

IFSL MARLBOROUGH MULTI-ASSET OEIC

(formerly Marlborough Multi-Asset OEIC)

Annual Report and Audited Financial Statements

for the period from 18 January 2021 to 31 December 2021

IFSL

— Fund Services —

Marlborough

IFSL MARLBOROUGH MULTI-ASSET OEIC

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD) and Registrar (from 26 November 2021)

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 Investment Fund Services Limited

Andrew Staley (Non-Executive)
Allan Hamer
Wayne D Green - resigned 24 March 2022
Helen Derbyshire
Helen Redmond
Guy Sears (Independent Non-Executive)
David Kiddie (Independent Non-Executive) -
resigned 2 December 2021
Sarah Peaston (Independent Non-Executive)

Depository

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

Authorised Corporate Director (ACD) and Registrar (to 26 November 2021)

Marlborough Fund Managers Ltd
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of Marlborough Fund Managers Ltd

Andrew Staley (Non-Executive)
Nicholas F J Cooling
Allan Hamer
Wayne D Green
Dom Clarke
Helen Derbyshire
Richard Goodall
Geoffrey Hitchin (Non-Executive)
Guy Sears (Independent Non-Executive)
David Kiddie (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

IFSL MARLBOROUGH MULTI-ASSET OEIC

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IFSL MARLBOROUGH MULTI-ASSET OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

IFSL Marlborough Multi-Asset OEIC (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the OEIC Regulations. The Company is a Non-UCITS Retail Scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is also an umbrella company for the purposes of the OEIC Regulations. The Company is an alternative investment fund and a UK AIF for the purposes of the UK AIFM Regime. The Company is incorporated in England and Wales with registered number ICO35607. The Company was authorised by an order made by the Financial Conduct Authority (FCA) with effect from 11 December 2020 under the Product Reference Number (PRN) 940806. The shareholders are not liable for the debts of the Company.

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

The Company currently has one sub-fund; IFSL Marlborough Conservative Fund (the sub-fund).

Investment objective and policy

IFSL Marlborough Conservative Fund

The aim of the sub-fund is to increase the value of your investment over any 5 year period, through a combination of capital growth, that is, profit on investments, and some income, that is, money paid out of an investment, such as interest from bonds or dividends from shares.

The sub-fund aims to outperform the average of the IA Mixed Investment 0-35% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.

At least 80% of the sub-fund will be invested in other funds, including exchange traded funds (which typically track an index) and investment trusts.

This may include other funds operated by the Authorised Corporate Director or its associates. Through these investments, the sub-fund will be exposed to a range of asset classes, creating a low to medium risk portfolio.

Between 0-35% of the sub-fund will be exposed to shares in companies, both UK and overseas, but typically this will be between 15-30%.

At least 45% of the sub-fund will also be exposed to bonds, which are loans typically issued by companies and governments, and cash. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

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

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

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

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

The sub-fund may use derivatives or forward transactions whose returns are linked to exchange rates in order to reduce currency risk (also known as hedging), however, this is likely to be infrequent.

This sub-fund aims to be in the top half of all funds included in the IA Mixed Investment 0-35% Shares sector.

IFSL MARLBOROUGH MULTI-ASSET OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Rights and terms attached to each share class

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

Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. IFSL Marlborough Conservative Fund is assessed and reported on, in a composite report which the ACD publishes on the website www.ifslfunds.com. The next report is expected to be published in a composite report by 30 September 2022.

Changes in prospectus

On the 26 November 2021: the ACD changed from Marlborough Fund Managers Limited to another Marlborough Group company, Investment Fund Services Limited (IFSL). The name of the Company changed from Marlborough Multi-Asset OEIC to ISFL Marlborough Multi Asset OEIC and the name of the sub-fund changed from Marlborough Conservative Fund to IFSL Marlborough Conservative Fund.

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

Leverage

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

The total amount of leverage calculated for the sub-fund as at 31 December 2021 is as follows:

	Gross Method	Commitment Method
IFSL Marlborough Conservative Fund	93.19%	93.19%

The maximum level of leverage which may be employed on behalf of the sub-fund when calculated in accordance with the gross method is 160%.

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

AUTHORISED STATUS AND GENERAL INFORMATION

Remuneration policy

In line with the requirement of the AIFMD, Investment Fund Services Limited is 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 the AIFMD. 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 Alternative Investment Funds (AIFs) it manages.

The quantitative remuneration disclosures as at 30 September 2021 (the Alternative Investment Fund Manager's (AIFM'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 AIFM ^A who have a material impact on the risk profile of the Company				
Senior management	9	721,509	600,044	121,465
Risk takers and other identified staff	3	223,328	174,917	48,411
Allocation of total remuneration of the employees of the AIFM to the Company				
Senior management	0.01	532	442	90
Risk takers and other identified staff	0.14	10,706	8,385	2,321

The total number of staff employed by the AIFM's group was 226 as at 30 September 2021. The total remuneration paid to those staff was £9,995,870 of which £5,102,703 is attributable to the AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIFM is based on Assets Under Management (AUM). The allocation of remuneration to the AIF is based on AUM where staff are not directly allocated to the AIF and the figures disclosed only include remuneration paid to individuals directly employed by the AIFM's group. The way these disclosures are calculated may change in future.

^A The AIFM remuneration disclosure given above are for Marlborough Fund Managers Limited, the Authorised Corporate Director until 25 November 2021.

IFSL MARLBOROUGH MULTI-ASSET OEIC

AUTHORISED CORPORATE DIRECTORS' STATEMENT

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



ALLAN HAMER
DIRECTOR



HELEN REDMOND
DIRECTOR

INVESTMENT FUND SERVICES LIMITED

29 April 2022

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company comprising of its sub-fund and of its net revenue and the net capital gains for the period.

In preparing those financial statements the ACD 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 Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL rules, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD 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 ACD to take all necessary steps as a director 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 Shareholders of the IFSL Marlborough Conservative Fund of the IFSL Marlborough Multi-Asset OEIC ("the Company") for the period ended 31 December 2021

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation 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 Company and its investors.

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

The Depositary must ensure that:

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

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

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

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

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

HSBC BANK PLC

LONDON

29 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH MULTI-ASSET OEIC

Opinion

We have audited the financial statements of IFSL Marlborough Multi-Asset OEIC ("the Company") comprising of its sub-fund for the year ended 31 December 2021, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company set out on pages 17 to 19, 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 Company comprising its sub-fund as at 31 December 2021 and of the net revenue and the net capital gains on the scheme property of the Company 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's 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 Authorised Corporate Director's ("the ACD") 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 Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD 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 Company'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 ACD 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 SHAREHOLDERS OF IFSL MARLBOROUGH MULTI-ASSET OEIC

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 Financial Conduct Authority and the Instrument of Incorporation; and
- 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 ACD'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 Financial Conduct Authority 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 Authorised Corporate Director (the "ACD")

As explained more fully in the ACDs responsibilities statement set out on page 6, the ACD 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 ACD 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 ACD is responsible for assessing the Company'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 ACD either intends to wind up or terminate the Company 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 SHAREHOLDERS OF IFSL MARLBOROUGH MULTI-ASSET OEIC

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 Company and determined that the most significant are United Kingdom Generally Accepted Accounting Principles (UK GAAP) including FRS 102, the Investment Management Association Statement of Recommended Practice, the FCA Collective Investment Schemes Sourcebook, the OEIC regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators. We corroborated our enquiries through a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company'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.
- 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 ACD 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 Company.
- Due to the regulated nature of the Company, 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 Financial Reporting Council'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 Company's Shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's Shareholders 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 Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh

29 April 2022

Notes:

1. The maintenance and integrity of the Investment Fund Services Limited website is the responsibility of the ACD; 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-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 18 January 2021 to 31 December 2021

Percentage change and sector position to 31 December 2021

	<u>Six months</u>	<u>25.01.2021*</u>
Marlborough Conservative Fund	1.07%	1.92%
IA Mixed Investment 0-35% Shares	1.17%	2.21%
Quartile Ranking**	3	4

* Since launch period ended.

** Based on ranking within the Investment Association Mixed Investment 0-35% Shares sector.

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

During the period under review the quoted price of the class P income units, net income reinvested, increased by 1.92%. The IA Mixed Investment 0-35% sector average increased by 2.21% over the same period.

2021 was all about Covid, one way or another. Yes, a few other factors were at play – such as Brexit here in the UK, or Evergrande in China – but these were largely overshadowed by the impact of the global pandemic.

As we move into 2022, investment debate remains centred on inflation, which itself has been driven by political and economic responses to Covid. While economic and corporate fundamentals seem solid, the global recovery is still shaky and could be derailed by over-zealous central bankers who raise rates too much or too soon.

Despite the many risks that abound, equity markets have continued to climb the wall of worry, offsetting losses on the fixed income side and helping multi-asset investors to another year of solid returns.

2021 saw economic growth rebound strongly from the lockdown lows of 2020. The prevailing view – which we agree with – seems to be that economic growth will continue to recover, but at a more moderate, sustainable pace. Of course, there are risks to this view, largely centred around inflation and central banks' response to this almost-forgotten phenomenon.

For most of 2021, central bankers in developed markets resisted calls to raise rates, insisting that this bout of inflation was “transitory” and would ease of its own accord, and that in any event rate rises would have little impact on energy prices and supply chain disruptions that were causing the higher prices. However, Fed chair Jerome Powell has now conceded the point, accepting that “it’s probably a good time to retire that word (transitory)”. While inflation is still likely to ease in 2022 through the impact of base effects, other factors such as wage growth will serve to keep it somewhat higher than we’ve become accustomed to in recent years. With this in mind, the Bank of England’s Monetary Policy Committee voted 8-1 to raise rates from 0.1% to 0.25%, and the Fed is doubling the pace at which it is winding down its asset purchase programme. The Fed also signalled a likelihood that they would hike rates in 2022.

But with Covid – and the ever-present risk of new strains – creating a febrile environment for growth, central bankers will fear making a policy error. If they raise rates too soon or too much, just at the point that economies take a turn for the worse, they may cause lasting damage. So it’s likely that this will remain a hot topic for much of the coming year. How long will the supply chain disruptions continue? Will reluctant workers re-enter the labour force? In deciding on Covid measures, how will governments balance the health of their citizens with that of their economies?

The inflation question is crucial, as it impacts all of us - as consumers, as savers, as borrowers and as investors. It impacts fixed income markets, as higher inflation eats away more of the real value of the future cash flows that a bond pays. It impacts equities as it can lead to higher input costs and lower margins for companies; on the other hand, it can also give companies a degree of pricing power which may more-than-offset those higher input costs. And if inflation leads to rate rises, it impacts the relative attractiveness of equities versus bonds.

Our base case is for equity markets to continue to climb the wall of worry: underlying economic growth should continue its rebound, albeit at a slower pace, and companies should be able to deliver decent earnings growth. But with all these questions lingering, 2022 looks set to provide further bouts of volatility.

The performance of the fund over the reporting period was primarily impacted by our fixed interest portfolio. At the launch of the fund at the end of January, government bond yields had returned to pre-pandemic levels following the successful vaccine announcement and we were of the view that they offered fair value. To reflect this view the funds launched with a slight overweight to government bonds. This proved to be a headwind for returns as inflation began to rise and bond prices fell, so we acted to reduce the duration (interest-rate sensitivity) of the fixed interest assets. Given the on-going challenging inflation and interest rate environment, the portfolio now has underweight position to fixed income assets.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 18 January 2021 to 31 December 2021

On the equity side, at various points during the period we introduced modest overweight positions in Asian and Emerging Markets, as well as in UK and Japanese Markets, on a view that these regions offered attractive valuations. However, these regions lagged relative to US equities. We continue to believe that Asian equities are attractively priced and have maintained this modest overweight but have moved to neutral in Japan and Emerging Markets. The fund has reduced exposure to more expensive areas of the market such as the US and expensive growth stocks in favour of a more neutral allocation between growth and value. This has been achieved through reweighting some of the underlying fund holdings, but also through the introduction of a moderate overweight tilt towards the UK equity market, which is inherently biased towards value.

The top performer over the period was the SVS Sanlam North American fund, posting a gain of 30.4%. IFSL Marlborough UK Micro-Cap and iShares Edge MSCI USA Value Factor ETF also produced strong returns of 22.1% and 20.6% respectively. In the fixed income space, the conditions have been more difficult and many of the fixed income funds posted ended the year flat, with either small positive or negative returns for the period. The Tabula US Enhanced Inflation ETF performed well given the high inflationary environment, posting a gain of 14.2%. Laggards include Allianz Strategic Bond and IFSL Marlborough Global Bond, losing of 7.9% and 3.8% respectively.

We still expect the global recovery to continue, aided by monetary policy that is still very supportive, fiscal programs that are coming on stream, pent-up consumer demand and high cash balances. Companies should do well in this environment, despite the higher inflation levels. But we cannot ignore the risk of policy error, especially in the face of on-going Covid risks, so we have maintained our overall neutral stance in equities. Within equities we still have a preference for the UK, where share price valuations are less expensive than elsewhere. In Asia we have moved to a moderate overweight position and believe China's central bank stimulus is attractive whilst most economies are tightening. On the fixed income side, we've been running with slightly underweight bond exposure for some time but given the risk of weaker-than-expected global growth, we've moved closer to neutral in recent weeks.

Russia invaded Ukraine on 23 February 2022 and this conflict has increased volatility of the financial markets and commodity prices. This has also led to an increase in inflation.

One of the funds in the portfolio had a very small holding in Russian equities, but in keeping with accepted practice these positions have been valued at zero. This means that as at the balance sheet date, the sub-fund fund had no direct risk exposure to either Russia or Ukraine.

Marlborough Investment Management Limited
3 February 2022

Distributions (pence per share)

	<u>Year 2022</u>	<u>Year 2021</u>
<u>P Income</u>		
Net income paid on the last day of February	0.5928	
Net income paid on 31 August		0.3360

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

AUTHORISED INVESTMENT MANAGER'S REPORT
for the period from 18 January 2021 to 31 December 2021

Portfolio changes

Purchases	Cost (£)
Allianz Strategic Bond 'I' GBP	493,300
Royal London Short Duration Credit 'Z'	464,800
M&G Global Macro Bond 'I' Sterling	383,300
IFSL Marlborough Global Bond 'P'	381,400
Allspring (Lux) Worldwide USD Investment Grade Credit 'I' GBP Hedged	378,560
FTF Brandywine Global Income Optimiser 'I'	375,298
Vanguard Global Credit Bond GBP Hedged	374,400
Royal London International Government Bond 'M'	373,500
Legg Mason IF Brandywine Global Income Optimiser 'X'	369,400
Schroder Sterling Corporate Bond 'Z' GBP	354,700
Other purchases	4,291,297
Total purchases for the period	8,239,955
Sales	Proceeds (£)
Legg Mason IF Brandywine Global Income Optimiser 'X'	375,298
Royal London International Government Bond 'M'	365,893
Allianz Strategic Bond 'I' GBP	242,800
Allianz Gilt Yield 'I' GBP	234,036
Marlborough Multi Cap Income 'P'	193,726
Artemis US Select 'I' GBP	186,416
Allspring (Lux) Worldwide US All Cap Growth 'I' USD	184,701
iShares UK Dividend UCITS ETF GBP	150,952
Man GLG UK Income 'D'	144,900
iShares Core MSCI EM IMI UCITS ETF USD	137,900
Other sales	1,369,083
Total sales for the period	3,585,705

**IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND**

COMPARATIVE TABLE

<u>P Income shares</u>	Period to 31.12.2021
Change in net assets per share	pence
Opening net asset value per share	<u>100.00^A</u>
Return before operating charges*	2.94
Operating charges	<u>(1.07)</u>
Return after operating charges*	<u>1.87</u>
Distributions on income shares	<u>(0.93)</u>
Closing net asset value per share	<u>100.94</u>
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.87% ^B
Other information	
Closing net asset value (£)	5,053,060
Closing number of shares	5,000,000
Operating charges	1.14% ^{C,D}
Direct transaction costs	0.01% ^C
Prices	
Highest share price	102.25p
Lowest share price	97.76p

^A Opening net asset value per share on 25 January 2021 following the end of the launch period on 22 January 2021.

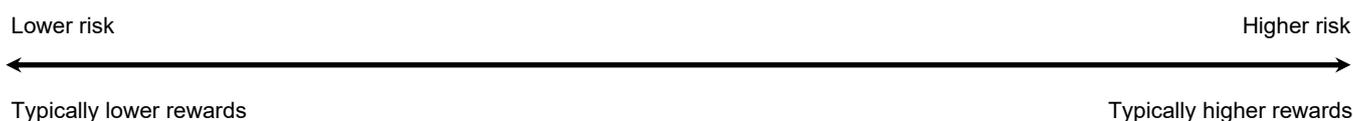
^B The return after charges is calculated using the underlying investments bid prices

^C These figures have been annualised.

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

SYNTHETIC RISK AND REWARD INDICATOR



1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of the sub-fund based on past data. It uses historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

The sub-fund has been measured as 4 because it has experienced moderate volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

PORTFOLIO STATEMENT

as at 31 December 2021

Holding or nominal value	Bid value £	Percentage of total net assets %
GLOBAL CORPORATE BOND		
2,387 Vanguard Global Credit Bond GBP Hedged	292,191	5.79
Total Global Corporate Bond	<u>292,191</u>	<u>5.79</u>
GLOBAL MIXED BOND		
261,540 FTF Brandywine Global Income Optimiser 'I'	285,340	5.65
126,006 IFSL Marlborough Global Bond 'P'	262,837	5.21
184,616 M&G Global Macro Bond 'I' Sterling	291,416	5.77
2,424 Vontobel TwentyFour Strategic Income 'AQG' GBP	255,395	5.06
Total Global Mixed Bond	<u>1,094,988</u>	<u>21.69</u>
STERLING CORPORATE BOND		
801 iShares Core £ Corp Bond UCITS ETF GBP ^A	121,215	2.40
326,273 Royal London Short Duration Credit 'Z'	364,121	7.21
179,751 Schroder Sterling Corporate Bond 'Z' GBP	357,884	7.09
Total Sterling Corporate Bond	<u>843,220</u>	<u>16.70</u>
STERLING STRATEGIC BOND		
172,732 Allianz Strategic Bond 'I' GBP	213,739	4.23
Total Sterling Strategic Bond	<u>213,739</u>	<u>4.23</u>
USD CORPORATE BOND		
2,879 Allspring (Lux) Worldwide USD Investment Grade Credit 'I' GBP Hedged	288,226	5.71
Total USD Corporate Bond	<u>288,226</u>	<u>5.71</u>
USD GOVERNMENT BOND		
2,475 Tabula US Enhanced Inflation UCITS ETF GBP Hedged ^A	296,208	5.87
Total USD Government Bond	<u>296,208</u>	<u>5.87</u>
SHORT TERM MONEY MARKET		
153,743 Royal London Short-Term Money Market 'Y'	156,956	3.11
Total Short Term Money Market	<u>156,956</u>	<u>3.11</u>
ASIA PACIFIC EXCLUDING JAPAN		
14,459 Fidelity Asia Pacific Opportunities 'W'	45,430	0.90
Total Asia Pacific excluding Japan	<u>45,430</u>	<u>0.90</u>
EUROPE EXCLUDING UK		
4,597 BlackRock European Dynamic 'D' GBP	50,654	1.00
6,078 IFSL Marlborough European Special Situations 'P'	51,139	1.01
516 Xtrackers S&P Europe ex. UK UCITS ETF '1D' EUR ^A	30,047	0.61
Total Europe excluding UK	<u>131,840</u>	<u>2.62</u>
EUROPE INCLUDING UK		
11,043 iShares Edge MSCI Europe Value Factor UCITS ETF EUR ^A	50,452	1.00
Total Europe including UK	<u>50,452</u>	<u>1.00</u>
JAPAN		
11,105 JPM Japan 'C' Net	43,134	0.85
19,439 Man GLG Japan CoreAlpha 'C'	36,020	0.71
Total Japan	<u>79,154</u>	<u>1.56</u>
NORTH AMERICA		
113 Allspring (Lux) Worldwide US All Cap Growth 'I' USD	53,322	1.06
13,374 iShares Edge MSCI USA Value Factor UCITS ETF USD ^A	93,459	1.85
23,712 SVS Sanlam North American Equity 'B'	106,489	2.11
1,508 Xtrackers S&P 500 Equal Weight UCITS ETF '1C' USD ^A	94,688	1.88
Total North America	<u>347,958</u>	<u>6.90</u>

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

PORTFOLIO STATEMENT

as at 31 December 2021

Holding or nominal value	Bid value £	Percentage of total net assets %
GLOBAL EMERGING MARKETS		
478 Brook Global Emerging Market 'LI' GBP	49,821	0.99
1,155 iShares Core MSCI EM IMI UCITS ETF USD ^A	30,538	0.61
Total Global Emerging Markets	<u>80,359</u>	<u>1.60</u>
INFRASTRUCTURE		
58,154 M&G Global Listed Infrastructure 'I' Sterling	89,500	1.77
Total Infrastructure	<u>89,500</u>	<u>1.77</u>
SPECIALIST		
3,626 Xtrackers IE Physical Gold ETC Securities ^A	75,579	1.50
Total Specialist	<u>75,579</u>	<u>1.50</u>
UK ALL COMPANIES		
33,126 IFSL Marlborough Multi-Cap Growth 'P'	155,121	3.07
22,021 iShares Core FTSE 100 UCITS ETF GBP ^A	158,221	3.13
21,730 LF Lindsell Train UK Equity	115,087	2.28
Total UK All Companies	<u>428,429</u>	<u>8.48</u>
UK EQUITY INCOME		
7,429 iShares UK Dividend UCITS ETF GBP ^A	55,896	1.11
44,262 Man GLG UK Income 'D'	53,070	1.05
Total UK Equity Income	<u>108,966</u>	<u>2.16</u>
UK SMALLER COMPANIES		
8,714 IFSL Marlborough UK Micro-Cap Growth 'P'	108,813	2.16
Total UK Smaller Companies	<u>108,813</u>	<u>2.16</u>
Portfolio of investments	4,732,008	93.76
Net other assets	315,038	6.24
Total net assets	<u>5,047,046</u>	<u>100.00</u>

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

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

STATEMENT OF TOTAL RETURN

for the period from 18 January 2021 to 31 December 2021

	Notes	31 December 2021	
		£	£
Income:			
Net capital gains	4		47,073
Revenue	6	84,390	
Expenses	7	<u>(33,220)</u>	
Net revenue before taxation		51,170	
Taxation	8	<u>(4,753)</u>	
Net revenue after taxation			<u>46,417</u>
Total return before distributions			93,490
Distributions	9		(46,444)
Change in net assets attributable to shareholders from investment activities			<u><u>47,046</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period from 18 January 2021 to 31 December 2021

	31 December 2021	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	5,000,000	
Amounts payable on cancellation of units	<u>-</u>	5,000,000
Change in net assets attributable to shareholders from investment activities		47,046
Closing net assets attributable to shareholders		<u><u>5,047,046</u></u>

The comparative figures have not been included because these are the first financial statements since the launch of the sub-fund.

**IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND**

BALANCE SHEET

as at 31 December 2021

	Notes	31 December 2021 £
Assets:		
Fixed Assets:		
Investments	17	4,732,008
Current Assets:		
Debtors	10	17,289
Cash and cash equivalents		342,359
Total assets		<u>5,091,656</u>
Liabilities:		
Creditors:		
Distribution payable on income shares		29,644
Other creditors	11	14,966
Total liabilities		<u>44,610</u>
Net assets attributable to shareholders		<u><u>5,047,046</u></u>

The comparative figures have not been included because these are the first financial statements since the launch of the sub-fund.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

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 for UK Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017.

The financial statements are prepared in sterling, which is the functional currency of the sub-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 Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and, following the consideration of the impact of COVID-19, they continue to adopt the going concern basis in preparing the financial statements.

These are the first financial statements since the launch of the sub-fund, therefore there are no comparative figures.

Revenue

Dividends from quoted ordinary securities and distributions receivable from onshore collective investment schemes are recognised when the security is quoted ex-dividend.

Income from offshore collective investment schemes is recorded on the ex-dividend date and additional reported income is recognised when reported.

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 authorised fund manager'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 initially against revenue on an accruals basis.

Management fee rebates

Rebates on collective investment schemes' management fees are accounted for on an accruals basis and are subsequently attributed to the revenue or capital of the sub-fund depending on the fee structure of the underlying collective investment scheme.

Distributions from collective investment schemes

Distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for the shares. Equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

Valuation

The valuation point was 12:00 on 31 December 2021 being the last valuation point of the accounting period.

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

Investments in collective investment schemes have been valued at cancellation price for dual-priced funds or the single price for single priced funds, using the latest available published prices at the period end.

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.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 December 2021 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 sub-fund is to distribute or 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 sub-fund is not more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and will pay a dividend distribution.

Equalisation

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

3 RISK MANAGEMENT POLICIES

In pursuing its investment objective, the sub-fund holds a number of financial instruments. The sub-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 creations and payable for redemptions and debtors for accrued income.

The main risks arising from the sub-fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the period.

The sub-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 sub-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 sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Instrument of Incorporation, the Prospectus and 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 sub-fund's investments can be affected by foreign currency translation movements as some of the sub-fund's assets and income may be denominated in currencies other than sterling which is the sub-fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the sub-fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements in 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 sub-fund. The sub-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 sub-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 sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the ACD 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 sub-fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

RISK MANAGEMENT POLICIES

Liquidity risk

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

Concentration risk

Some of the underlying collective investment schemes invest solely in certain markets, such as UK shares or fixed interest securities. This allows them to focus on those markets' potential but means that they are not spread amongst a range of markets. Securities in the same market tend to be affected by the same factors, so the collective investment schemes may experience greater fluctuations in price. The asset allocations aim to minimise this risk whenever possible, whilst still meeting the objectives of the sub-fund.

4 NET CAPITAL GAINS

31 December 2021

£

The net gains on investments during the period comprise:

Realised gains on non-derivative securities	40,278
Unrealised gains on non-derivative securities	9,176
Other currency losses	(383)
Management fee rebates	134
Transaction charges	(2,132)
Net capital gains	47,073

5 PURCHASES, SALES AND TRANSACTION COSTS

31 December 2021

£

Purchases excluding transaction costs	
Collective Investment Schemes	6,520,315
Exchange Traded Funds	1,719,314
	<u>8,239,629</u>
Commissions - Exchange Traded Funds	326
Total purchase transaction costs	<u>326</u>
Total purchases after transaction costs	<u>8,239,955</u>

Purchase transaction costs expressed as a percentage of the principal amount:

Commissions - Exchange Traded Funds	0.02%
-------------------------------------	-------

Sales excluding transaction costs	
Collective Investment Schemes	2,785,909
Exchange Traded Funds	799,970
	<u>3,585,879</u>
Commissions - Exchange Traded Funds	(174)
Total sales transaction costs	<u>(174)</u>
Total sales after transaction costs	<u>3,585,705</u>

Sale transaction costs expressed as a percentage of the principal amount:

Commissions - Exchange Traded Funds	0.02%
-------------------------------------	-------

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the period:	0.01%
---	-------

Transaction handling charges

These are charges payable to the depositary in respect of each transaction.

£2,132

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>0.05%</u>
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IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

6 REVENUE	31 December 2021
	£
Non-taxable UK Dividends	9,616
Overseas dividends	17,923
Interest distributions	55,133
Management fee rebates	1,718
Total revenue	<u><u>84,390</u></u>
7 EXPENSES	31 December 2021
	£
Payable to the ACD or associate:	
ACD's periodic charge	23,374
Registration fees	196
	<u>23,570</u>
Other expenses:	
Depository's fees	1,653
Safe Custody fees	361
Financial Conduct Authority fee	208
Bank interest	26
Audit fee	7,402
	<u>9,650</u>
Total expenses	<u><u>33,220</u></u>
8 TAXATION	31 December 2021
	£
a Analysis of the tax charge for the period	
UK Corporation tax at 20%	4,753
Total tax charge (see note 6(b))	<u><u>4,753</u></u>
b Factors affecting the tax charge for the period	
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.	
Net revenue before taxation	51,170
Corporation tax at 20%	<u>10,234</u>
Effects of:	
Revenue not subject to taxation	(5,508)
Tax effect of capitalised management fee rebate	27
Total tax charge (see note 6(a))	<u><u>4,753</u></u>
c Provision for deferred taxation	
No provision for deferred tax has been made in the current accounting period.	
9 DISTRIBUTIONS	31 December 2021
	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:	
Interim	16,800
Final	29,644
Amounts deducted on cancellation of shares	-
Amounts added on issue of shares	-
Distributions	<u><u>46,444</u></u>
Movement between net revenue and distributions:	
Net revenue after taxation	46,417
Tax effect of capitalised management fee rebate	27
	<u><u>46,444</u></u>

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

10 DEBTORS

31 December 2021
£

Sales awaiting settlement	9,500
Accrued income	7,789
Total debtors	<u><u>17,289</u></u>

11 OTHER CREDITORS

31 December 2021
£

ACD's periodic charge	2,154
Accrued expenses	8,059
Corporation tax payable	4,753
Total other creditors	<u><u>14,966</u></u>

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 December 2021.

13 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 9. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 10 and 11. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 7. Amounts due to the ACD at the period end are £2,154.

The shares are 100% owned by Marlborough Fund Managers Limited.

14 SHARE CLASSES

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

P Income	0.50%
P Accumulation	0.50%

15 SHAREHOLDERS' FUNDS RECONCILIATION

During the period the ACD has issued and cancelled shares as set out below:

	<u>P Income</u>
Opening shares in issue at 18 January 2021	-
Share issues	5,000,000
Share cancellations	-
Share conversions	-
Closing shares in issue at 31 December 2021	<u><u>5,000,000</u></u>

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £236,600. A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the period end date a portion of the net assets of the sub-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 31 December 2021:

	Investments £	Net current assets £	Total £
Euro	50,452	-	50,452
US dollar	317,049	-	317,049
	<u><u>367,501</u></u>	<u><u>-</u></u>	<u><u>367,501</u></u>

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 £18,375. A five per cent increase would have an equal and opposite effect.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 18 January 2021 to 31 December 2021

RISK DISCLOSURES

Interest rate risk

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

	31 December 2021
	£
Financial assets floating rate	342,359
Financial assets interest bearing instruments	3,185,528
Financial assets non-interest bearing instruments	1,563,769
Financial liabilities non-interest bearing instruments	(44,610)
	<u>5,047,046</u>

Interest rate risk sensitivity

An interest rate sensitivity disclosure has not been included because the investments held by the sub-fund are collective investment schemes, which may invest in interest bearing financial assets, however, information regarding these investments is not available from the ACD/fund managers as at the sub-fund's balance sheet date.

Liquidity risk

The following table provides a maturity analysis of the sub-fund's financial liabilities:

	31 December 2021
	£
Within one year:	
Distribution payable on income shares	29,644
Other creditors	14,966
	<u>44,610</u>

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 December 2021	
	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	1,006,303	-
Level 2 - Observable market data	3,725,705	-
Level 3 - Unobservable data	-	-
	<u>4,732,008</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 31 December 2021, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 December 2021^A	25 April 2022	Movement (%)
P Income	101.58	95.20	-6.28%

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

Since 31 December 2021, Russia have invaded Ukraine and this conflict has increased volatility of the financial markets and commodity prices. This has also lead to an increase in inflation.

As at the balance sheet date, the sub-fund had no direct exposure to either Russia or Ukraine.

IFSL MARLBOROUGH MULTI-ASSET OEIC
IFSL MARLBOROUGH CONSERVATIVE FUND

DISTRIBUTION TABLE

Interim distribution for the period from 25 January 2021 to 30 June 2021

Group 1: shares purchased prior to 25 January 2021
 Group 2: shares purchased on or after 25 January 2021

		Net revenue 30 June 2021	Equalisation 30 June 2021	Distribution paid 31 August 2021
		pence per share	pence per share	pence per share
P Income	Group 1	0.3360	-	0.3360
	Group 2	0.3360	-	0.3360

Final distribution for the period from 1 July 2021 to 31 December 2021

Group 1: shares purchased prior to 1 July 2021
 Group 2: shares purchased on or after 1 July 2021

		Net revenue 31 December 2021	Equalisation 31 December 2021	Distribution paid 28 February 2022
		pence per share	pence per share	pence per share
P Income	Group 1	0.5928	-	0.5928
	Group 2	0.5928	-	0.5928

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