

Investment Fund Services

IFSL Marlborough High Yield Fixed Interest Fund

Interim Report and Unaudited
Financial Statements

for the six month period ended 30 June 2024

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

CONTACT INFORMATION

Authorised Fund Manager (AFM)

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

Andrew Staley (Non-Executive)
Allan Hamer
Dom Clarke
Helen Redmond
Sally Helston
Guy Sears (Independent Non-Executive) - resigned, 25 March 2024
Katherine Damsell (Independent Non-Executive) - appointed, 25 March 2024
Sarah Peaston (Independent Non-Executive)

Depositary (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.

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Administrator and Registrar (from 1 June 2024)

SS&C Financial Services International Limited
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Auditor

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

Sub-Investment Manager

Aberdeen Asset Managers Limited
280 Bishopsgate
London
EC2M 4AG

Authorised and regulated by the Financial Conduct Authority.

Administrator and Registrar (to 1 June 2024)

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

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

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IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 30 June 2024

Performance to 30 June 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough High Yield Fixed Interest Fund	2.27%	11.94%	6.69%	19.59%
IA Sterling High Yield sector	3.38%	10.82%	4.23%	15.33%

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

Performance Statement

Over the period under review, the Fund returned 2.3%. This compares with a return of 3.4% for the benchmark*, the Investment Association Sterling High Yield* sector.

Market Review

The European high yield market was on the back of eight consecutive positive monthly returns. BB-rated credit risk* companies generated a return exactly in line with the wider market after performing more strongly earlier in the period, as the broader market suffered from increased volatility. Lower-rated credit risk companies (including CCC's) performed better later in the period with CCCs returning more than 2.0% in both May and June as the economic environment stabilised. Markets were driven by supportive inflation data and weakening economic activity in the US which supported higher risk assets, such as high yield and equities, across the board as interest rate hike expectations receded. B-rated bonds were the notable underperformers both in the second quarter and year-to-date with returns of 1.5% and 2.8% respectively.

One notable theme of the European high yield market this year has been the dramatic pick-up in new issues after two muted years. Issuers are beginning to refinance bank loans with bonds but there's also a gradual increase in takeover activity using high yield bonds. Net issuance in the quarter, which considers bonds issued and maturing, came in at €8bn. The year-to-date net total was €13bn. This is an encouraging sign, after negative net issuance in 2022 and 2023 which had contributed to a shrinkage in the size of the market since the end of 2021 of more than 20%.

When looking at sector returns, real estate has been the standout performer with a six month return of 24% after a number of companies with low credit ratings rallied dramatically (more than 100% in some cases) on a better than expected ability to both sell assets and to realise higher than expected valuations for those assets. Telecommunications, financial services and technology all posted negative returns driven almost entirely by significant losses at large companies such as Altice France, Intrum and Atos.

Fund Performance and Activity

The largest single positive contributor to performance against the benchmark came from a rally in Telecom Italia bonds after the company was split in two with KKR having agreed to acquire the network infrastructure assets owned by the company. Our lack of exposure to Altice France and Thames Water generated positive performance relative to the benchmark as those capital structures continued to decline in value. By the end of the period the Thames Water holding company bonds were trading at a price of £7 for every £100 received at maturity, implying the market believes the company is close to default. The Fund exited the position a year ago with a price in the £50 range.

There were a number of holdings that cost the Fund in terms of performance against the benchmark in the period including Profine, Arrow and HSE. Profine, the PVC window panelling business, saw their earnings decline due to weakness in the construction markets and a lack of rebound in the German economy. Arrow, the debt collector, suffered by association after the problems suffered by others in the sector most notable of which is Intrum. HSE, the TV retailer, has experienced a drop in earnings post-Covid and due to consumer weakness in Germany which is by far their most important market. We are positive about these companies going forward.

The Fund was extremely active in the period investing in eighteen newly issued bonds from sixteen issuers. Most of these have performed very well after issuance and we expect the primary market to be a continued source of positive performance against the benchmark over the remainder of the year. It is also encouraging to see so many new names enter the Fund which improves the profile of the portfolio from a diversification perspective but also from a returns perspective as issuers tend to price attractively when they are new to the market.

We took new positions in Asda on valuation grounds though it is undeniable the company is undergoing a difficult period from a market share perspective. We partially covered the underweight to CPI and SBB in the real estate sector given the low cash price of those bonds and the potential for further corporate action. Finally we bought new positions in Q-Park, the car park operator, and Ceramtec, the industrial and healthcare ceramics business, as a result of the strong operational performance at both companies.

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 30 June 2024

Investment commentary

Fund Performance and Activity (continued)

With regards to exits, we sold out of Ardagh Glass secured* bonds given the risk of the value falling should the shareholder decide to act against the best interest of bondholders as well as the risk of them cutting the dividend the company receives from Ardagh Metals. Both are packaging companies controlled by the same individual. We sold our holding in Cerba subordinated* bonds given the drop in post-Covid earnings for the lab diagnostics business and the company's significant debt position. The bonds' price had increased significantly in the run-up to our exit. Finally, we sold our small position in the debt collector DDM to take advantage of liquidity in the bonds given concerns around the quality of their loan book.

Investment Outlook

Although there is still room for some mild spread*reduction, we think the next leg of the rally in credit markets will come from a repricing of interest rate expectations lower. This repricing trade thus far has been a categoric failure so far this year and investing in corporate bonds has been the place to be in fixed income. However with disinflation gathering steam again more recently, cracks in the job markets starting to show (albeit faintly) and a slowing of activity in the US, it feels like the seeds are being sown for a more sustainable rally in government bonds which will help all fixed income markets. We continue to like higher yield bonds given the income available supported by a low risk of high yield bonds defaulting.

Aberdeen Asset Managers Limited
18 July 2024

*Explanation of terms

Benchmark - used for performance comparative purposes.

High-yield - issued by companies with low credit ratings and therefore need to pay higher interest as incentive to purchase. Higher default risk than investment grade bonds, which have a higher credit rating.

Credit rating - a grade given to bonds that indicates their credit quality.

Secured - loans that are secured by a specific form of collateral.

Subordinated bonds - a debt which is repaid after other debts if a company falls into liquidation or bankruptcy.

Spread - the difference in yield between two debt securities of the same maturity but different credit quality.

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 30 June 2024

Distributions

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per unit)</u>				
Net income paid last day of February	0.853280	0.767228	0.701305	0.746734
Net income paid 31 May	0.867956	0.742639	0.661922	0.747477
Net income paid 31 August	0.876407	0.771414	0.739050	0.767764
Net income paid 30 November		0.843084	0.750884	0.754133
<u>P Income (pence per unit)</u>				
Net income paid last day of February	0.953612	0.856008	0.796087	0.838495
Net income paid 31 May	0.970656	0.832426	0.760450	0.840684
Net income paid 31 August	0.979709	0.863999	0.829710	0.863363
Net income paid 30 November		0.939961	0.840033	0.850893

Portfolio changes

<u>Largest purchases</u>	Cost (£)
Summer BidCo 10% 15.02.29	456,725
Telefónica Europe 2.376% Perp	374,345
WEPA Hygieneprodukte 5.625% 15.01.31	368,729
Unique Pub Finance 6.464% 30.03.32	351,604
Electricité de France 2.625% Perp	308,776
Kier Group 9% 15.02.29	287,109
Alstria Office REIT 0.5% 26.09.25	232,685
CTEC II 5.25% 15.02.30	229,905
Cellnex Telecom 0.75% 20.11.31	213,900
Jerrold Finco 7.875% 15.04.30	198,250
Other purchases	6,384,725
Total purchases for the period	9,406,753
<u>Largest sales</u>	
Rolls-Royce 5.75% 15.10.27	571,916
Altice Finco 4.75% 15.01.28	534,864
Virgin Media Vendor Financing Notes III 4.875% 15.07.28	465,044
Altice France 8% 15.05.27	409,441
INEOS Styrolution 2.25% 16.01.27	396,109
Bellis Acquisition 4.5% 16.02.26	391,590
Nobel Bidco 3.125% 15.06.28	356,582
Summer BidCo 10% 15.02.29	333,319
Jerrold Finco 5.25% 15.01.27	331,438
Abertis Infraestructuras Finance 3.248% Perp	327,744
Other sales	6,927,668
Total sales for the period	11,045,715

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED STATUS

IFSL Marlborough High Yield Fixed Interest 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 investors with income, that is, money paid out of your investment as interest, as well as the opportunity for some growth over a period of five or more years, however, there is no certainty this will be achieved.

Investment policy

At least 80% of the Fund will be invested in high yield bonds issued by companies and institutions. These will be sub-investment grade or unrated bonds, which are loans issued by entities which can be more vulnerable to changing market conditions that typically pay higher rates of interest than investment grade bonds.

The Fund may also invest in investment grade bonds, bonds issued by governments, bonds which may be converted into shares (known as convertible bonds), preference shares, permanent interest bearing shares and money market instruments (which are shorter term loans). Whilst the Fund will not buy shares in companies there may be times where the Fund holds shares following a restructuring of an existing holding.

The Fund is actively managed which means the investment team decides which investments to buy or sell and when. Investment decisions are taken based on individual company research in addition to the team's view on global economic and market conditions.

The investment manager uses the ICE Bank of America Merrill Lynch European Currency High Yield Constrained (hedged to sterling) Index as a reference point when constructing the portfolio and for risk management purposes.

The Fund uses derivatives (instruments whose returns are linked to another asset, market or other variable factor) and forward transactions linked to exchange rates, for the purposes of efficient portfolio management in order to reduce currency risk in the Fund, also known as hedging.

The Fund will typically hold less than 5% in cash to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives although may occasionally exceed this figure.

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 Sterling High Yield 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.

Taskforce on climate related financial disclosures

A statement of the climate-related financial disclosures is published on the website <https://www.ifslfunds.com/tcf-reporting>.

Changes in prospectus

No significant changes have been made since the last annual report.

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

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

DIRECTORS' STATEMENT

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



Allan Hamer
Director



Helen Redmond
Director

Investment Fund Services Limited
27 August 2024

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND
COMPARATIVE TABLE

A Income units	Period to 30.06.2024	Year to 31.12.2023	Year to 31.12.2022	Year to 31.12.2021
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	65.93	60.64	71.33	71.65
Return before operating charges*	1.80	9.47	(6.74)	3.80
Operating charges	(0.47)	(0.97)	(1.03)	(1.15)
Return after operating charges*	1.33	8.50	(7.77)	2.65
Distributions on income units	(1.74)	(3.21)	(2.92)	(2.97)
Closing net asset value per unit	65.52	65.93	60.64	71.33

* after direct transaction costs of: - - - -

Performance

Return after charges^A 2.02% 14.02% (10.89)% 3.70%

Other information

Closing net asset value (£)	2,710,858	3,174,065	9,771,033	19,986,098
Closing number of units	4,137,723	4,814,630	16,114,385	28,020,830
Operating charges	1.42% ^B	1.54%	1.59%	1.58%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	67.75	67.13	71.77	73.71
Lowest unit price	65.39	61.09	57.91	71.62

P Income units

Change in net assets per unit	Period to 30.06.2024	Year to 31.12.2023	Year to 31.12.2022	Year to 31.12.2021
	pence	pence	pence	pence
Opening net asset value per unit	68.72	62.96	73.79	73.84
Return before operating charges*	1.88	9.87	(6.98)	3.92
Operating charges	(0.23)	(0.52)	(0.56)	(0.62)
Return after operating charges*	1.65	9.35	(7.54)	3.30
Distributions on income units	(1.95)	(3.59)	(3.29)	(3.35)
Closing net asset value per unit	68.42	68.72	62.96	73.79

* after direct transaction costs of: - - - -

Performance

Return after charges^A 2.40% 14.85% (10.22)% 4.47%

Other information

Closing net asset value (£)	20,409,042	21,318,003	18,193,507	29,221,074
Closing number of units	29,828,026	31,021,261	28,895,493	39,599,576
Operating charges	0.67% ^B	0.79%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	70.72	70.03	74.25	76.14
Lowest unit price	68.24	63.43	60.09	74.01

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

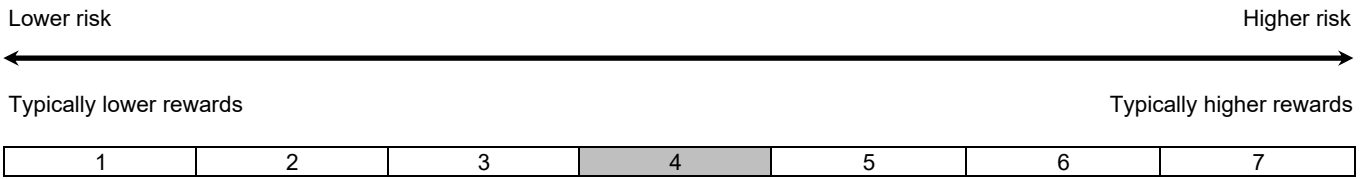
^B These figures have been annualised.

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

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

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST 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 is used.

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

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
STERLING (31 December 2023 - 21.46%)			
100,000	888 Acquisitions 10.75% 15.05.30	103,422	0.45
119,000	Aston Martin Capital Holdings 10.375% 31.03.29	117,822	0.51
355,000	B&M European Value Retail 4% 15.11.28	324,651	1.40
120,000	Bellis Acquisition 8.125% 14.05.30	119,711	0.52
126,000	CD&R Firefly Bidco 8.625% 30.04.29	127,496	0.55
240,000	Cidron Aida Finco 6.25% 01.04.28	229,200	0.99
140,000	Constellation Automotive Financing 4.875% 15.07.27	117,587	0.51
125,000	Deuce FinCo 5.5% 15.06.27	119,406	0.52
250,000	Ford Motor Credit Co 4.535% 06.03.25	247,925	1.07
190,000	Ford Motor Credit Co 6.86% 05.06.26	194,273	0.84
100,000	GTCR W-2 Merger Sub 8.5% 15.01.31	107,042	0.46
225,000	Iceland Bondco 10.875% 15.12.27	233,942	1.01
100,000	Jerrold Finco 5.25% 15.01.27	96,868	0.42
200,000	Jerrold Finco 7.875% 15.04.30	200,162	0.87
286,000	Kier Group 9% 15.02.29	292,858	1.27
250,000	Market Bidco Finco 5.5% 04.11.27	230,580	1.00
400,000	Pinewood Finco 3.625% 15.11.27	367,356	1.59
366,000	Premier Foods Finance 3.5% 15.10.26	351,935	1.52
126,000	Punch Finance 6.125% 30.06.26	123,471	0.53
350,000	Sherwood Financing 6% 15.11.26	295,866	1.28
215,000	Swedbank 5.875% 24.05.29	218,225	0.94
450,000	UK Treasury 0.5% 22.10.61	134,093	0.58
331,000	Unique Pub Finance 6.464% 30.03.32	343,072	1.48
200,000	Virgin Media Vendor Financing Notes III 4.875% 15.07.28	178,192	0.77
200,000	VMED O2 UK Financing I 4% 31.01.29	172,460	0.75
	Total Sterling	5,047,615	21.83
EURO (31 December 2023 - 77.71%)			
140,000	888 Acquisitions 7.558% 15.07.27	118,483	0.51
496,000	Albion Financing 1 / Aggreko Holdings 5.25% 15.10.26	419,635	1.82
338,000	Allwyn Entertainment Financing UK 7.25% 30.04.30	301,754	1.31
400,000	Alstria Office REIT 0.5% 26.09.25	316,770	1.37
200,000	ARD Finance 5% 30.06.27	36,715	0.16
400,000	Ardagh Metal Packaging Finance 2% 01.09.28	294,150	1.27
160,000	Arena Luxembourg Finance 1.875% 01.02.28	123,709	0.54
100,000	Assemblin Caverion Group FRN 01.07.31	84,484	0.37
174,000	Banjay Entertainment 7% 01.05.29	153,213	0.66
200,000	BCP V Modular Services Finance II 4.75% 30.11.28	157,189	0.68
285,000	Benteler International 9.375% 15.05.28	258,089	1.12
109,000	Bertrand Franchise Finance FRN 18.07.30	92,705	0.40
200,000	CAB SELAS 3.375% 01.02.28	150,702	0.65
200,000	Carnival 1% 28.10.29	137,502	0.59
300,000	Cellnex Telecom 0.75% 20.11.31	208,301	0.90
230,000	Cheplapharm Arzneimittel 4.375% 15.01.28	184,376	0.80
100,000	Cheplapharm Arzneimittel 7.5% 15.05.30	88,295	0.38
203,000	Chrome Bidco 3.5% 31.05.28	141,691	0.61
225,000	Cidron Aida Finco 5% 01.04.28	181,851	0.79
211,500	Cirsa Finance International 10.375% 30.11.27	190,817	0.83
100,000	CPI Property Group 4.875% Perp	52,894	0.23
228,000	CT Investment 6.375% 15.04.30	195,672	0.85
300,000	CTEC II 5.25% 15.02.30	233,978	1.01
213,000	Cullinan Holdco 4.625% 15.10.26	150,277	0.65
300,000	Electricité de France (EDF) 5.375% Perp	252,941	1.09
400,000	Electricité de France 2.625% Perp	304,672	1.32
100,000	Engineering Ingegneria Informatica 11.125% 15.05.28	87,089	0.38
200,000	Ephios Subco 3 7.875% 31.01.31	179,589	0.78
160,000	Faurecia 3.125% 15.06.26	132,004	0.57
200,000	Flutter Treasury 5% 29.04.29	171,589	0.74

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
	EURO (continued)		
200,000	FORVIA 2.375% 15.06.29	151,813	0.66
246,000	Goodyear Europe 2.75% 15.08.28	187,438	0.81
137,000	Graphic Packaging International 2.625% 01.02.29	107,251	0.46
150,000	Grifols 3.875% 15.10.28	103,896	0.45
303,000	Grüenthal 4.125% 15.05.28	249,175	1.08
194,000	Helios Software Holdings 7.875% 01.05.29	163,807	0.71
232,000	HSE Finance 5.625% 15.10.26	87,059	0.38
230,000	HT Troplast 9.375% 15.07.28	190,026	0.82
175,000	IHO Verwaltungs 3.875% 15.05.27	145,147	0.63
157,930	IHO Verwaltungs 8.75% 15.05.28	142,793	0.62
200,000	Iliad Holding 6.875% 15.04.31	171,386	0.74
176,000	INEOS Finance 6.375% 15.04.29	152,953	0.66
199,000	INEOS Styrolution 2.25% 16.01.27	157,571	0.68
275,000	IQVIA 1.75% 15.03.26	223,000	0.96
230,000	Jaguar Land Rover Automotive 4.5% 15.07.28	193,904	0.84
150,000	Lorca Telecom Bondco 4% 18.09.27	123,836	0.54
100,000	Lottomatica 7.125% 01.06.28	89,224	0.39
350,000	Loxam 3.75% 15.07.26	292,130	1.26
210,000	Mobilux Finance 4.25% 15.07.28	167,506	0.72
289,000	Monitchem Holdco 3 8.75% 01.05.28	253,349	1.10
250,000	Motion Finco 7.375% 15.06.30	219,598	0.95
133,000	Neopharmed Gentili 7.125% 08.04.30	114,955	0.50
150,000	Nomad Foods 2.5% 24.06.28	116,650	0.50
168,000	Nova Alexandre III FRN 15.07.29	141,825	0.61
158,000	Novelis Sheet Ingot 3.375% 15.04.29	125,618	0.54
100,000	OI European Group 6.25% 15.05.28	87,356	0.38
100,000	One Hotels 7.75% 02.04.31	88,219	0.38
150,000	Organon Finance 1 2.875% 30.04.28	119,152	0.52
380,000	Petróleos Mexicanos 4.75% 26.02.29	279,237	1.21
260,000	Playtech 5.875% 28.06.28	217,449	0.93
131,000	PLT VII Finance FRN 15.06.31	110,724	0.48
290,000	PrestigeBidCo 7% 15.07.27	245,675	1.06
135,000	PrestigeBidCo FRN 01.07.29	115,111	0.50
200,000	Q-Park Holding I 2% 01.03.27	159,135	0.69
250,000	Samhallsbyggnadsbolaget I Norden 1% 12.08.27	148,633	0.64
400,000	Samvardhana Motherson Automotive Systems Group 1.8% 06.07.24	337,725	1.46
300,000	Schaeffler 3.375% 12.10.28	245,507	1.06
250,000	SoftBank Group 5.25% 30.07.27	212,062	0.92
200,000	Standard Profil Automotive 6.25% 30.04.26	155,029	0.67
173,425	Stichting AK Rabobank Certificaten 6.5% Perp	159,247	0.68
150,000	Summer BidCo 10% 15.02.29	127,169	0.55
151,000	Synthomer 7.375% 02.05.29	133,177	0.58
378,935	Techem Verwaltungsgesellschaft 674 6% 30.07.26	320,187	1.38
125,000	Telecom Italia 7.75% 24.01.33	124,202	0.54
125,000	Telecom Italia Finance 7.75% 24.01.33	122,347	0.53
500,000	Telefónica Europe 2.376% Perp	376,608	1.63
200,000	Telefónica Europe 2.88% Perp	157,837	0.68
100,000	Telefónica Europe 7.125% Perp	91,719	0.40
101,000	Tereos Finance Groupe I 5.875% 30.04.30	85,369	0.37
400,000	Teva Pharmaceutical Finance Netherlands II 4.375% 09.05.30	326,591	1.41
134,000	Teva Pharmaceutical Finance Netherlands II 4.5% 01.03.25	112,941	0.49
412,000	UGI International 2.5% 01.12.29	309,024	1.34
200,000	Unicaja Banco 3.125% 19.07.32	158,472	0.69
100,000	United Group FRN 15.02.31	85,049	0.36
152,000	Upfield 6.875% 02.07.29	127,996	0.55

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND
PORTFOLIO STATEMENT

as at 30 June 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
EURO (continued)			
200,000	Verallia 1.875% 10.11.31	145,728	0.63
287,000	Verisure Holding 3.25% 15.02.27	233,025	1.01
395,000	Verisure Midholding 5.25% 15.02.29	327,155	1.42
529,000	Vertical Midco 4.375% 15.07.27	431,115	1.86
300,000	Vodafone Group 2.625% 27.08.80	243,737	1.05
338,000	VodafoneZiggo Financing 2.875% 15.01.29	246,174	1.07
431,000	Wepa Hygieneprodukte 5.625% 15.01.31	367,579	1.59
200,000	ZF Europe Finance 2% 23.02.26	162,388	0.70
100,000	ZF Finance 2% 06.05.27	78,836	0.34
	Total Euro	17,047,732	73.74
US DOLLAR (31 December 2023 - 3.04%)			
200,000	EnQuest 11.625% 01.11.27	159,621	0.69
58,000	Telecom Italia 6.375% 15.11.33	42,967	0.19
342,000	Telecom Italia 6.375% 15.11.33	264,168	1.14
200,000	Telecom Italia 7.2% 18.07.36	162,386	0.70
200,000	Ziggo Bond Co 5.125% 28.02.30	133,544	0.58
	Total US Dollar	762,686	3.30
UNLISTED/UNQUOTED (31 December 2023 - Nil)			
353,137	Hellas Telecommunications Luxembourg III 8.5% 15.10.13 ^A	-	-
	Total Unlisted/Unquoted	-	-
Portfolio of stock investments		22,858,033	98.87
Counterparty	Foreign Currency Hedges (31 December 2023 - (0.61)%)		
UBS	Sell GBP 84,614 for EUR 100,000 - 1 July 2024	17	-
RBC	Sell GBP 128,498 for EUR 152,000 - 2 July 2024	141	-
NatWest	Sell GBP 113,995 for EUR 135,045 - 3 July 2024	299	-
Goldman Sachs	Sell GBP 123,165 for EUR 145,489 - 16 July 2024	33	-
Morgan Stanley	Sell GBP 191,710 for EUR 226,973 - 16 July 2024	488	-
NatWest	Sell GBP 246,056 for EUR 291,705 - 16 July 2024	955	-
Merrill Lynch	Sell GBP 6,587 for USD 8,346 - 16 July 2024	7	-
UBS	Sell EUR 100,000 for GBP 84,666 - 16 July 2024	(12)	-
NatWest	Sell EUR 135,045 for GBP 114,056 - 16 July 2024	(298)	-
RBC	Sell EUR 152,000 for GBP 128,572 - 16 July 2024	(139)	-
Merrill Lynch	Sell EUR 20,634,101 for GBP 17,590,447 - 16 July 2024	117,794	0.51
NatWest	Sell USD 8,363 for GBP 6,532 - 16 July 2024	(75)	-
BNP Paribas	Sell USD 8,772 for GBP 6,891 - 16 July 2024	(40)	-
Citibank	Sell USD 8,938 for GBP 7,045 - 16 July 2024	(17)	-
Barclays	Sell USD 960,270 for GBP 750,292 - 16 July 2024	(8,423)	(0.03)
	Net value of all derivative positions	110,730	0.48
	Portfolio of investments (including derivative positions)^B	22,968,763	99.35
	Net other assets (excluding derivative positions)	151,137	0.65
	Total net assets	23,119,900	100.00

^A Hellas Telecom is considered to be valueless by the fund manager.

^B Net of investment liabilities.

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

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2024

Portfolio split by investment grade

Investments of investment grade	1,245,292	5.39
Investments below investment grade	21,115,769	91.33
Unrated	496,972	2.15
	<hr/>	
Portfolio of investments	22,858,033	98.87
Net value of all derivative positions	110,730	0.48
Net other assets (excluding derivative positions)	151,137	0.65
Total net assets	<hr/> <hr/>	<hr/> <hr/>
	23,119,900	100.00

PORTFOLIO TRANSACTIONS

for the six month period ended 30 June 2024

£

Total purchases costs, including transaction charges	9,406,753
Total sales proceeds, net of transaction charges	11,045,715

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 30 June 2024

	30 June 2024		30 June 2023	
	£	£	£	£
Income:				
Net capital (losses)/gains		(60,684)		798,021
Revenue	722,848		792,188	
Expenses	<u>(91,405)</u>		<u>(142,027)</u>	
Net revenue before taxation	631,443		650,161	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>631,443</u>		<u>650,161</u>
Total return before distributions		570,759		1,448,182
Distributions		(672,378)		(715,095)
Change in net assets attributable to unitholders from investment activities		<u><u>(101,619)</u></u>		<u><u>733,087</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 30 June 2024

	30 June 2024		30 June 2023	
	£	£	£	£
Opening net assets attributable to unitholders		^A 24,492,068		27,964,540
Amounts receivable on issue of units	1,355,533		800,498	
Amounts payable on cancellation of units	(2,628,198)		(2,152,470)	
Amounts receivable/(payable) on unit class conversions	<u>74</u>		<u>(1,921)</u>	
		(1,272,591)		(1,353,893)
Dilution adjustment		2,042		1,750
Change in net assets attributable to unitholders from investment activities		(101,619)		733,087
Unclaimed distributions		-		1
Closing net assets attributable to unitholders		<u><u>23,119,900</u></u>		^A <u><u>27,345,485</u></u>

^A These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

IFSL MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

BALANCE SHEET

as at 30 June 2024

	30 June 2024	31 December 2023
	£	£
Assets:		
Fixed Assets:		
Investment assets	22,977,767	25,052,254
Current Assets:		
Debtors	310,292	400,409
Cash and bank balances	1,548,963	1,726,481
Total assets	<u>24,837,022</u>	<u>27,179,144</u>
Liabilities:		
Investment liabilities	9,004	168,694
Creditors:		
Bank overdrafts	962,497	936,269
Distribution payable	328,491	336,905
Other creditors	417,130	1,245,208
Total liabilities	<u>1,717,122</u>	<u>2,687,076</u>
Net assets attributable to unitholders	<u>23,119,900</u>	<u>24,492,068</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

Basis for preparation

The interim financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS102) and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017.

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

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

Accounting policies

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

The investments of the Fund have been valued at their fair value at 12 noon on 28 June 2024.

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Email. ifslclientsupport@ifslfunds.com

Website. www.ifslfunds.com

Fax. (01204) 533 045

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Investment Fund Services