. They are bracing for reduced demand but are not seeing it yet. We expect demand to soften, but share prices are pricing in a mild recession already.

During the year both Ideagen and Homeserve, succumbed to cash bids from private equity, and Aveva was sold to its largest shareholder Schneider.

The top contributor to performance was Novo Nordisk, a global pharmaceutical company with leadership positions in the provision of drugs for the control of diabetes and obesity. During the period Novo raised expectations as it upgraded its supply chains helping to fulfil excess demand. Ashtead's continued to increase forecasts during the period, showing that construction markets remain strong driven by recent US legislative acts and structural change towards rental markets. Ashtead is the North American No2 behind United Rentals and is taking market share by using excess cash flows to acquire smaller regional operators. Rentokil plc results were ahead of forecasts, increasing expected margins and synergies from the acquisition of Terminix. Despite being the largest operator in its sector, Rentokil trades at a material discount to Rollins its US competitor. We see further upside if management can continue to leverage operating efficiencies from consolidation opportunities. At JD Sports capital markets day, new CEO Regis Schultz released a 5-year growth plan which focuses on accelerating growth of its brand globally. JD is a well-tuned growth company and targets for £1bn cash generation a year funding £500m-£600m a year capital expenditure looks achievable. Jet2.com outperformed as travel and holiday markets opened. Network International, a dominant middle east payment provider also contributed. A long-term underperformer we prefer to think it has finally turned the corner. Smart Meter Systems announced strong growth across its division with a couple of bolt-on acquisitions widening its product breadth in the electric car charging infrastructure sector. SMS we view as a likely acquisition target by a larger private equity infrastructure specialist. Oxford Instruments, having received a bid from Spectris earlier in the period, displayed continued resilient pricing and demand metrics.

Detractors include Inspecc, having warned on profitability due to slowing demand and rising costs. Cost savings and demand normalisation we believe will improve going forward. Future plc fell significantly, despite reassuring trading updates as the highly respected CEO Zillah Byng-Thorne announced that she'd like to step down in 2023. Treatt plc, warned that profits would be lower due to slowing demand for tea in the US and foreign exchange weakness. Fortunately demand remains strong overall and the company is pushing through price increases so the outlook is more positive medium term. Craneware fell as the demand outlook weakened due to the US healthcare sector still recovering from pandemic related issues. IQE a manufacturer of semiconductor wafer products fell as destocking in the industry affected shorter term demand levels, however, we remain upbeat about the mid-term growth trajectory as its diversification strategy begins to kick in. Despite re-assuring and resilient updates, other significant detractors include Intermediate Capital, Safestore, Watches of Switzerland, JTC, Computacenter, Bytes, and Volution Group.

Our focus remains on niche growth companies benefitting from structural change. At the margin though, some of our portfolio companies have more cyclical than others, and the global outlook has changed significantly. Generally, as the period progressed the manager chose to reduce cyclical exposure, with a bias towards the stronger North American economy relative to Europe. Consequently, RS Group with a near 60% exposure to European industrial sectors was sold, whilst the Funds holding in Ashtead Group was increased. Other holdings increased include Impax Asset Management, Kainos, Oxford Instruments and Rentokil. All have displayed strong underlying structural drivers more than offsetting economic headwinds. New stock holdings include 4Imprint, a leader in promotional marketing sectors. Also, Indivior a global pharmaceutical company specialist in drugs for disorders and mental illness.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2023

Hilton Foods was added after a substantial de-rating which we see as short term; as was Senior plc, a global industrial business focusing on defence and aerospace sectors. Telecom Plus was added giving an exposure to domestic utilities. The company is growing fast taking market share from the consolidating alternate energy sector.

Sales included more cyclical, or leveraged stocks including Alphabet, and Victoria plc. RWS Group was sold due to concerns around pricing power. Pandemic winners including Auction Technology, Converge Technology and S4 Capital were also sold.

Medium term relative performance has been poor. However, this has largely been a function of an extreme change in monetary policy affecting the valuation of growth stocks, which we think in hindsight would have been difficult to predict. Some errors have crept into decision making, particularly around forecasting the post-pandemic normalisation of growth rates in technology sectors.

The Fund's investment process doesn't base investment decisions on macroeconomic forecasts, or our interpretation of how geopolitical events will play out. That's because it's very difficult to consistently make these calls correctly. Instead, we focus on identifying exceptional companies which we believe can prosper in a range of economic environments including a backdrop of higher inflation and interest rates. The current market landscape is enabling us to build our positions in high-quality companies that are displaying pricing power and are trading at what we believe to be compelling valuations based on their growth potential over the medium to long-term. Historically, these periods have been followed by strong returns for the strategy and presented excellent investment opportunities.

Year to date, we note that companies reporting strong operational performance are beginning to perform. This more supportive backdrop should benefit IFSL Marlborough Multi-Cap Growth Fund unit holders going forward.

Canaccord Genuity Asset Management Limited (previously Hargreave Hale Limited)

6 April 2023

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Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Income (pence per unit)</u>				
Net income paid 20 May	-	-	-	-
Net income paid 20 November		0.3067	-	-
<u>P Income (pence per unit)</u>				
Net income paid 20 May	0.8719	-	-	0.3394
Net income paid 20 November		1.6632	0.6630	0.6473

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2023

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Indivior	7,467,853
GB Group	5,034,704
Intuit	5,017,754
Genus	4,521,991
Senior	4,022,773
Hilton Food Group	3,954,530
4imprint Group	3,948,922
Dechra Pharmaceuticals	3,922,793
OSB Group	3,653,508
Cloudflare	3,362,918
Other purchases	27,943,956
Total purchases for the year	72,851,702
<u>Largest sales</u>	<u>Proceeds (£)</u>
HomeServe	9,123,480
AVEVA Group	8,532,340
Smart Metering Systems	8,258,140
Burford Capital	7,941,324
Ideagen	5,788,024
Auction Technology Group	5,638,065
Genus	4,604,532
Alphabet 'A'	4,076,188
Gamma Communications	3,948,302
RS Group	3,928,206
Other sales	85,967,795
Total sales for the year	147,806,396

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED STATUS

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

GENERAL INFORMATION

Investment objective

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

Investment policy

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

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

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

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

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

Performance target

The performance target is the level of performance the Fund aims to deliver, however, there is no certainty this will be achieved. The FTSE All-Share Index has been chosen as the performance target as it has similar aims and objectives to the Fund.

Assessing performance

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

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

Rights and terms attaching to each unit class

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

Assessment of value

The Manager is required to carry out an assessment of value at least annually and publish its findings in a report to investors. IFSL Marlborough Multi-Cap Growth Fund is assessed and reported on, in a composite report which the Manager publishes on the website www.ifslfunds.com. The next report is expected to be published in a composite report by 30 September 2023.

Changes in prospectus

There have been no significant changes since the last report.

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

GENERAL INFORMATION

Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited, the Authorised Fund Manager (AFM), are subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under UCITS V. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The quantitative remuneration disclosures as at 30 September 2022 (the AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AFM who have a material impact on the risk profile of the Fund				
Senior management	7	757,911	667,666	90,245
Risk takers and other identified staff	2	245,763	203,403	42,360
Allocation of total remuneration of the employees of the AFM to the Fund				
Senior management	0.15	16,091	14,175	1,916
Risk takers and other identified staff	0.05	5,218	4,319	899

The total number of staff employed by the AFM's group was 236 as at 30 September 2022. The total remuneration paid to those staff was £14,048,823 of which £5,197,123 is attributable to the AFM.

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

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
29 June 2023

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing those financial statements the AFM is required to:

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

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

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

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the IFSL Marlborough Multi-Cap Growth Fund of the ("the Trust") for the Period Ended 20 March 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC Bank plc

29 June 2023

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

Opinion

We have audited the financial statements of IFSL Marlborough Multi-Cap Growth Fund ("the Fund") for the year ended 20 March 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 20 March 2023 and of the net revenue and net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Our approach was as follows:

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

29 June 2023

Notes:

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
COMPARATIVE TABLE
A Income units
Change in net assets per unit

	Year to 20.03.2023 pence	Year to 20.03.2022 pence	Year to 20.03.2021 pence
Opening net asset value per unit	369.22	393.18	259.76
Return before operating charges*	(33.35)	(17.28)	138.87
Operating charges	(5.38)	(6.68)	(5.45)
Return after operating charges*	(38.73)	(23.96)	133.42
Distributions on income units	(0.31)	-	-
Closing net asset value per unit	330.18	369.22	393.18

* after direct transaction costs of:

0.81 1.42 1.40

Performance

Return after charges^A (10.49)% (6.09)% 51.36%

Other information

Closing net asset value (£)	18,272,867	32,529,068	35,741,875
Closing number of units	5,534,193	8,810,134	9,090,374
Operating charges	1.56% ^B	1.55% ^B	1.56%
Direct transaction costs	0.23%	0.33%	0.40%

Prices (pence per unit)

Highest unit price	386.13	488.32	412.06
Lowest unit price	304.77	331.58	244.98

P Income units
Change in net assets per unit

	Year to 20.03.2023 pence	Year to 20.03.2022 pence	Year to 20.03.2021 pence
Opening net asset value per unit	376.93	398.90	262.27
Return before operating charges*	(34.09)	(17.81)	140.23
Operating charges	(2.85)	(3.50)	(2.95)
Return after operating charges*	(36.94)	(21.31)	137.28
Distributions on income units	(2.54)	(0.66)	(0.65)
Closing net asset value per unit	337.45	376.93	398.90

* after direct transaction costs of:

0.83 1.44 1.46

Performance

Return after charges^A (9.80)% (5.34)% 52.34%

Other information

Closing net asset value (£)	160,655,474	253,037,962	255,655,992
Closing number of units	47,608,370	67,131,249	64,089,483
Operating charges	0.81% ^B	0.80% ^B	0.81%
Direct transaction costs	0.23%	0.33%	0.40%

Prices (pence per unit)

Highest unit price	394.28	497.01	417.74
Lowest unit price	311.31	338.45	247.16

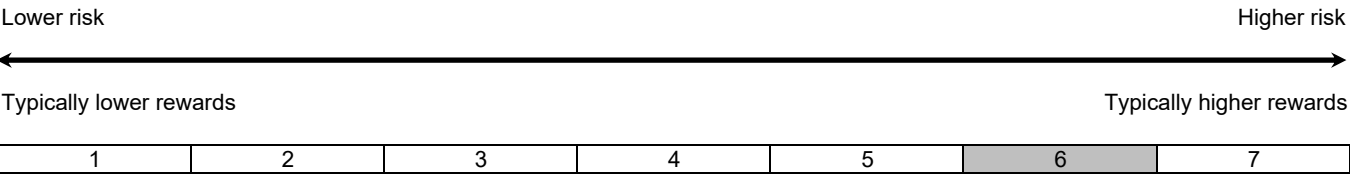
^A The return after charges is calculated using the underlying investments bid prices.

^B 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.

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the year. Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the year and the average units in issue for the pence per unit figures.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

SYNTHETIC RISK AND REWARD INDICATOR (all unit classes)



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

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 20 March 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENSE (20 March 2022 - Nil)			
2,500,000	Senior	3,775,000	2.11
	Total Aerospace and Defense	3,775,000	2.11
BEVERAGES (20 March 2022 - 1.99%)			
75,000	Diageo	2,651,250	1.48
	Total Beverages	2,651,250	1.48
CHEMICALS (20 March 2022 - 3.13%)			
55,000	Croda International	3,532,100	1.97
375,000	Trealt	2,111,250	1.18
	Total Chemicals	5,643,350	3.15
CONSTRUCTION AND MATERIALS (20 March 2022 - 0.88%)			
375,000	Volusion Group	1,567,500	0.88
	Total Construction and Materials	1,567,500	0.88
ELECTRONIC AND ELECTRICAL EQUIPMENT (20 March 2022 - 1.62%)			
250,000	Oxford Instruments	6,137,500	3.43
	Total Electronic and Electrical Equipment	6,137,500	3.43
FINANCE AND CREDIT SERVICES (20 March 2022 - 2.57%)			
82,500	London Stock Exchange Group	6,215,550	3.47
620,000	OSB Group	3,044,200	1.70
	Total Finance and Credit Services	9,259,750	5.17
FOOD PRODUCERS (20 March 2022 - Nil)			
725,000	Hilton Food Group	5,082,250	2.84
	Total Food Producers	5,082,250	2.84
HEALTH CARE PROVIDERS (20 March 2022 - 1.47%)			
90,000	Craneware	1,197,000	0.67
	Total Health Care Providers	1,197,000	0.67
HOUSEHOLD GOODS AND HOME CONSTRUCTION (20 March 2022 - 0.88%)			
INDUSTRIAL ENGINEERING (20 March 2022 - 1.23%)			
7,500	Spirax-Sarco Engineering	839,250	0.47
	Total Industrial Engineering	839,250	0.47
INDUSTRIAL SUPPORT SERVICES (20 March 2022 - 16.17%)			
190,000	Experian	5,061,600	2.83
40,000	Ferguson	4,218,000	2.36
1,875,000	Network International Holdings	4,826,250	2.70
1,150,000	Rentokil Initial	6,281,300	3.51
500,000	Smart Metering Systems	3,960,000	2.21
	Total Industrial Support Services	24,347,150	13.61
INDUSTRIAL TRANSPORTATION (20 March 2022 - 2.09%)			
130,000	Ashtead Group	6,232,200	3.48
	Total Industrial Transportation	6,232,200	3.48
INVESTMENT BANKING AND BROKERAGE SERVICES (20 March 2022 - 13.54%)			
290,000	Alpha Group International	5,075,000	2.84
375,000	Burford Capital	2,049,375	1.15
520,000	Impax Asset Management Group	3,957,200	2.21
470,000	Intermediate Capital Group	5,285,150	2.95
675,000	JTC	4,326,750	2.42
440,000	Liontrust Asset Management	4,514,400	2.52
	Total Investment Banking and Brokerage Services	25,207,875	14.09

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 20 March 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
LEISURE GOODS (20 March 2022 - 1.17%)		
MEDIA (20 March 2022 - 8.82%)		
92,500 4imprint Group	4,329,000	2.42
315,000 Future	3,392,550	1.90
250,000 RELX	6,412,500	3.58
Total Media	14,134,050	7.90
NON-LIFE INSURANCE (20 March 2022 - 1.68%)		
PERSONAL GOODS (20 March 2022 - 3.34%)		
1,350,000 Inspects Group	1,107,000	0.62
325,000 Watches of Switzerland Group	2,409,875	1.35
Total Personal Goods	3,516,875	1.97
PHARMACEUTICALS AND BIOTECHNOLOGY (20 March 2022 - 2.36%)		
150,000 Dechra Pharmaceuticals	3,828,000	2.14
135,000 Genus	3,823,200	2.14
245,000 Indivior	3,356,500	1.88
Total Pharmaceuticals and Biotechnology	11,007,700	6.16
REAL ESTATE INVESTMENT TRUSTS (20 March 2022 - 2.52%)		
375,000 Safestore Holdings	3,538,125	1.98
Total Real Estate Investment Trusts	3,538,125	1.98
RETAILERS (20 March 2022 - 1.97%)		
2,500,000 JD Sports Fashion	4,075,000	2.28
Total Retailers	4,075,000	2.28
SOFTWARE AND COMPUTER SERVICES (20 March 2022 - 11.36%)		
475,000 Bytes Technology Group	1,709,050	0.95
200,000 Computacenter	3,970,000	2.22
475,000 Kainos Group	6,189,250	3.46
Total Software and Computer Services	11,868,300	6.63
TECHNOLOGY HARDWARE AND EQUIPMENT (20 March 2022 - 0.77%)		
8,400,000 IQE	2,205,000	1.23
Total Technology Hardware and Equipment	2,205,000	1.23
TELECOMMUNICATIONS SERVICE PROVIDERS (20 March 2022 - 1.89%)		
57,500 Telecom Plus	1,095,950	0.61
Total Telecommunications Service Providers	1,095,950	0.61
TRAVEL AND LEISURE (20 March 2022 - 2.84%)		
615,000 Jet2	7,724,400	4.32
Total Travel and Leisure	7,724,400	4.32
OVERSEAS SECURITIES (20 March 2022 - 13.36%)		
26,500 Amazon.com	2,143,701	1.20
70,000 Cloudflare	3,116,580	1.74
12,500 Intuit	4,226,414	2.36
20,000 Microsoft	4,568,509	2.55
60,000 Novo Nordisk 'B'	7,009,602	3.92
7,250 ServiceNow	2,612,655	1.46
17,500 Snowflake 'A'	1,940,709	1.08
Total Overseas Securities	25,618,170	14.31
Portfolio of investments	176,723,645	98.77
Net other assets	2,204,696	1.23
Total net assets	178,928,341	100.00

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
STATEMENT OF TOTAL RETURN

for the year ended 20 March 2023

	Notes	20 March 2023		20 March 2022	
		£	£	£	£
Income:					
Net capital losses	4		(27,170,504)		(18,448,214)
Revenue	6	3,516,036		3,136,735	
Expenses	7	<u>(1,988,922)</u>		<u>(2,935,976)</u>	
Net revenue before taxation		1,527,114		200,759	
Taxation	8	<u>(25,072)</u>		<u>(14,482)</u>	
Net revenue after taxation			<u>1,502,042</u>		<u>186,277</u>
Total return before distributions			(25,668,462)		(18,261,937)
Distributions	9		(1,524,858)		(429,439)
Change in net assets attributable to unitholders from investment activities			<u>(27,193,320)</u>		<u>(18,691,376)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 20 March 2023

	20 March 2023		20 March 2022	
	£	£	£	£
Opening net assets attributable to unitholders		285,567,030		291,636,376
Amounts receivable on issue of units	2,575,079		44,188,091	
Amounts payable on cancellation of units	(82,136,141)		(31,636,455)	
Amounts payable on unit class conversions	<u>(153)</u>		<u>(815)</u>	
		(79,561,215)		12,550,821
Dilution adjustment		115,181		71,209
Change in net assets attributable to unitholders from investment activities		(27,193,320)		(18,691,376)
Unclaimed distributions		665		-
Closing net assets attributable to unitholders		<u>178,928,341</u>		<u>285,567,030</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

BALANCE SHEET

as at 20 March 2023

	Notes	20 March 2023 £	20 March 2022 £
Assets:			
Fixed Assets:			
Investments	17	176,723,645	278,845,456
Current Assets:			
Debtors	10	382,029	1,268,591
Cash and bank balances		3,553,514	7,362,623
Total assets		<u>180,659,188</u>	<u>287,476,670</u>
Liabilities:			
Creditors:			
Bank overdrafts		-	199,652
Distribution payable		415,124	-
Other creditors	11	1,315,723	1,709,988
Total liabilities		<u>1,730,847</u>	<u>1,909,640</u>
Net assets attributable to unitholders		<u><u>178,928,341</u></u>	<u><u>285,567,030</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

1 ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

Revenue

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

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

Allocation of revenue

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

Expenses

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

Valuation

The valuation point was 12:00 on 20 March 2023 being the last valuation point of the accounting year.

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

Unlisted, unapproved, illiquid or suspended securities are valued at the AFM's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value. This modelling takes into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

Taxation

Corporation tax has been provided for at 20% on taxable income less expenses. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions, or events giving rise to them, occurred before the balance sheet date.

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 20 March 2023 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

2 DISTRIBUTION POLICIES

The distribution policy of the Fund is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

DISTRIBUTION POLICIES

Equalisation

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

Stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the Fund. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

3 RISK MANAGEMENT POLICIES

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

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

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

Market price risk

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

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

Foreign currency risk

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

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

Credit and counterparty risk

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

Interest rate risk

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

Liquidity risk

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

4 NET CAPITAL LOSSES

The net losses on investments during the year comprise:

	20 March 2023 £	20 March 2022 £
Non-derivative securities losses	(27,167,117)	(18,464,301)
Other currency gains	3,650	25,565
Transaction charges	(7,037)	(9,478)
Net capital losses	(27,170,504)	(18,448,214)

5 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

Equities	72,522,719	191,413,067
Corporate actions	-	23,371,021

Equities:	Commissions	89,374	235,306
	Taxes and other charges	239,609	593,917

Total purchases transaction costs	328,983	829,223
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Purchases including transaction costs	72,851,702	215,613,311
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Purchases transaction costs expressed as a percentage of the principal amount:

Equities:	Commissions	0.12%	0.12%
	Taxes and other charges	0.33%	0.31%

Sales excluding transaction costs:

Equities	148,004,639	204,841,673
	148,004,639	204,841,673

Equities:	Commissions	(197,422)	(262,888)
	Taxes and other charges	(821)	(582)

Total sales transaction costs	(198,243)	(263,470)
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Sales net of transaction costs	147,806,396	204,578,203
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Sales transaction costs expressed as a percentage of the principal amount:

Commissions	0.13%	0.13%
Taxes and other charges	0.00%	0.00%

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

Commissions	0.13%	0.15%
Taxes and other charges	0.10%	0.18%
	0.23%	0.33%

No significant in-specie transfers were identified in the year (2022: nil).

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the Fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

Transaction handling charges

These are charges payable to the depositary in respect of each transaction:	<u>£7,037</u>	<u>£9,478</u>
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Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.39%</u>	<u>0.42%</u>
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6 REVENUE

	20 March 2023 £	20 March 2022 £
UK dividends	2,927,262	2,566,606
UK dividends (unfranked)	88,330	202,023
Overseas dividends	454,267	368,106
Bank interest	46,177	-
Total revenue	3,516,036	3,136,735

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

7 EXPENSES

	20 March 2023 £	20 March 2022 £
Payable to the AFM or associate:		
AFM's periodic charge	1,868,514	2,789,121
Registration fees	22,850	23,908
	<u>1,891,364</u>	<u>2,813,029</u>
Other expenses:		
Trustee's fees	76,424	95,888
Safe custody fees	12,640	19,440
Bank interest	-	115
Financial Conduct Authority fee	(11)	124
Audit fee	8,505	7,380
	<u>97,558</u>	<u>122,947</u>
Total expenses	<u>1,988,922</u>	<u>2,935,976</u>

8 TAXATION

	20 March 2023 £	20 March 2022 £
a Analysis of the tax charge for the year		
Overseas tax	25,072	14,482
Total tax charge (see note 8(b))	<u>25,072</u>	<u>14,482</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.		
Net revenue before taxation	1,527,114	200,758
Corporation tax at 20% (2022: 20%)	<u>305,423</u>	<u>40,152</u>
Effects of:		
Revenue not subject to taxation	(676,306)	(586,943)
Unrelieved excess management expenses	370,883	546,791
Overseas tax	25,072	14,482
Total tax charge (see note 8(a))	<u>25,072</u>	<u>14,482</u>

At 20 March 2023 the Fund has deferred tax assets of £4,942,919 (2022: £4,572,036) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

9 DISTRIBUTIONS

	20 March 2023 £	20 March 2022 £
The distributions take account of revenue received or deducted on the issue and cancellation of units, and comprise:		
Interim	938,002	449,146
Final	415,124	-
Amounts deducted/(received) on cancellation of units	172,672	(1,636)
Amounts received on issue of units	(787)	(17,256)
Equalisation on conversions	(153)	(815)
Distributions	<u>1,524,858</u>	<u>429,439</u>
Net deficit of revenue for the year	(22,816)	(243,162)
Net revenue after taxation for the year	<u>1,502,042</u>	<u>186,277</u>

10 DEBTORS

	20 March 2023 £	20 March 2022 £
Amounts receivable for issue of units	-	738,466
Sales awaiting settlement	87,574	329,752
Accrued income	282,056	200,373
Taxation recoverable	12,399	-
Total debtors	<u>382,029</u>	<u>1,268,591</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

11 OTHER CREDITORS

	20 March 2023 £	20 March 2022 £
Amounts payable for cancellation of units	1,201,819	134,356
Purchases awaiting settlement	-	1,416,499
AFM's periodic charge and registration fees	87,327	126,484
Accrued expenses	26,577	32,649
Total other creditors	1,315,723	1,709,988

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 20 March 2023 (2022: nil).

13 RELATED PARTIES

The AFM is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the AFM in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the AFM or associates in respect of the AFM's periodic charge and registration fees are disclosed in note 7. Amounts due (to)/from the AFM at the year end are £(1,289,146) (2022: £477,626).

In addition to the above, some units in the Fund are owned by directors of Investment Fund Services Limited or directors of UFC Fund Management plc, the ultimate parent company of Investment Fund Services Limited, as set out below:

	20 March 2023	20 March 2022
Proportion of units owned by directors of Investment Fund Services Limited or UFC Fund Management plc	0.18%	0.14%

14 UNIT CLASSES

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

A Income	1.50%
P Income	0.75%

15 UNITHOLDERS' FUND RECONCILIATION

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

	A Income	P Income
Opening units in issue at 21 March 2022	8,810,134	67,131,249
Units issued	456,252	270,420
Units cancelled	(3,696,753)	(19,827,973)
Units converted	(35,440)	34,674
Closing units in issue at 20 March 2023	5,534,193	47,608,370

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £8,836,182 (2022: £13,942,273). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 20 March 2023

	Investments £	Net other assets £	Total £
Danish krone	7,009,602	12,399	7,022,001
US dollar	18,608,568	-	18,608,568
	25,618,170	12,399	25,630,569

Foreign currency exposure at 20 March 2022

	Investments £	Net other assets £	Total £
Canadian dollar	4,766,180	-	4,766,180
Danish krone	6,190,943	-	6,190,943
US dollar	27,187,811	-	27,187,811
	38,144,934	-	38,144,934

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2023

RISK DISCLOSURES

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £1,281,528 (2022: £1,907,247). A five per cent increase would have an equal and opposite effect.

Interest rate risk

20 March 2023

20 March 2022

£

£

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

Financial assets floating rate	3,553,514	7,362,623
Financial assets non-interest bearing instruments	177,105,674	280,114,047
Financial liabilities floating rate	-	(199,652)
Financial liabilities non-interest bearing instruments	(1,730,847)	(1,709,988)
	<u>178,928,341</u>	<u>285,567,030</u>

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

Liquidity risk

20 March 2023

20 March 2022

£

£

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

Within one year:	Bank overdrafts	-	199,652
	Distribution payable	415,124	-
	Other creditors	1,315,723	1,709,988
		<u>1,730,847</u>	<u>1,909,640</u>

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

	20 March 2023			20 March 2022	
Basis of valuation	Assets (£)	Liabilities (£)		Assets (£)	Liabilities (£)
Level 1 - Quoted prices	176,723,645	-		278,845,456	-
Level 2 - Observable market data	-	-		-	-
Level 3 - Unobservable data	-	-		-	-
	<u>176,723,645</u>	<u>-</u>		<u>278,845,456</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the Fund classifies fair value measurement under the following levels:

Level 1 - Unadjusted quoted price in an active market for an identical instrument;

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 - Valuation techniques using unobservable inputs.

18 POST BALANCE SHEET EVENTS

Since 20 March 2023, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	20 March 2023 ^A	26 June 2023	Movement (%)
A Income	330.84	349.16	5.54%
P Income	338.98	357.54	5.48%

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

DISTRIBUTION TABLE

Interim distribution for the period from 21 March 2022 to 20 September 2022

Group 1: units purchased prior to 21 March 2022

Group 2: units purchased on or after 21 March 2022

		Net revenue 20 September 2022 pence per unit	Equalisation 20 September 2022 pence per unit	Distribution paid 20 November 2022 pence per unit	Distribution paid 20 November 2021 pence per unit
A Income	Group 1	0.3067	-	0.3067	-
	Group 2	0.3067	-	0.3067	-
P Income	Group 1	1.6632	-	1.6632	0.6630
	Group 2	0.9561	0.7071	1.6632	0.6630

Final distribution for the period from 21 September 2022 to 20 March 2023

Group 1: units purchased prior to 21 September 2022

Group 2: units purchased on or after 21 September 2022

		Net revenue 20 March 2023 pence per unit	Equalisation 20 March 2023 pence per unit	Distribution paid 20 May 2023 pence per unit	Distribution paid 20 May 2022 pence per unit
A Income	Group 1	-	-	-	-
	Group 2	-	-	-	-
P Income	Group 1	0.8719	-	0.8719	-
	Group 2	0.3954	0.4765	0.8719	-

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