

IFSL MARLBOROUGH GLOBAL BOND FUND

(formerly Marlborough Global Bond Fund)

Annual Report and Audited Financial Statements

for the year ended 20 February 2022

IFSL

— Fund Services —

Marlborough

IFSL MARLBOROUGH GLOBAL BOND FUND

CONTACT INFORMATION

Authorised Fund Manager 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 Redmond
Helen Derbyshire
David Kiddie (Non-Executive) - resigned 2 December 2021
Guy Sears (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Auditor

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

Authorised Fund Manager 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 GLOBAL BOND FUND

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IFSL MARLBOROUGH GLOBAL BOND FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 20 February 2022

Percentage change and sector position to 20 February 2022

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>01/09/1987*</u>
IFSL Marlborough Global Bond Fund	(5.21%)	(2.73%)	5.78%	9.64%	1,197.99%
IA Global Mixed Bond	(4.04%)	(3.26%)	4.91%	6.73%	645.62%
Quartile Ranking**	3	2	3	2	1

* Since end of launch period

** Based on ranking within The Investment Association Global Bonds Sector.

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

P units first priced on 2 January 2013. In the period to that date, the past performance information for A units has been used.

The Fund returned -2.73% in the 12-months to 20 February 2022, outperforming the IA Global Mixed Bond sector (-3.26%).

Global government bond yields rose, and credit spreads widened over the period. Sterling was weaker against the US Dollar but strengthened against most other major currencies.

Following an increase at the beginning of 2021, bond yields around the globe stabilised and traded in a relatively narrow range throughout most of the rest of the calendar year as the Covid-19 pandemic continued to impact economic activity. However, as international supply chains struggled to cope with the post-lockdowns surge in demand, short-dated bond yields began to price-in an increase in interest rates to counter the more persistent increases in the prices of goods and materials.

Inflationary fears accelerated over year-end after the US Federal Reserve had finally begun to move away from their long-held narrative of "transitory inflation". Bond yields rose sharply in the early weeks with the yield on the 10-year US Treasury note breaching the 2% level in mid-February for the first time since 2019.

As the period drew to a close, the Russian military build-up on the Ukrainian borders was indicating that an invasion was becoming increasingly likely. Bond yields fell modestly as investors began to seek safe-haven assets.

The US Dollar was the strongest major currency over the period. Sterling weakened steadily against the dollar until the Bank of England increased interest rates in December, prompting a recovery of some lost ground into the end of the period. Sterling strengthened against all other G10 currencies apart from the Canadian Dollar and the Swiss Franc.

In April 2021, when the IA Global Bond Sector was split into fourteen new sectors, the IA Global Mixed Bond Sector was selected as the most suitable new peer group for the Fund. This meant that the Fund's core management strategy could be maintained but that the portfolio's relative currency exposures were altered somewhat. A gradual approach to rebalancing the Fund was taken, and the Fund benefitted from maintaining an underweight Sterling position throughout most of the rest of 2021. As it became clear that the Bank of England Monetary Policy Committee were likely to start raising interest rates ahead of the other major central banks, this underweight position was reduced significantly in early December. The portfolio's duration was also reduced over the turn of the year to bring it more into line with the sector average.

In early 2022, the Fund's performance was impacted by its still modestly long duration and overweight credit exposure versus the peer group average. As government bond yields rose on the back of increased inflation concerns, credit spreads widened as the deteriorating geo-political environment led to a more risk-off tone in markets.

We continue to believe that a strategic overweight position in a diversified portfolio of good quality corporate bonds, held through the economic cycle, may produce solid risk-adjusted outperformance over our investment horizon. Short-term periods of underperformance, as markets adjust, are an inevitable feature of our cautious, long-term approach to bond investment and we are confident that underlying valuations in the credit markets remain attractive at current levels despite the ongoing high levels of uncertainty that global markets are currently contending with.

Marlborough Investment Management Limited
7 April 2022

IFSL MARLBOROUGH GLOBAL BOND FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 20 February 2022

Distributions (pence per unit)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>A Income</u>					
Net income paid 20 April	1.435229	1.253314	1.374494	1.810480	1.821583
Net income paid 20 October		1.306591	1.503284	1.815287	1.973280
<u>A Accumulation</u>					
Net income paid 20 April	2.658882	2.289132	2.464696	3.171708	3.113435
Net income paid 20 October		2.403248	2.721745	3.219139	3.411149
<u>P Income</u>					
Net income paid 20 April	2.021849	1.864116	1.981161	2.384560	2.413466
Net income paid 20 October		1.883600	2.103244	2.398293	2.538970
<u>P Accumulation</u>					
Net income paid 20 April	2.728787	2.456589	2.545047	2.971242	2.911252
Net income paid 20 October		2.511565	2.735495	3.036529	3.111826

Portfolio changes

Largest purchases		Cost (£)
France OAT 1.25% 25.05.34		2,715,374
Next 3.625% 18.05.28		1,373,000
Italy BTPi 1.4% 26.05.25		1,143,953
AstraZeneca Finance 2.25% 28.05.31		1,135,056
BP Capital Markets 4.25% Perp		1,068,960
NVIDIA 2% 15.06.31		1,058,650
Aberdeen 5.25% Perp		1,020,000
Aptiv 3.1% 01.12.51		720,860
Roche Holdings 2.607% 13.12.51		688,622
Huarong Finance 4.5% Perp		673,136
Other purchases		891,144
Total purchases for the year		12,488,755
Largest sales		Proceeds (£)
UK Treasury 4.5% 07.09.34		7,645,250
US Treasury 2.25% 15.08.49		3,807,241
Sainsbury (J) 2.875% Perp		3,449,946
FCA Bank (Ireland) 1.625% 29.09.21		2,900,000
Morrison (WM) Supermarkets 2.5% 01.10.31		2,869,300
Veolia Environnement 6.125% 29.10.37		2,571,348
American International Group 5% 26.04.23		2,368,170
London Stock Exchange Group 4.75% 02.11.21		2,228,000
BP Capital Markets 1% 28.04.23		2,072,700
Spain (Kingdom of) 5.25% 06.04.29		2,040,360
Other sales		115,341,358
Total sales for the year		147,293,673

IFSL MARLBOROUGH GLOBAL BOND FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

IFSL Marlborough Global Bond 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.

Investment objective and policy

The investment objective of the Fund is to provide both income, that is money paid out from an investment as interest, and capital growth, that is to increase the value of your investment. The Fund aims to outperform the average of the IA Global Mixed Bond sector over any 5 year period, after any charges have been taken out of the Fund. However, there is no certainty this will be achieved.

At least 80% of the Fund will be invested in bonds. This will include bonds issued by companies, governments and institutions.

Investments will include both investment grade bonds, which are loans issued by entities that have a high capacity to repay the debt, as well as sub-investment grade bonds which can be more vulnerable to changing economic conditions.

The Fund may also invest in shares (including preference shares and permanent interest bearing shares), bonds which may be converted into shares (known as convertible bonds) and money market instruments (which are shorter term loans).

The Fund is actively managed which means the Manager decides which investments to buy or sell and when. The Manager's principal aim is to buy bonds and hold them to maturity in order to maximise the income generated from investments, although some investments may be sold prior to maturity.

The Fund invests in a diversified portfolio of securities and has no constraints in relation to country or industry.

The Manager uses derivatives (instruments whose returns are linked to another asset, market or other variable factor) and forward transactions, for the purposes of efficient portfolio management in order to reduce currency risk in the Fund, also known as hedging, and for investment purposes, to gain exposure to certain currencies as part of the overall investment strategy.

From time to time, the Fund may also use derivative instruments to manage interest rate risk in the Fund.

The Fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives.

Rights and terms attaching to each unit class

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

Assessment of value

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

Changes in prospectus

On the 26 November 2021: the authorised fund manager changed from Marlborough Fund Managers Limited to another Marlborough Group company, Investment Fund Services Limited (IFSL); and the name of the Fund changed from Marlborough Global Bond Fund to IFSL Marlborough Global Bond 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.

IFSL MARLBOROUGH GLOBAL BOND FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2021 are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the UCITS Manager^A who have a material impact on the risk profile of the Fund				
Senior management	9	721,509	600,044	121,465
Risk takers and other identified staff	6	407,565	349,153	58,412
Allocation of total remuneration of the employees of the UCITS Manager to the Fund				
Senior management	0.26	40,056	33,313	6,743
Risk takers and other identified staff	2.92	284,227	250,954	33,273

The total number of staff employed by the UCITS Manager'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 UCITS Manager.

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

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

IFSL MARLBOROUGH GLOBAL BOND 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

19 April 2022

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing those financial statements the AFM is required to:

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

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

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

IFSL MARLBOROUGH GLOBAL BOND FUND

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the IFSL Marlborough Global Bond Fund ("the Trust") for the period ended 20th February 2022

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC BANK PLC

LONDON

19 April 2022

IFSL MARLBOROUGH GLOBAL BOND FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL BOND FUND

Opinion

We have audited the financial statements of IFSL Marlborough Global Bond Fund ("the Fund") for the year ended 20 February 2022, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 20 February 2022 and of the net revenue and the net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

IFSL MARLBOROUGH GLOBAL BOND FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL BOND FUND

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

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; 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 Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 5, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL BOND FUND

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might be considered 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 Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

19 April 2022

Notes:

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

IFSL MARLBOROUGH GLOBAL BOND FUND

COMPARATIVE TABLE

A Income units

Change in net assets per unit	Year to 20.02.2022 pence	Year to 20.02.2021 pence	Year to 20.02.2020 pence
Opening net asset value per unit	153.98	158.74	148.74
Return before operating charges*	(3.85)	(0.13)	15.03
Operating charges	(1.79)	(1.87)	(1.84)
Return after operating charges*	(5.64)	(2.00)	13.19
Distributions on income units	(2.74)	(2.76)	(3.19)
Closing net asset value per unit	145.60	153.98	158.74

* after direct transaction costs of:

Performance

Return after charges	-3.66% ^A	-1.26%	8.87%
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Other information

Closing net asset value (£)	15,497,636	17,814,880	28,197,110
Closing number of units	10,644,121	11,569,433	17,763,180
Operating charges	1.17%	1.17%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	157.65p	163.41p	165.33p
Lowest unit price	147.42p	150.33p	147.12p

A Accumulation units

Change in net assets per unit	Year to 20.02.2022 pence	Year to 20.02.2021 pence	Year to 20.02.2020 pence
Opening net asset value per unit	283.44	287.10	263.75
Return before operating charges*	(7.20)	(0.26)	26.64
Operating charges	(3.30)	(3.40)	(3.29)
Return after operating charges*	(10.50)	(3.66)	23.35
Distributions on income units	(5.06)	(5.01)	(5.68)
Retained distributions on accumulation units	5.06	5.01	5.68
Closing net asset value per unit	272.94	283.44	287.10

* after direct transaction costs of:

Performance

Return after charges	-3.70% ^A	-1.27%	8.85%
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Other information

Closing net asset value (£)	13,979,434	23,373,737	27,415,154
Closing number of units	5,121,807	8,246,438	9,548,847
Operating charges	1.17%	1.17%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	290.60p	298.26p	295.09p
Lowest unit price	273.54p	271.81p	260.89p

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

IFSL MARLBOROUGH GLOBAL BOND FUND
COMPARATIVE TABLE
P Income units

Change in net assets per unit	Year to 20.02.2022 pence	Year to 20.02.2021 pence	Year to 20.02.2020 pence
Opening net asset value per unit	154.15	158.93	148.88
Return before operating charges*	(3.86)	(0.13)	15.10
Operating charges	(0.64)	(0.68)	(0.67)
Return after operating charges*	(4.50)	(0.81)	14.43
Distributions on income units	(3.91)	(3.97)	(4.38)
Closing net asset value per unit	145.74	154.15	158.93

* after direct transaction costs of:

- - -

Performance

Return after charges	-2.92% ^A	-0.51%	9.69%
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Other information

Closing net asset value (£)	67,402,131	77,584,781	85,347,230
Closing number of units	46,248,630	50,330,570	53,701,575
Operating charges	0.42%	0.42%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	158.30p	163.99p	166.09p
Lowest unit price	148.13p	150.61p	147.78p

P Accumulation units

Change in net assets per unit	Year to 20.02.2022 pence	Year to 20.02.2021 pence	Year to 20.02.2020 pence
Opening net asset value per unit	205.71	206.80	188.56
Return before operating charges*	(5.27)	(0.20)	19.10
Operating charges	(0.86)	(0.89)	(0.86)
Return after operating charges*	(6.13)	(1.09)	18.24
Distributions on income units	(5.24)	(5.19)	(5.58)
Retained distributions on accumulation units	5.24	5.19	5.58
Closing net asset value per unit	199.58	205.71	206.80

* after direct transaction costs of:

- - -

Performance

Return after charges	-2.98% ^A	-0.53%	9.67%
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Other information

Closing net asset value (£)	226,458,606	358,051,454	388,242,820
Closing number of units	113,465,174	174,060,320	187,736,794
Operating charges	0.42%	0.42%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	212.14p	216.12p	211.79p
Lowest unit price	199.98p	195.91p	187.04p

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

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

IFSL MARLBOROUGH GLOBAL BOND FUND

SYNTHETIC RISK AND REWARD INDICATOR



The synthetic risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly 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 Fund has been measured as 4 because it has experienced moderate volatility historically. During the year the synthetic risk and reward indicator has remained unchanged.

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value			Bid value £	Percentage of total net assets %
AUSTRALIA (20 February 2021 - 1.78%)				
GBP	504,000	AMP Group Finance Services 6.875% 23.08.22	512,886	0.16
USD	850,000	Australia & New Zealand Banking Group 4.5% 19.03.24	652,459	0.20
AUD	1,100,000	Australia 0.25% 21.11.24	562,532	0.17
AUD	5,200,000	Australia 2.75% 21.05.41	2,776,516	0.86
GBP	875,000	BHP Billiton Finance FRN 22.10.77	894,539	0.28
AUD	1,070,000	General Property Trust 3.657% 24.08.26	584,967	0.18
USD	1,200,000	QBE Insurance Group 5.875% 17.06.46	937,299	0.29
USD	220,000	Rio Tinto Finance USA 7.125% 15.07.28	202,811	0.06
		Total Australia	7,124,009	2.20
AUSTRIA (20 February 2021 - 0.19%)				
EUR	472,428	Kaerntner Ausgleichszahlungs-Fonds 0% 14.01.32	357,830	0.11
EUR	100,000	UNIQA Insurance Group FRN 27.07.46	97,735	0.03
		Total Austria	455,565	0.14
BELGIUM (20 February 2021 - 0.52%)				
USD	512,000	Anheuser-Busch InBev Worldwide 4.439% 06.10.48	391,200	0.12
USD	400,000	Anheuser-Busch InBev Worldwide 4.95% 15.01.42	329,872	0.10
		Total Belgium	721,072	0.22
BERMUDA (20 February 2021 - 0.68%)				
USD	296,000	Bermuda 4.854% 06.02.24	227,491	0.07
EUR	1,000,000	XLIT 3.25% 29.06.47	873,032	0.27
		Total Bermuda	1,100,523	0.34
BRAZIL (20 February 2021 - 0.18%)				
CANADA (20 February 2021 - 2.06%)				
CAD	330,000	Bombardier 7.35% 22.12.26	188,900	0.06
USD	716,000	Canadian National Railway 6.25% 01.08.34	685,829	0.21
USD	800,000	Canadian Pacific Railway 6.125% 15.09.15	762,504	0.24
USD	2,200,000	Kinross Gold 6.875% 01.09.41	1,952,890	0.60
USD	850,000	Nutrien 4.125% 15.03.35	658,353	0.20
GBP	1,600,000	Royal Bank of Canada 1.375% 09.12.24	1,560,640	0.48
USD	1,000,000	Toronto-Dominion Bank 3.625% 15.09.31	759,161	0.23
USD	2,100,000	Transcanada Trust 5.875% 15.08.76	1,596,167	0.49
		Total Canada	8,164,444	2.51
CAYMAN ISLANDS (20 February 2021 - 0.06%)				
CHILE (20 February 2021 - Nil)				
USD	420,000	Cencosud 6.625% 12.02.45	381,168	0.12
		Total Chile	381,168	0.12
CHINA (20 February 2021 - 0.38%)				
USD	1,400,000	Industrial & Commercial Bank of China 1.2% 09.09.25	991,608	0.31
		Total China	991,608	0.31
COSTA RICA (20 February 2021 - 0.06%)				
USD	480,000	Instituto Costarricense de Electricidad 6.375% 15.05.43	289,354	0.09
		Total Costa Rica	289,354	0.09
CZECH REPUBLIC (20 February 2021 - 0.12%)				
USD	650,000	CEZ 5.625% 03.04.42	559,720	0.17
		Total Czech Republic	559,720	0.17
DENMARK (20 February 2021 - 0.73%)				
NOK	4,000,000	AP Moller-Maersk 3.3% 22.06.26	331,938	0.10
EUR	1,200,000	Carlsberg Breweries 0.625% 09.03.30	944,602	0.29
		Total Denmark	1,276,540	0.39

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value			Bid value £	Percentage of total net assets %
FINLAND (20 February 2021 - 0.33%)				
USD	1,650,000	UPM-Kymmene 7.45% 26.11.27	1,473,755	0.46
		Total Finland	<u>1,473,755</u>	<u>0.46</u>
FRANCE (20 February 2021 - 3.21%)				
USD	360,000	AXA 8.6% 15.12.30	358,890	0.11
GBP	400,000	Crédit Agricole 7.375% 18.12.23	433,936	0.13
GBP	260,000	Credit Agricole 7.5% Perp	284,151	0.09
EUR	1,400,000	Crédit Agricole Assurances 4.75% 27.09.48	1,312,641	0.41
GBP	1,000,000	Électricité de France 6% Perp	1,018,750	0.32
EUR	2,800,000	France OAT 1.25% 25.05.34	2,458,391	0.76
EUR	1,280,000	La Mondiale 5.05% Perp	1,181,256	0.37
EUR	1,000,000	Orange 5% Perp	926,194	0.29
EUR	1,550,000	Total 3.369% Perp	1,330,824	0.41
		Total France	<u>9,305,033</u>	<u>2.89</u>
GEORGIA (20 February 2021 - 0.03%)				
GERMANY (20 February 2021 - 4.40%)				
GBP	1,000,000	Aroundtown 3.625% 10.04.31	1,013,410	0.31
USD	1,100,000	Bayer US Finance II 5.5% 15.08.25	886,185	0.27
GBP	600,000	Daimler International Finance 2% 04.09.23	599,544	0.19
GBP	400,000	Deutsche Bahn Finance 3.125% 24.07.26	421,264	0.13
DKK	10,000,000	Deutsche Finance (Netherlands) 0% 18.11.26	999,772	0.31
EUR	200,000	Deutsche Telekom 0.5% 05.07.27	163,694	0.05
USD	410,000	E.ON International Finance 6.65% 30.04.38	397,866	0.12
GBP	900,000	Henkel 0.875% 13.09.22	897,723	0.28
GBP	550,000	innogy Finance 6.25% 03.06.30	694,804	0.21
USD	2,800,000	KFW 0% 18.04.36	1,499,093	0.46
NZD	1,100,000	Landwirtschaftliche Rentenbank 5.375% 23.04.24	572,483	0.18
EUR	2,000,000	Merck 2.875% 25.06.79	1,681,395	0.52
GBP	300,000	Munich Re FRN 26.05.42	303,729	0.09
USD	200,000	Norddeutsche Landesbank Girozentrale 6.25% 10.04.24	150,547	0.05
USD	650,000	Rheinland-Pfalz Bank 6.875% 23.02.28	590,962	0.18
GBP	800,000	Volkswagen Financial Services 2.75% 10.07.23	805,416	0.25
EUR	1,900,000	Volkswagen International Finance 3.875% Perp	1,611,181	0.50
EUR	200,000	Vonovia 0.625% 24.03.31	152,612	0.05
		Total Germany	<u>13,441,680</u>	<u>4.15</u>
GREECE (20 February 2021 - 0.03%)				
HONG KONG (20 February 2021 - 0.45%)				
USD	2,800,000	AIA Group 3.2% 11.03.25	2,108,091	0.65
		Total Hong Kong	<u>2,108,091</u>	<u>0.65</u>
INDIA (20 February 2021 - 0.04%)				
INDONESIA (20 February 2021 - 0.58%)				
USD	1,600,000	Indonesia 6.625% 17.02.37	1,505,448	0.47
USD	1,250,000	Pertamina 6% 03.05.42	1,024,684	0.32
		Total Indonesia	<u>2,530,132</u>	<u>0.79</u>
ISRAEL (20 February 2021 - 0.28%)				
EUR	1,480,000	Teva Pharmaceutical Finance Netherlands II 4.5% 01.03.25	1,243,711	0.38
		Total Israel	<u>1,243,711</u>	<u>0.38</u>
ITALY (20 February 2021 - 2.11%)				
GBP	200,000	Assicurazioni Generali 6.269% Perp	215,750	0.07
EUR	500,000	Enel 3.375% 24.11.81	428,171	0.13
GBP	1,000,000	Enel 5.75% 22.06.37	1,321,420	0.41
EUR	400,000	Enel Finance 0.875% 17.06.36	288,262	0.09

IFSL MARLBOROUGH GLOBAL BOND FUND
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as at 20 February 2022

Holding or nominal value			Bid value £	Percentage of total net assets %
ITALY (continued)				
EUR	600,000	Infrastrutture Wireless Italiane 1.875% 08.07.26	505,495	0.16
EUR	2,400,000	Italy BTPi 1.4% 26.05.25	2,178,365	0.67
GBP	1,900,000	Telecom Italia 5.875% 19.05.23	1,955,404	0.60
		Total Italy	<u>6,892,867</u>	<u>2.13</u>
JAPAN (20 February 2021 - 0.54%)				
USD	475,000	Mitsui Sumitomo Insurance FRN 15.03.72	349,701	0.11
USD	460,000	Nippon Life Insurance 5% 18.10.42	342,036	0.11
USD	550,000	Sumitomo Life Insurance 6.5% 20.09.73	424,102	0.13
AUD	2,000,000	Sumitomo Mitsui Finance Group 3.604% 07.03.23	1,084,930	0.34
		Total Japan	<u>2,200,769</u>	<u>0.69</u>
KUWAIT (20 February 2021 - Nil)				
USD	400,000	Kuwait Projects 5% 15.03.23	292,335	0.09
		Total Kuwait	<u>292,335</u>	<u>0.09</u>
LUXEMBOURG (20 February 2021 - 0.54%)				
EUR	1,400,000	SES 5.625% Perp	1,217,315	0.38
		Total Luxembourg	<u>1,217,315</u>	<u>0.38</u>
MEXICO (20 February 2021 - 0.53%)				
EUR	650,000	America Movil 6.375% 06.09.73	583,211	0.18
EUR	1,000,000	United Mexican States 3% 06.03.45	765,506	0.24
		Total Mexico	<u>1,348,717</u>	<u>0.42</u>
NETHERLANDS (20 February 2021 - 2.23%)				
USD	855,000	Ahold Finance USA 6.875% 01.05.29	785,677	0.24
GBP	260,000	Coöperatieve Rabobank 4.625% 23.05.29	285,215	0.09
GBP	235,379	Highbury Finance 7.017% 20.03.23	245,649	0.08
USD	400,000	Koninklijke Philips 6.875% 11.03.38	400,935	0.12
EUR	1,250,000	NN Group 4.625% 13.01.48	1,153,873	0.36
EUR	1,313,075	Stichting AK Rabobank Certificaten 6.5% Perp	1,361,384	0.42
EUR	1,000,000	Tennet Holding 2.374% Perp	834,439	0.26
		Total Netherlands	<u>5,067,172</u>	<u>1.57</u>
NEW ZEALAND (20 February 2021 - 0.15%)				
NZD	457,000	New Zealand 3% 20.04.29	228,794	0.07
NZD	820,000	Spark Finance 4.5% 25.03.22	405,280	0.13
		Total New Zealand	<u>634,074</u>	<u>0.20</u>
NIGERIA (20 February 2021 - 0.03%)				
NORWAY (20 February 2021 - 0.40%)				
USD	365,000	Norsk Hydro 7.25% 23.09.27	331,079	0.10
EUR	1,600,000	Telenor 1.75% 31.05.34	1,367,559	0.42
		Total Norway	<u>1,698,638</u>	<u>0.52</u>
PORTUGAL (20 February 2021 - 0.72%)				
GBP	2,000,000	EDP Finance 8.625% 04.01.24	2,236,540	0.69
		Total Portugal	<u>2,236,540</u>	<u>0.69</u>
QATAR (20 February 2021 - 0.47%)				
USD	400,000	Ooredoo International Finance 3.875% 31.01.28	312,436	0.10
USD	230,000	Qatar 6.4% 20.01.40	233,253	0.07
USD	1,900,000	QNB Finance 3.5% 28.03.24	1,430,365	0.44
USD	256,816	Ras Laffan Liquefied Natural Gas III 5.838% 30.09.27	206,705	0.06
		Total Qatar	<u>2,182,759</u>	<u>0.67</u>
REPUBLIC OF IRELAND (20 February 2021 - 0.69%)				
USD	2,400,000	AerCap Ireland Capital 3.65% 21.07.27	1,788,360	0.55

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value			Bid value £	Percentage of total net assets %
REPUBLIC OF IRELAND (continued)				
USD	1,000,000	Avolon Holdings Funding 3.25% 15.02.27	717,853	0.22
USD	123,000	Avolon Holdings Funding 3.625% 01.05.22	90,554	0.03
USD	1,000,000	Avolon Holdings Funding 4.375% 01.05.26	756,407	0.23
GBP	295,000	Bank of Ireland 13.375% Perp	628,350	0.19
GBP	220,000	Lambay Capital Securities 6.25% Perp	363	-
USD	925,000	Smurfit Kappa Treasury Funding 7.5% 20.11.25	813,079	0.25
		Total Republic of Ireland	<u>4,794,966</u>	<u>1.47</u>
ROMANIA (20 February 2021 - 0.36%)				
EUR	1,600,000	Romania 3.875% 29.10.35	1,296,144	0.40
		Total Romania	<u>1,296,144</u>	<u>0.40</u>
RUSSIA (20 February 2021 - 0.65%)				
GBP	2,037,000	Gazprom 4.25% 06.04.24	2,006,282	0.62
		Total Russia	<u>2,006,282</u>	<u>0.62</u>
SINGAPORE (20 February 2021 - 0.44%)				
USD	400,000	Temasek Financial I 3.375% 23.07.42	318,989	0.10
		Total Singapore	<u>318,989</u>	<u>0.10</u>
SOUTH AFRICA (20 February 2021 - 0.60%)				
USD	500,000	Transnet SOC 4% 26.07.22	364,907	0.11
		Total South Africa	<u>364,907</u>	<u>0.11</u>
SOUTH KOREA (20 February 2021 - 0.71%)				
USD	1,000,000	Export-Import Bank of Korea 3.25% 10.11.25	762,834	0.24
AUD	1,200,000	Export-Import Bank of Korea 4% 07.06.27	666,985	0.21
GBP	1,755,000	Korea Development Bank 1.75% 15.12.22	1,759,896	0.54
		Total South Korea	<u>3,189,715</u>	<u>0.99</u>
SPAIN (20 February 2021 - 1.82%)				
GBP	1,000,000	Iberdrola Finanzas 6% 01.07.22	1,017,040	0.31
EUR	200,000	Iberdrola International 1.825% Perp	152,702	0.05
EUR	800,000	Iberdrola International 2.625% Perp	679,233	0.21
EUR	700,000	Naturgy Finance 3.375% Perp	591,642	0.18
EUR	1,000,000	Spain (Kingdom of) 1.85% 30.07.35	881,626	0.27
EUR	500,000	Telefónica Europe 3.875% Perp	419,785	0.13
EUR	1,300,000	Telefónica Europe 5.875% Perp	1,153,849	0.36
USD	280,000	Telefónica Europe 8.25% 15.09.30	273,377	0.08
		Total Spain	<u>5,169,254</u>	<u>1.59</u>
SWEDEN (20 February 2021 - 0.42%)				
GBP	800,000	Svenska Handelsbanken 1.625% 18.06.22	801,408	0.25
		Total Sweden	<u>801,408</u>	<u>0.25</u>
SWITZERLAND (20 February 2021 - 1.39%)				
GBP	1,300,000	Credit Suisse Group Funding (Guernsey) 3% 27.05.22	1,304,966	0.40
EUR	1,500,000	Holcim Finance (Luxembourg) 2.25% 26.05.28	1,321,363	0.41
USD	1,000,000	Roche Holdings 2.607% 13.12.51	636,651	0.20
USD	750,000	Tyco Electronics Group 7.125% 01.10.37	788,312	0.24
USD	1,600,000	UBS Group Funding Switzerland 2.859% 15.08.23	1,184,002	0.37
USD	200,000	Willow No. 2 Ireland 4.25% 01.10.45	149,736	0.05
USD	650,000	Xstrata Finance Canada 6% 15.11.41	580,554	0.18
GBP	295,000	Zurich Finance (UK) 6.625% Perp	300,900	0.09
		Total Switzerland	<u>6,266,484</u>	<u>1.94</u>
UKRAINE (20 February 2021 - Nil)				
USD	247,671	Avangardco Investments Public 10% 29.10.18	633	-
		Total Ukraine	<u>633</u>	<u>-</u>

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value			Bid value £	Percentage of total net assets %
UNITED ARAB EMIRATES (20 February 2021 - 0.09%)				
USD	71,425	Emirates Airline 4.5% 06.02.25	53,585	0.02
USD	330,000	IPIC GMTN 6.875% 01.11.41	366,243	0.11
Total United Arab Emirates			<u>419,828</u>	<u>0.13</u>
UNITED KINGDOM (20 February 2021 - 25.30%)				
GBP	2,534,500	A2D Funding 4.75% 18.10.22	2,582,757	0.80
GBP	1,000,000	Aberdeen 5.25% Perp	987,360	0.31
GBP	260,000	ABP Finance 6.25% 14.12.26	302,234	0.09
GBP	250,000	Anglian Water (Osprey) Financing 4% 08.03.26	260,318	0.08
GBP	750,000	Anglian Water (Osprey) Financing 5% 30.04.23	768,862	0.24
USD	650,000	Ashtead Capital 4% 01.05.28	488,085	0.15
USD	1,600,000	AstraZeneca Finance 2.25% 28.05.31	1,118,301	0.35
GBP	400,000	Aviva 4.375% 12.09.49	414,376	0.13
GBP	1,600,000	BAE Systems 4.125% 08.06.22	1,612,544	0.50
GBP	450,000	Barclays 3% 08.05.26	452,961	0.14
USD	550,000	Beazley Insurance 5.5% 10.09.29	435,210	0.13
GBP	1,000,000	BP Capital Markets 4.25% Perp	993,090	0.31
GBP	1,182,000	Brit Insurance Holdings 6.625% 09.12.30	1,081,447	0.33
USD	200,000	British Telecommunications 9.125% 15.12.30	205,566	0.06
GBP	750,000	Bruntwood Bond 2 6% 25.02.25	772,500	0.24
GBP	800,000	Centrica 5.25% 10.04.75	813,000	0.25
GBP	500,000	Centrica 7% 19.09.33	685,640	0.21
EUR	1,800,000	Coca-Cola European Partners 0.7% 12.09.31	1,387,298	0.43
GBP	120,000	Coventry Building Society 12.125% PIBS	242,400	0.07
GBP	1,000,000	Coventry Building Society 5.875% 28.09.22	1,026,240	0.32
GBP	1,800,000	CRH Finance (UK) 4.125% 02.12.29	1,990,584	0.62
GBP	250,000	Daily Mail & General Trust 6.375% 21.06.27	258,065	0.08
GBP	500,000	Direct Line Insurance Group 9.25% 27.04.42	506,405	0.16
GBP	600,000	FCE Bank 2.727% 03.06.22	601,968	0.19
GBP	610,000	Friends Life Holdings 8.25% 21.04.22	616,033	0.19
GBP	210,000	GKN Holdings 5.375% 19.09.22	213,665	0.07
GBP	150,000	HBOS 5.75% Perp	151,005	0.05
GBP	600,000	Heathrow Finance 5.75% 03.03.25	623,970	0.19
GBP	600,000	Hiscox 2% 14.12.22	600,594	0.19
GBP	700,000	Imperial Brands Finance 4.875% 07.06.32	743,036	0.23
GBP	1,030,000	InterContinental Hotels Group 3.375% 08.10.28	1,036,633	0.32
EUR	1,240,000	International Personal Finance 9.75% 12.11.25	1,078,265	0.33
GBP	119,000	Investec 4.5% 05.05.22	119,367	0.04
EUR	300,000	ITV 1.375% 26.09.26	249,588	0.08
GBP	180,000	Johnston Press Bond 8.625% 01.06.19	-	-
GBP	300,000	Ladbrokes Group Finance 5.125% 08.09.23	306,447	0.09
GBP	820,000	Ladbrokes Group Finance 5.125% 16.09.22	830,242	0.26
GBP	155,000	Leeds Building Society 13.375% PIBS	316,975	0.10
GBP	1,000,000	Legal & General Group 5.375% 27.10.45	1,068,390	0.33
GBP	241,000	Lloyds Banking Group 7.875% Perp	282,242	0.09
GBP	400,000	Marks & Spencer 3% 08.12.23	405,844	0.13
USD	330,000	Marks & Spencer 7.125% 01.12.37	269,891	0.08
GBP	357,000	National Westminster Bank 11.5% Perp	660,450	0.20
GBP	10,000	National Westminster Bank 11.5% Perp 'Reg S'	18,400	0.01
EUR	1,500,000	Nationwide Building Society 2% 25.07.29	1,272,599	0.39
GBP	100,000	Nationwide Building Society 7.859% Perp	122,853	0.04
GBP	500,000	Next 3.625% 18.05.28	519,680	0.16
GBP	1,100,000	NGG Finance 5.625% 18.06.73	1,137,125	0.35
GBP	690,500	Northern Electric 8.061p Net Cum Irrd Pref	966,700	0.30
GBP	1,000,000	Northern Powergrid Holdings 7.25% 15.12.22	1,045,910	0.32
USD	200,000	Pearson Funding Five 3.25% 08.05.23	147,745	0.05
GBP	1,200,000	Pension Insurance 8% 23.11.26	1,448,400	0.45
GBP	125,000	Places for People Finance 4.25% 15.12.23	127,869	0.04
GBP	500,000	Porterbrook Rail Finance 4.625% 04.04.29	554,515	0.17
GBP	400,000	Prudential 5.625% 20.10.51	434,220	0.13

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value		Bid value £	Percentage of total net assets %	
UNITED KINGDOM (continued)				
USD	1,200,000	RELX Capital 3.5% 16.03.23	897,805	0.28
USD	400,000	Reynolds American 7.25% 15.06.37	362,202	0.11
USD	330,000	Reynolds American 8.125% 01.05.40	314,929	0.10
GBP	400,000	Rothschilds Continuation Finance (CI) 9% Perp	456,576	0.14
GBP	1,700,000	Royal Bank of Scotland Group 3.125% 28.03.27	1,723,375	0.53
DKK	4,000,000	RSA Insurance Group FRN Perp	450,964	0.14
GBP	900,000	Santander UK 5.875% 14.08.31	1,029,753	0.32
GBP	700,000	Severn Trent Utilities Finance 1.625% 04.12.22	701,022	0.22
GBP	1,055,000	Sky 4% 26.11.29	1,169,752	0.36
GBP	396,000	Telereal Securitisation 4.9741% 10.09.27	426,496	0.13
GBP	614,983	Tesco Property Finance 1 7.6227% 13.07.39	833,986	0.26
GBP	300,000	Thames Water (Kemble) Finance 4.625% 19.05.26	295,209	0.09
GBP	330,000	Thames Water Utilities Cayman Finance 2.375% 03.05.23	328,472	0.10
GBP	1,000,000	Thames Water Utilities Finance 5.5% 11.02.41	1,337,480	0.41
EUR	1,650,000	Thomas Cook Group 6.25% 15.06.22	7,022	-
GBP	500,000	Trafford Centre Finance 4.25% 28.04.24	485,790	0.15
GBP	1,000,000	UK Treasury 1.75% 07.09.37	1,018,565	0.32
USD	600,000	United Utilities 6.875% 15.08.28	547,916	0.17
EUR	1,800,000	Vodafone Group 2.875% 20.11.37	1,614,084	0.50
GBP	1,400,000	Western Power Distribution 3.625% 06.11.23	1,432,886	0.44
GBP	250,000	Yorkshire Water Finance 3.75% 22.03.46	252,500	0.08
		Total United Kingdom	53,042,648	16.42
UNITED STATES (20 February 2021 - 33.60%)				
USD	1,400,000	AbbVie 2.8% 15.03.23	1,036,477	0.32
USD	1,000,000	AbbVie 4.4% 06.11.42	788,185	0.24
USD	750,000	AbbVie 4.75% 15.03.45	607,116	0.19
USD	1,800,000	Aflac 6.45% 15.08.40	1,771,434	0.55
USD	1,731,000	Aircastle 5% 01.04.23	1,308,783	0.40
USD	1,100,000	Air Lease 3.625% 01.04.27	822,069	0.25
USD	700,000	Air Lease 3.625% 01.12.27	520,177	0.16
USD	2,000,000	Allstate 4.5% 15.06.43	1,667,413	0.52
EUR	2,000,000	Altria Group 3.125% 15.06.31	1,707,396	0.53
USD	1,850,000	Amazon.com 4.95% 05.12.44	1,660,670	0.51
USD	750,000	American Honda Finance 2.15% 10.09.24	552,449	0.17
USD	800,000	American Tower 3.8% 15.08.29	605,379	0.19
USD	657,000	Amgen 2.77% 01.09.53	379,253	0.12
USD	1,500,000	Andeavor 5.125% 15.12.26	1,164,960	0.36
USD	2,500,000	Anthem 3.65% 01.12.27	1,916,467	0.59
USD	1,400,000	Aon 4.5% 15.12.28	1,117,169	0.35
USD	170,000	Appalachian Power 6.375% 01.04.36	157,199	0.05
USD	480,000	Appalachian Power 7% 01.04.38	471,423	0.15
USD	1,000,000	Aptiv 3.1% 01.12.51	601,270	0.19
EUR	1,250,000	AT&T 3.15% 04.09.36	1,160,705	0.36
USD	2,100,000	AvalonBay Communities 3.3% 01.06.29	1,596,854	0.49
USD	330,000	BAC Capital Trust XIV FRN Perp	213,869	0.07
USD	750,000	Bank of America 4.183% 25.11.27	578,304	0.18
USD	750,000	Becton, Dickinson and Co 6% 15.05.39	684,347	0.21
USD	2,200,000	Boardwalk Pipelines 4.45% 15.07.27	1,702,422	0.53
USD	1,100,000	Bristol-Myers Squibb 4.125% 15.06.39	871,380	0.27
EUR	1,400,000	Celanese US Holdings 1.25% 11.02.25	1,168,799	0.36
USD	1,000,000	Centene 4.625% 15.12.29	746,310	0.23
USD	800,000	CenterPoint Energy Resources 4% 01.04.28	617,493	0.19
USD	1,670,000	CenterPoint Energy Resources 5.85% 15.01.41	1,526,438	0.47
USD	1,500,000	CF Industries 4.5% 01.12.26	1,186,241	0.37
USD	1,600,000	Charter Communications Operating Capital 6.384% 23.10.35	1,389,632	0.43
USD	2,400,000	Cheniere Corpus Christi Holdings 5.125% 30.06.27	1,916,722	0.59
USD	400,000	Citigroup 3.98% 20.03.30	306,692	0.09
USD	2,400,000	CNA Financial 3.9% 01.05.29	1,871,989	0.58
USD	1,000,000	Conagra Brands 7% 01.10.28	907,022	0.28

IFSL MARLBOROUGH GLOBAL BOND FUND

PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value		Bid value £	Percentage of total net assets %	
UNITED STATES (continued)				
USD	800,000	Conagra Brands 7.125% 01.10.26	694,020	0.21
USD	750,000	Continental Resources 3.8% 01.06.24	562,899	0.17
USD	750,000	CVS Health 6.125% 15.09.39	700,000	0.22
USD	1,107,000	Dell 8.1% 15.07.36	1,131,728	0.35
USD	1,000,000	Delta Air Lines 2.9% 28.10.24	721,525	0.22
USD	1,200,000	Delta Air Lines 3.75% 28.10.29	839,392	0.26
USD	1,250,000	Discover Bank 3.45% 27.07.26	944,657	0.29
USD	1,300,000	Discovery Communications 3.95% 15.06.25	988,867	0.31
USD	1,000,000	Discovery Communications 4% 15.09.55	662,285	0.20
USD	1,600,000	Dominion Energy 4.7% 01.12.44	1,306,430	0.40
USD	1,500,000	Duke Realty 4% 15.09.28	1,177,046	0.36
USD	1,600,000	Eastern Gas Transmission & Storage 3% 15.11.29	1,168,759	0.36
USD	1,800,000	Energy Transfer Operating 5.5% 01.06.27	1,455,717	0.45
USD	1,000,000	Energy Transfer Partners 4.95% 15.06.28	793,126	0.25
USD	200,000	Estée Lauder 3.7% 15.08.42	151,741	0.05
USD	1,400,000	FirstEnergy 2.65% 01.03.30	959,905	0.30
USD	600,000	Ford Motor Credit Co 3.35% 01.11.22	443,864	0.14
GBP	800,000	Ford Motor Credit Co 4.535% 06.03.25	817,712	0.25
GBP	1,800,000	General Motors Financial Co 2.25% 06.09.24	1,786,392	0.55
USD	1,600,000	Georgia Power 3.25% 01.04.26	1,207,498	0.37
USD	2,245,000	Hartford Financial Services Group 6.625% 30.03.40	2,237,683	0.69
USD	2,600,000	HCA 4.125% 15.06.29	1,985,753	0.61
USD	1,200,000	Hilton Domestic Operating Company 4.875% 15.01.30	894,470	0.28
USD	1,100,000	JBS Investments 6.75% 15.02.28	855,273	0.26
USD	1,000,000	JPMorgan Chase & Co 3.54% 01.05.28	754,867	0.23
USD	1,200,000	Kansas City Southern 2.875% 15.11.29	870,416	0.27
USD	900,000	Kansas City Southern 4.7% 01.05.48	743,020	0.23
USD	2,000,000	Keurig Dr Pepper 4.42% 15.12.46	1,564,381	0.48
USD	650,000	Kinder Morgan Energy Partners 6.55% 15.09.40	582,264	0.18
USD	1,100,000	Las Vegas Sands 3.9% 08.08.29	765,458	0.24
USD	2,000,000	Lennar 4.875% 15.12.23	1,531,304	0.47
USD	800,000	Liberty Mutual Group 3.951% 15.10.50	535,513	0.17
USD	1,000,000	Marriott International 4.65% 01.12.28	784,814	0.24
GBP	1,000,000	McDonald's 5.875% 23.04.32	1,287,670	0.40
USD	1,500,000	MetLife 6.4% 15.12.36	1,266,799	0.39
GBP	800,000	Metropolitan Life Global Funding I 2.625% 05.12.22	807,512	0.25
USD	1,362,000	Microsoft 2.921% 17.03.52	931,711	0.29
USD	1,238,000	Microsoft 3.45% 08.08.36	963,228	0.30
USD	600,000	Molson Coors Brewing 5% 01.05.42	478,515	0.15
USD	1,800,000	Nestlé Holdings 3.9% 24.09.38	1,429,280	0.44
EUR	600,000	Netflix 3.625% 15.06.30	540,847	0.17
USD	1,500,000	NVIDIA 2% 15.06.31	1,027,996	0.32
USD	540,000	Oncor Electric Delivery 7.25% 15.01.33	544,731	0.17
USD	1,640,000	ONEOK 3.1% 15.03.30	1,161,014	0.36
USD	1,200,000	Owens Corning 7% 01.12.36	1,153,859	0.36
USD	927,000	Packaging Corp of America 3.65% 15.09.24	704,886	0.22
USD	460,000	Partners Healthcare System 4.117% 01.07.55	385,306	0.12
USD	1,600,000	PepsiCo 1.4% 25.02.31	1,057,464	0.33
USD	1,200,000	Priceline 3.55% 15.03.28	924,620	0.29
USD	2,050,000	Principal Financial Group 3.7% 15.05.29	1,604,087	0.50
USD	1,000,000	Prologis 3.25% 01.10.26	762,599	0.24
USD	1,000,000	Public Service Electric and Gas Co 3.65% 01.09.28	772,711	0.24
USD	1,000,000	Radian Group 4.875% 15.03.27	743,556	0.23
USD	500,000	Realty Income 3.1% 15.12.29	369,489	0.11
USD	2,400,000	Realty Income 3.95% 15.08.27	1,869,487	0.58
USD	1,600,000	Rockies Express Pipeline 4.95% 15.07.29	1,139,752	0.35
USD	817,000	Seagate HDD Cayman 4.091% 01.06.29	576,736	0.18
USD	1,600,000	Sempra Energy 3.4% 01.02.28	1,209,260	0.37
USD	1,800,000	TerraForm Power Operating 5% 31.01.28	1,302,049	0.40
USD	1,200,000	The Interpublic Group of Companies 4.65% 01.10.28	965,912	0.30

IFSL MARLBOROUGH GLOBAL BOND FUND
PORTFOLIO STATEMENT

as at 20 February 2022

Holding or nominal value		Bid value £	Percentage of total net assets %	
UNITED STATES (continued)				
USD	400,000	Time Warner Cable 6.55% 01.05.37	349,546	0.11
USD	850,000	Time Warner Cable 7.3% 01.07.38	791,293	0.24
USD	1,100,000	United Continental Holdings 5% 01.02.24	813,872	0.25
USD	300,000	Unum Group 5.75% 15.08.42	245,608	0.08
USD	750,000	Unum Group 6.75% 15.12.28	653,944	0.20
USD	6,100,000	US Treasury 0% 15.02.31	3,723,046	1.15
USD	9,000,000	US Treasury 2.25% 15.08.49	6,499,917	2.01
USD	2,800,000	US Treasury 2.375% 15.08.24	2,092,880	0.65
USD	420,000	Valmont Industries 5.25% 01.10.54	356,849	0.11
USD	1,250,000	VeriSign 5.25% 01.04.25	990,260	0.31
EUR	500,000	VF 0.625% 25.02.32	381,101	0.12
USD	700,000	Visa 4.15% 14.12.35	571,518	0.18
GBP	1,368,000	Walgreens Boots Alliance 3.6% 20.11.25	1,417,918	0.44
GBP	300,000	Wells Fargo & Co 4.875% 29.11.35	349,206	0.11
GBP	1,500,000	Welltower 4.5% 01.12.34	1,707,105	0.53
EUR	2,050,000	Westlake Chemical 1.625% 17.07.29	1,669,888	0.52
USD	600,000	Williams Partners 3.9% 15.01.25	457,476	0.14
USD	1,078,000	WRKCo 3.375% 15.09.27	815,296	0.25
USD	800,000	WRKCo 4% 15.03.28	624,550	0.19
USD	1,000,000	WRKCo 4.2% 01.06.32	783,036	0.24
USD	1,200,000	Xilinx 2.375% 01.06.30	845,834	0.26
USD	650,000	Zoetis 4.5% 13.11.25	509,474	0.16
USD	370,000	Zurich Reinsurance 7.125% 15.10.23	294,314	0.09
		Total United States	122,844,294	38.00
VENEZUELA (20 February 2021 - Nil)				
USD	240,000	Venezuela 11.75% 21.10.26	10,145	-
		Total Venezuela	10,145	-
SUPRANATIONAL (20 February 2021 - 0.03%)				
AUD	600,000	Corporación Andina de Fomento 6.25% 08.11.23	337,721	0.10
CAD	1,644,000	European Bank for Rec & Dev 0.5% 20.12.28	826,976	0.26
AUD	280,000	European Investment Bank 0.5% 21.07.23	146,522	0.05
SEK	4,000,000	European Investment Bank 1.25% 12.05.25	318,756	0.10
		Total Supranational	1,629,975	0.51
Portfolio of stock investments		277,093,263	85.70	
Counterparty Foreign Currency Hedges (20 February 2021 - (0.15%))				
HSBC		Sell EUR 11,000,000 for GBP 9,194,655 - 26 May 2022	(16,785)	(0.01)
HSBC		Sell USD 28,293,928 for GBP 21,255,300 - 10 March 2022	474,716	0.15
HSBC		Sell USD 14,000,000 for GBP 10,272,865 - 28 April 2022	(12,713)	-
HSBC		Sell USD 15,000,000 for GBP 11,117,613 - 12 May 2022	96,085	0.03
HSBC		Sell USD 5,000,000 for GBP 3,724,651 - 26 May 2022	50,378	0.02
HSBC		Sell USD 15,000,000 for GBP 11,094,023 - 9 June 2022	69,824	0.02
HSBC		Sell USD 10,000,000 for GBP 7,396,282 - 23 June 2022	45,895	0.01
		Net value of all derivative positions	707,400	0.22
Portfolio of investments and derivative positions ^A		277,800,663	85.92	
Net other assets (excluding derivative positions)		45,537,144	14.08	
Total net assets		323,337,807	100.00	

^A Net of investment liabilities.

IFSL MARLBOROUGH GLOBAL BOND FUND

STATEMENT OF TOTAL RETURN
for the year ended 20 February 2022

	Notes	20 February 2022		20 February 2021	
		£	£	£	£
Income:					
Net capital (losses)	4		(19,342,626)		(16,583,961)
Revenue	6	11,896,418		14,388,206	
Expenses	7	(1,950,539)		(2,469,716)	
Net revenue before taxation		<u>9,945,879</u>		<u>11,918,490</u>	
Taxation	8	<u>(1,956)</u>		<u>(4,032)</u>	
Net revenue after taxation			<u>9,943,923</u>		<u>11,914,458</u>
Total return before distributions			(9,398,703)		(4,669,503)
Distributions	9		(9,943,923)		(11,914,458)
Change in net assets attributable to unitholders from investment activities			<u>(19,342,626)</u>		<u>(16,583,961)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 20 February 2022

	20 February 2022		20 February 2021	
	£	£	£	£
Opening net assets attributable to unitholders		477,554,718		531,154,567
Amounts receivable on issue of units	24,544,259		63,261,667	
Amounts payable on cancellation of units	(166,361,460)		(109,608,233)	
Amounts payable on unit class conversions	<u>(96)</u>		<u>(8,587)</u>	
		(141,817,297)		(46,355,153)
Dilution adjustment		163,587		-
Change in net assets attributable to unitholders from investment activities		(19,342,626)		(16,583,961)
Retained distribution on accumulation units		6,779,425		9,339,265
Closing net assets attributable to unitholders		<u>323,337,807</u>		<u>477,554,718</u>

IFSL MARLBOROUGH GLOBAL BOND FUND

BALANCE SHEET

as at 20 February 2022

	Notes	20 February 2022	20 February 2021
		£	£
Assets:			
Fixed Assets:			
Investment assets	17	277,830,161	429,621,714
Current Assets:			
Debtors	10	7,191,128	5,994,975
Cash and bank balances		40,340,958	48,685,513
Total assets		<u>325,362,247</u>	<u>484,302,202</u>
Liabilities:			
Investment liabilities	17	29,498	861,765
Creditors:			
Bank overdrafts		-	3,473,631
Distribution payable on income units		1,087,845	1,085,090
Other creditors	11	907,097	1,326,998
Total liabilities		<u>2,024,440</u>	<u>6,747,484</u>
Net assets attributable to unitholders		<u><u>323,337,807</u></u>	<u><u>477,554,718</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

1 ACCOUNTING POLICIES

Basis of preparation

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

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

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

There are no material events that have been identified that may cast significant doubt on the Fund's ability to continue as a going concern for at least the next twelve months from the date when the financial statements are authorised for issue. The authorised fund manager believes that the Fund 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.

Revenue

Interest on debt securities is recognised on an accruals basis. Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and is treated as revenue. Interest earned from debt securities is accounted for on an effective yield basis. Effective yield is where the interest arising on the security that is purchased at a discount or premium to the maturity value is amortised and recognised at a consistent rate over the life of the security.

Dividends from preference shares are recognised when the security is quoted ex-dividend. 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.

Valuation

The valuation point was 12:00 on 18 February 2022 being the last valuation point of the accounting year.

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

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

Where applicable, investment valuations exclude any element of accrued revenue.

Taxation

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

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 18 February 2022 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

2 DISTRIBUTION POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

DISTRIBUTION POLICIES

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

Equalisation

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

3 RISK MANAGEMENT POLICIES

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

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

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

Market price risk

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

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

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as most of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency. It is however a part of the Fund's strategy to hedge a substantial part of its foreign currency exposure back to sterling.

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

Derivatives

A substantial proportion of the Fund is invested in bonds denominated in Euros. The Fund has the option when it is considered appropriate to hedge this foreign currency exposure by entering into forward foreign currency exchange contracts. This would reduce either the profits or losses which would otherwise arise on currency movements. In general the Fund does hedge a substantial part of its foreign currency exposure.

Credit and counterparty risk

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

The Fund invests in fixed interest bonds, which are generally viewed as lower-risk investments than equities. However the solvency of organisations with whom the Fund invests cannot be guaranteed, and any difficulty may adversely affect the Fund's performance. Although bonds have a fixed coupon or interest payment, the Fund will be buying and selling bonds on a regular basis, and so the overall level of income will fluctuate.

Lower graded bonds may have a higher risk of the issuer failing to meet its income or capital repayments when due.

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

RISK MANAGEMENT POLICIES

Interest rate risk

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

The Fund invests in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the fund manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Liquidity risk

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

4 NET CAPITAL LOSSES

	20 February 2022	20 February 2021
	£	£
The net losses on investments during the year comprise:		
Non-derivative securities losses	(17,235,162)	(12,486,114)
Losses on forward foreign exchange contracts	(290,198)	(3,250,987)
Other currency losses	(1,816,186)	(843,280)
Transaction charges	(1,080)	(3,580)
Net capital (losses)/gains	(19,342,626)	(16,583,961)

5 PURCHASES, SALES AND TRANSACTION COSTS

	20 February 2022	20 February 2021
	£	£
Purchases excluding transaction costs		
Debt securities	12,488,755	55,657,426
Preference shares	-	177,638
	<u>12,488,755</u>	<u>55,835,064</u>
Preference shares - taxes and other charges	-	892
Total purchase transaction costs	-	892
Purchases including transaction costs	<u>12,488,755</u>	<u>55,835,956</u>
Purchase transaction costs expressed as a percentage of the principal amount:		
Preference shares - taxes and other charges	0.00%	0.50%
Sales excluding transaction costs		
Debt securities	145,780,416	79,216,072
Preference shares	1,513,256	1,739,643
	<u>147,293,672</u>	<u>80,955,715</u>
Total sale transaction costs	-	-
Sales net of transaction costs	<u>147,293,672</u>	<u>80,955,715</u>

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

Taxes and other charges	<u>0.00%</u>	<u>0.00%</u>
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Transaction handling charges

These are charges payable to the trustee in respect each transaction.

	<u>£1,080</u>	<u>£3,580</u>
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Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price. The average portfolio dealing spread at 20 February 2022 is 0.54% (2021: 0.59%).

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

6 REVENUE	20 February 2022	20 February 2021
	£	£
UK dividends	109,495	230,182
Overseas dividends	29,685	18,094
Interest on debt securities	11,757,238	14,139,930
Total revenue	11,896,418	14,388,206
7 EXPENSES	20 February 2022	20 February 2021
	£	£
Payable to the authorised fund manager or associate:		
Authorised fund manager's periodic charge	1,777,804	2,211,477
Registration fees	4,102	4,166
	1,781,906	2,215,643
Other expenses:		
Trustee's fees	108,802	125,042
Safe custody fees	44,791	98,035
Interest	7,556	21,911
FCA fee	124	170
Audit fee	7,360	8,915
	168,633	254,073
Total expenses	1,950,539	2,469,716
8 TAXATION	20 February 2022	20 February 2021
	£	£
a Analysis of the tax charge for the year		
Overseas tax	1,956	4,032
Total tax charge (see note 8(b))	1,956	4,032
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below:		
Net revenue before taxation	9,945,879	11,918,490
Corporation tax at 20% (2020: 20%)	1,989,176	2,383,698
Effects of:		
Interest distribution allowable for taxation	(1,989,176)	(2,383,698)
Overseas tax	1,956	4,032
Total tax charge (see note 8(a))	1,956	4,032
At 20 February 2022 the Fund has nil deferred tax assets (2021: £83,719) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		
9 DISTRIBUTIONS	20 February 2022	20 February 2021
	£	£
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Interim	4,630,149	6,091,969
Final	4,320,252	5,555,739
Amount deducted on cancellation of units	1,123,963	559,983
Amount added on issue of units	(130,344)	(284,646)
Equalisation on conversions	(96)	(8,587)
Revenue brought forward	(1)	-
Distributions	9,943,923	11,914,458

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

10 DEBTORS	20 February 2022 £	20 February 2021 £
Amounts receivable for issue of units	72,223	456,037
Sales awaiting settlement	3,724,294	-
Accrued income	3,394,256	5,522,102
Taxation recoverable	355	16,836
Total debtors	<u>7,191,128</u>	<u>5,994,975</u>

11 OTHER CREDITORS	20 February 2022 £	20 February 2021 £
Amounts payable for cancellation of units	800,633	1,171,675
Manager's periodic charge and registration fees	80,371	117,358
Accrued expenses	26,093	37,965
Total other creditors	<u>907,097</u>	<u>1,326,998</u>

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 20 February 2022 (2021: nil).

13 RELATED PARTIES

The authorised fund manager is involved in all transactions in the shares of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7. Amounts due to the authorised fund manager at the year end are as follows:

	20 February 2022 £	20 February 2021 £
Marlborough Fund Managers Ltd	808,781	832,996

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

Proportion of units owned by directors of Investment Fund Services Limited or UFC Fund Management plc	0.12%	0.21%
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Distributions were payable on the above holdings at the rates applicable to other unitholders.

14 UNIT CLASSES

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

A Income	1.125%
A Accumulation	1.125%
P Income	0.375%
P Accumulation	0.375%

15 UNITHOLDERS' FUNDS RECONCILIATION

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

	A Income	B Income	P Income
Opening units in issue at 21 February 2021	11,569,433	112,676	50,330,570
Unit issues	2,956,435	104,094	5,437,652
Unit cancellations	(3,881,747)	(4,810)	(9,693,494)
Unit conversions	-	(211,960)	173,902
Closing units in issue at 20 February 2022	<u>10,644,121</u>	<u>-</u>	<u>46,248,630</u>

	A Accumulation	B Accumulation	P Accumulation
Opening units in issue at 21 February 2021	8,246,438	282,469	174,060,320
Unit issues	1,079,591	4,582	4,207,109
Unit cancellations	(4,197,550)	(72,123)	(65,045,108)
Unit conversions	(6,672)	(214,928)	242,853
Closing units in issue at 20 February 2022	<u>5,121,807</u>	<u>-</u>	<u>113,465,174</u>

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £13,854,663 (2021: £21,474,285). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

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

Foreign currency exposure at 20 February 2022:

	Investments	Net current assets	Total
	£	£	£
Australian dollar	6,160,173	58,002	6,218,175
Canadian dollar	1,015,876	3,119	1,018,995
Danish kroner	1,450,737	3,059	1,453,796
Euro	34,541,171	588,773	35,129,944
Japanese yen	-	22,266,146	22,266,146
New Zealand dollar	1,206,556	19,325	1,225,881
Norwegian kroner	331,938	6,866,440	7,198,378
Swedish kroner	318,756	18,412	337,168
US dollar	84,831,400	5,546,076	90,377,476
	<u>129,856,607</u>	<u>35,369,352</u>	<u>165,225,959</u>

Foreign currency exposure at 20 February 2021:

	Investments	Net current assets	Total
	£	£	£
Australian dollar	8,683,569	317,544	9,001,113
Canadian dollar	1,308,242	8,649	1,316,891
Danish kroner	1,492,630	8,533	1,501,163
Euro	39,329,102	1,680,006	41,009,108
Japanese yen	12,604,680	36,675,292	49,279,972
New Zealand dollar	1,367,392	20,512	1,387,904
Norwegian kroner	7,022,658	898,336	7,920,994
Singapore dollar	4,291,099	543,045	4,834,144
Swedish kroner	3,156,268	103,764	3,260,032
Swiss franc	8,324,173	41,715	8,365,888
US dollar	168,317,840	4,882,317	173,200,157
	<u>255,897,653</u>	<u>45,179,713</u>	<u>301,077,366</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 £8,261,298 (2021: £15,053,868). A five per cent increase would have an equal and opposite effect.

Derivatives risk

The underlying exposure to forward currency contracts at 20 February 2022 was a net unrealised gain of £707,400 (2021: net unrealised loss of £725,746).

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

RISK DISCLOSURES

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 20 February 2022 consists of the following:

	20 February 2022 £	20 February 2021 £
Financial assets fixed interest rate:		
Australian dollar	6,160,173	8,683,569
Canadian dollar	1,015,876	1,308,242
Euro	43,297,045	45,055,753
New Zealand dollar	1,206,556	1,367,392
Norwegian kroner	331,938	355,197
Sterling	71,723,700	186,766,420
Swedish kroner	318,756	360,241
US dollar	143,182,240	169,395,886
	<u>267,236,284</u>	<u>413,292,700</u>
Financial assets floating rate:		
Australian dollar	-	165,319
Danish kroner	450,964	477,715
Euro	97,735	1,609,465
Japanese yen	22,266,146	36,675,292
New Zealand dollar	-	147
Norwegian kroner	6,859,221	890,888
Singapore dollar	-	543,045
Sterling	8,278,893	10,303,956
Swedish kroner	-	83,617
Swiss franc	-	41,732
US dollar	4,698,536	3,893,650
	<u>42,651,495</u>	<u>54,684,826</u>
Financial assets non-interest bearing instruments:		
Australian dollar	58,002	152,225
Canadian dollar	3,119	8,649
Danish kroner	1,002,831	1,023,450
Euro	946,604	994,682
New Zealand dollar	19,325	20,365
Norwegian kroner	7,219	7,448
Sterling	6,785,708	7,042,601
Swedish kroner	18,412	20,170
US dollar	6,633,249	7,055,086
	<u>15,474,469</u>	<u>16,324,676</u>
Financial liabilities floating rate:		
Sterling	-	(3,473,631)
Financial liabilities non-interest bearing instruments:		
Sterling	(2,024,441)	(3,273,853)
	<u>(2,024,441)</u>	<u>(3,273,853)</u>
	<u>323,337,807</u>	<u>477,554,718</u>

Interest rate risk sensitivity on debt securities

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A half of one per cent increase in interest rates would have the effect of decreasing the return and net assets by £9,247,461 (2021: £14,335,516). A half of one per cent decrease would have an equal and opposite effect.

Debt security credit analysis

Portfolio split by investment grade

	20 February 2022	20 February 2021
	Bid value (£)	
Investments of investment grade	234,614,882	354,256,854
Investments below investment grade:	33,837,285	53,143,170
Unrated	8,641,096	22,085,671
Portfolio of stock investments	<u>277,093,263</u>	<u>429,485,695</u>

IFSL MARLBOROUGH GLOBAL BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 February 2022

RISK DISCLOSURES

Liquidity risk

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

		20 February 2022	20 February 2021
		£	£
On demand:	Bank overdrafts	-	3,473,631
Within one year:			
Derivatives	Investment liabilities	29,498	861,765
Non-derivatives	Distribution payable	1,087,845	1,085,090
	Other creditors	907,097	1,326,998
		<u>2,024,440</u>	<u>6,747,484</u>

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	20 February 2022		20 February 2021	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	18,937,865	-	26,623,623	-
Level 2 - Observable market data	258,891,933	29,498	402,996,113	861,765
Level 3 - Unobservable data	363	-	1,978	-
	<u>277,830,161</u>	<u>29,498</u>	<u>429,621,714</u>	<u>861,765</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

18 POST BALANCE SHEET EVENTS

Since 20 February 2022, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	18 February 2022 ^A	14 April 2021	Movement (%)
A Income	147.42	141.47	-4.04%
A Accumulation	273.54	265.08	-3.09%
P Income	148.14	141.76	-4.31%
P Accumulation	199.99	194.02	-2.99%

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

As at the balance sheet date, the Fund had exposure to both Russia and Ukraine through its investments in Gazprom and Avangardco Investments Public, respectively.

Since the balance sheet date, the Fund has sold its entire holding in Gazprom on 7 March 2022 for £509,250, which represented a fall in value of 74.62% compared to the market value of £2,006,282 as at the balance sheet date.

The Fund has retained its holding in Avangardco Investments Public. The events in Ukraine since the balance sheet date, have not had a significant adverse impact on the value of the Fund's holding.

IFSL MARLBOROUGH GLOBAL BOND FUND

DISTRIBUTION TABLE

Interim distribution for the period from 21 February 2021 to 20 August 2021

Group 1: units purchased prior to 21 February 2021

Group 2: units purchased on or after 21 February 2021

		Gross revenue 20 August 2021 pence per unit	Equalisation 20 August 2021 pence per unit	Distribution paid 20 October 2021 pence per unit	Distribution paid 20 October 2020 pence per unit
A Income	Group 1	1.306591	-	1.306591	1.503284
	Group 2	0.954902	0.351689	1.306591	1.503284
A Accumulation	Group 1	2.403248	-	2.403248	2.721745
	Group 2	1.297383	1.105865	2.403248	2.721745
B Income	Group 1	1.690146	-	1.690146	1.898651
	Group 2	1.265598	0.424548	1.690146	1.898651
B Accumulation	Group 1	2.160037	-	2.160037	2.372460
	Group 2	0.945428	1.214609	2.160037	2.372460
P Income	Group 1	1.883600	-	1.883600	2.103244
	Group 2	0.985539	0.898061	1.883600	2.103244
P Accumulation	Group 1	2.511565	-	2.511565	2.735495
	Group 2	1.401236	1.110329	2.511565	2.735495

Final distribution for the period from 21 August 2021 to 20 February 2022

Group 1: units purchased prior to 21 August 2021

Group 2: units purchased on or after 21 August 2021

		Gross revenue 20 February 2022 pence per unit	Equalisation 20 February 2022 pence per unit	Distribution paid 20 April 2022 pence per unit	Distribution paid 20 April 2021 pence per unit
A Income	Group 1	1.435229	-	1.435229	1.253314
	Group 2	0.297513	1.137716	1.435229	1.253314
A Accumulation	Group 1	2.658882	-	2.658882	2.289132
	Group 2	0.730240	1.928642	2.658882	2.289132
P Income	Group 1	2.021849	-	2.021849	1.864116
	Group 2	1.081767	0.940082	2.021849	1.864116
P Accumulation	Group 1	2.728787	-	2.728787	2.456589
	Group 2	1.406191	1.322596	2.728787	2.456589

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