

IFSL MARLBOROUGH NO 2 OEIC

(formerly The Marlborough No 2 OEIC)

Interim Report and Unaudited Financial Statements

for the six month period ended 31 January 2022

IFSL

— Fund Services —

Marlborough

IFSL MARLBOROUGH NO 2 OEIC

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director 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 on 24 March 2022
Helen Redmond
Helen Derbyshire
David Kiddie (Non-Executive) - resigned on 2 December 2021
Guy Sears (Independent Non-Executive)
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
Croxall Hall
Croxall Road, Croxall
Nr Alrewas
Staffordshire
WS13 8RA

Sub-Investment Managers

IFSL Marlborough Multi Cap Income Fund and IFSL Marlborough Nano-Cap Growth Fund
Hargreave Hale Limited
88 Wood Street
London
EC2V 7QR

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

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

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

IFSL MARLBOROUGH NO 2 OEIC

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IFSL MARLBOROUGH NO 2 OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

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

The Company currently has three sub-Funds: IFSL Marlborough Far East Growth Fund; IFSL Marlborough Multi Cap Income Fund; and IFSL Marlborough Nano-Cap Growth Fund.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub-fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle these liabilities.

Investment objectives and policies

IFSL Marlborough Far East Growth Fund

The investment objective of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years. The Fund aims to outperform the average of the IA Asia Pacific excluding Japan sector over any 5 year period, however, there is no certainty this will be achieved.

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

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

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

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

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

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

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

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

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

The Fund aims to be in the top half of all funds included in the IA Asia Pacific excluding Japan sector.

IFSL MARLBOROUGH NO 2 OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Investment objectives and policies

IFSL Marlborough Multi Cap Income Fund

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

The Fund aims to deliver a greater income than the FTSE All-Share Index, over any 3 year period, however there is no certainty this will be achieved.

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

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

The Fund invests in companies which the manager believes:

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

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

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

The Fund's investment policy puts it in the IA UK Equity Income sector.

IFSL Marlborough Nano-Cap Growth Fund

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

At least 80% of the Fund will be invested in the shares of very small companies and investment trusts listed on UK stock exchanges. These are companies whose market capitalisation (the market value of a company's shares) is £100m or less at the time the initial purchase is made.

The aim of the investment team is to identify companies which they believe show good long-term growth potential or which appear to be under-valued given their future prospects.

The team consider economic and market conditions but the main focus is on individual company analysis and selection.

Following the same investment philosophy the Fund may also invest in companies which are listed on overseas stock exchanges, the shares of larger companies, other securities which offer returns linked to the company performance, such as, preference shares, convertible bonds and warrants, and unquoted companies.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when. The Fund invests in a diverse portfolio of investments and is not constrained by any industry or sector.

The Fund may hold cash, government bonds and money market instruments (short terms loans typically issued by governments and banks) to enable ready settlement of liabilities (including the redemption of units), for the efficient management of the Fund and in order to meet its objective.

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

The FTSE SmallCap Index (ex-Investment Companies) has been chosen as the performance target as it has similar aims and objectives to the Fund.

The Fund's investment policy puts it in the IA UK Smaller Companies sector.

IFSL MARLBOROUGH NO 2 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 each sub-fund. The allocation of income and taxation and the rights of each share in the event that a sub-fund is wound up are on the same proportional basis.

Changes in prospectus

On the 26 November 2021: the authorised corporate director changed from Marlborough Fund Managers Limited to another Marlborough Group company, Investment Fund Services Limited (IFSL). The name of the sub-fund's changed as follows:

Sub-fund name to 26 November 2021

Marlborough Far East Growth Fund
Marlborough Multi Cap Income Fund
Marlborough Nano-Cap Growth Fund

Sub-fund name from 26 November 2021

IFSL Marlborough Far East Growth Fund
IFSL Marlborough Multi Cap Income Fund
IFSL Marlborough Nano-Cap Growth Fund

On the 26 November 2021, the investment manager changed from Marlborough Fund Managers Limited to Marlborough Investment Management Limited. On the 10 January 2022 BEA Union Investment Management Limited were appointed sub-investment manager for Marlborough Far East Growth Fund.

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

Cross Holdings

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

AUTHORISED CORPORATE DIRECTORS' STATEMENT

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



ALLAN HAMER
DIRECTOR



HELEN REDMOND
DIRECTOR

INVESTMENT FUND SERVICES LIMITED

30 March 2022

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 January 2022

Basis for preparation

The interim financial statements have been prepared in compliance with FRS102 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 interim financial statements are prepared in sterling, which is the functional currency of the sub-funds. Monetary amounts in these financial statements are rounded to the nearest pound.

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

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2021 and are described in those annual financial statements.

The investments of the sub-funds have been valued at their fair value at 12 noon on 31 January 2022.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

Percentage change and sector position to 31 January 2022

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Marlborough Far East Growth Fund	0.23%	4.80%	26.25%	36.85%
IA Asia Pacific excluding Japan	(2.05%)	(4.78%)	31.50%	47.69%
Quartile Ranking*	1	1	3	4

* Based on ranking within The Investment Association's Asia Pacific excluding Japan sector.

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

We began the period under review with the belief that the second half of 2021 and early 2022 looked likely to see volatile trading in global markets. It was our view that we would see successive waves of Covid in the Northern Hemisphere set against the hope that the full or near full vaccination of an increasing number of countries would diminish mortality rates to levels where economies could remain open.

It was additionally the expectation there would be tax rises in most countries whether overtly through headline rises, or by stealth through the adjustment of thresholds, and the removal of concessions. Alongside this it was our belief that markets of most types seemed to be fully priced with investors jittery, and that this would lead to volatility.

In addition, the dramatic stimulus put in place to address Covid would as a side effect lead to an enormous expansion of liquidity which would find its way into assets of all varieties. This deluge of easy money would ultimately create a build-up in inflationary pressure, and it was apparent this issue would require resolution through a move towards higher interest rates.

As has previously been stated the nature of the investment style which has historically been employed in the management of this fund is one in which the managers seek well-managed companies with strong revenues backed by good products which stand out from their competition. These companies exhibit strong balance sheets and good cash flows and are perhaps defensive in nature. They have however historically not performed as well as those more dynamic perhaps smaller in nature and often technology companies which have seen in-flows of significant elements of investor cash with a consequent increase in share prices.

The ongoing difficulty in supporting investment into "growth" companies of this nature has historically led the fund to underperform its peers in periods when growth stocks were in vogue supported by easy liquidity and a somewhat less discriminating approach by investors. Over the past six months however, and since the beginning of 2021, the more quality, value, or perhaps "growth at a reasonable price" style employed for the fund has proven to be entirely apposite and has enabled the fund to miss much of the worst impact of the re-rating in growth stocks and has allowed it once again to produce significant sector outperformance.

Looking to the future we have appointed BEA Union Investments (BU) in Hong Kong to take over the role of manager of the Marlborough Far East Growth Fund. BU is a joint venture between Bank of East Asia (BEA), Hong Kong's largest privately owned bank with assets of £116bn, and Union Investment (UI) the investment subsidiary of Germany's second largest bank, with assets under management of Euros 427bn. Under the stewardship of BU, we will have a much-enlarged team led by Henry Chan, and the fund will be under the day-to-day control of Szu Fuei Chong one of BU longest serving investment professionals. It is our belief that the combination of the outsourcing to BU coupled with their more pragmatic and perhaps somewhat more growth-oriented investment approach will lead to more consistent peer group relative performance in future.

Marlborough Investment Management Limited
14 March 2022

On 10 January 2022, BEA Union Investments were appointed the sub-investment manager.

Performance

The portfolio outperformed its index during the month. Stock selection in China A-Shares and Thailand added to the relative performance. The main contributors were Contemporary Amperex Technology Co., Limited (CATL) as we saw an overall healthy outlook in the segment of battery and electric vehicles production and Gunkul as the market turns more positive on new growth driver from its cannabis venture and its strong presence in the renewable energy space in Thailand.

Portfolio Activity

With a number of headwinds including rate hike cycle and the inflationary pressure, we remain risk-adverse by tactically raising cash. We reduced China and rotated into Australia and United States for better relative opportunities. Adjustments were made to the portfolio where we reduced holdings in Industrials and Information Technology but added names into Energy and Financials. We exited holdings with low liquidity and moved towards higher liquidity names.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

Market Review

MSCI APxJ was down in January 2022 (-4.0%), mainly led by South Korea, Australia, and China on heightened concerns following Fed's more hawkish tone at the start of the new year, CoV-19 outbreak across the region, disappointing earnings read through from the larger caps in the Developed markets, and Russia-Ukraine tension.

MSCI South Korea underperformance was broad-based mainly led by the Communications Services, Health Care and Industrial sectors. A number of disappointing governance and company specific issues further effected sentiment, which saw both local institutions and foreigners being net sellers.

MSCI Australia underperformance was relatively broad-based led by the IT, Health Care and Consumer Staples sectors. Underperformance was mainly due to macro concerns and cautious positioning ahead of earnings season following a strong finish in 2021.

MSCI China underperformance was led by the Health Care, IT and Utilities sectors, especially the A-share listed and ADRs, as expensive growth companies were sold off either on profit taking or rotation into value companies.

Investment Outlook

Markets continue to look toward the reopening of economies, while weighing the pace of vaccination, resurgence of COVID-19 cases, inflation, pace of Fed tightening and geopolitical tensions; whilst mindful of the sustainability of continued markets strength from previous year and high multiples. Expectations of policy easing provide mid-term support, giving rise to tactical or opportunistic positioning.

We remain cautious and barbell the portfolio with a mix of value, growth and defensive plays. The portfolio tilt is towards i) quality global or national or sector leaders ii) defensive proxy leveraged on domestic or structural growth, iii) beneficiaries of policy support or localization trend and iv) high-quality earners with strong free cash flow and superior balance sheet.

We have positive reflationary plays via commodity and energy sectors.

We maintain preference for quality growth and energy exposure with overweight in Australia, overweight in Indonesia, underweight in Greater China.

BEA Union Investment Management Limited
24 February 2022

Distributions (pence per share)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>A Income</u>				
Income paid 31 March	0.4646	0.0517	0.2135	0.8407
Income paid 30 September		1.6752	1.9919	2.3885
<u>A Accumulation</u>				
Accumulation paid 31 March	0.5746	0.0796	0.2588	1.0115
Accumulation paid 30 September		2.0645	2.4282	2.8864
<u>P Income</u>				
Income paid 31 March	1.5073	0.9901	1.0890	1.6762
Income paid 30 September		2.7068	2.8104	3.2461
<u>P Accumulation</u>				
Accumulation paid 31 March	1.8235	1.1801	1.2766	1.9271
Accumulation paid 30 September		3.2453	3.3256	3.7640

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT
for the six month period ended 31 January 2022

Portfolio changes

Largest purchases	Cost (£)
Samsung Electronics Co Ltd	1,977,565
Taiwan Semiconductor Manufacturing Co Ltd	1,100,887
Reliance Industries Ltd	972,396
Sterlite Technologies Ltd	706,194
Prologis Inc	660,372
MediaTek Inc	648,852
Aluminum Corporation of China Ltd 'H'	644,967
AIA Group Ltd	594,284
Bank Artos Indonesia Tbk PT	505,862
JD.com Inc 'A'	493,921
Other purchases	9,784,271
Total purchases for the period	18,089,571
Largest sales	Proceeds (£)
Samsung Electronics Co Ltd - Pref	2,138,932
Xinyi Glass Holdings Ltd	1,305,165
CIMC ENRIC Holdings Ltd	1,221,026
ICICI Bank Ltd - SPON ADR	1,148,296
ASM Pacific Technology Ltd	973,569
Taiwan Hon Chuan Enterprise Co Ltd	956,705
SK Hynix Inc	955,390
Elan Microelectronics Corp	894,602
Sunny Optical Technology (Group) Co Ltd	821,236
Gujarat State Petronet Ltd	754,202
Other sales	14,209,372
Total sales for the period	25,378,495

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

COMPARATIVE TABLE

<u>A Income shares</u>	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	268.49	229.11	235.72	234.20
Return before operating charges*	2.02	45.29	(0.63)	8.47
Operating charges	(2.35)	(4.18)	(3.77)	(3.72)
Return after operating charges*	(0.33)	41.11	(4.40)	4.75
Distributions on income shares	(0.46)	(1.73)	(2.21)	(3.23)
Closing net asset value per share	267.70	268.49	229.11	235.72
* after direct transaction costs of:	0.69	0.38	0.36	0.22
Performance				
Return after charges	-0.12%	17.94%	-1.87%	2.03%
Other information				
Closing net asset value (£)	1,686,992	1,858,105	4,580,875	5,641,258
Closing number of shares	630,179	692,055	1,999,458	2,393,187
Operating charges	1.70% ^{A,B}	1.67% ^A	1.68%	1.66%
Direct transaction costs	0.50% ^A	0.15%	0.16%	0.10%
Prices				
Highest share price	283.04p	286.00p	245.30p	240.64p
Lowest share price	264.93p	223.82p	186.84p	203.19p
<u>A Accumulation shares</u>	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	333.09	282.42	287.78	282.01
Return before operating charges*	2.47	55.94	(0.75)	10.26
Operating charges	(2.91)	(5.27)	(4.61)	(4.49)
Return after operating charges*	(0.44)	50.67	(5.36)	5.77
Distributions on accumulation shares	(0.57)	(2.14)	(2.69)	(3.90)
Retained distributions on accumulation shares	0.57	2.14	2.69	3.90
Closing net asset value per share	332.65	333.09	282.42	287.78
* after direct transaction costs of:	0.85	0.48	0.44	0.26
Performance				
Return after charges	-0.13%	17.94%	-1.86%	2.05%
Other information				
Closing net asset value (£)	15,889,174	18,612,101	20,662,212	27,406,228
Closing number of shares	4,776,559	5,587,728	7,316,257	9,523,378
Operating charges	1.70% ^{A,B}	1.67% ^A	1.68%	1.66%
Direct transaction costs	0.50% ^A	0.15%	0.16%	0.10%
Prices				
Highest share price	351.11p	352.62p	299.47p	290.83p
Lowest share price	328.64p	275.89p	228.22p	244.66p

^A 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.

^B These figures have been annualised.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

COMPARATIVE TABLE

<u>P Income shares</u>	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	269.02	229.52	236.12	234.54
Return before operating charges*	2.03	45.61	(0.60)	8.55
Operating charges	(1.31)	(2.41)	(2.10)	(2.05)
Return after operating charges*	0.72	43.20	(2.70)	6.50
Distributions on income shares	(1.51)	(3.70)	(3.90)	(4.92)
Closing net asset value per share	268.23	269.02	229.52	236.12
* after direct transaction costs of:	0.69	0.39	0.36	0.22
Performance				
Return after charges	0.27%	18.82%	-1.14%	2.77%
Other information				
Closing net asset value (£)	6,160,164	6,337,504	4,433,113	5,241,092
Closing number of shares	2,296,623	2,355,731	1,931,503	2,219,645
Operating charges	0.95% ^{A,B}	0.92% ^A	0.93%	0.91%
Direct transaction costs	0.50% ^A	0.15%	0.16%	0.10%
Prices				
Highest share price	284.39p	287.47p	246.59p	241.90p
Lowest share price	265.89p	224.37p	187.34p	203.79p
<u>P Accumulation shares</u>	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	325.82	274.19	277.30	269.71
Return before operating charges*	2.39	54.51	(0.64)	9.96
Operating charges	(1.59)	(2.88)	(2.47)	(2.37)
Return after operating charges*	0.80	51.63	(3.11)	7.59
Distributions on accumulation shares	(1.82)	(4.43)	(4.60)	(5.69)
Retained distributions on accumulation shares	1.82	4.43	4.60	5.69
Closing net asset value per share	326.62	325.82	274.19	277.30
* after direct transaction costs of:	0.84	0.47	0.43	0.25
Performance				
Return after charges	0.25%	18.83%	-1.12%	2.81%
Other information				
Closing net asset value (£)	8,449,532	10,632,193	8,496,996	9,526,929
Closing number of shares	2,586,950	3,263,233	3,098,977	3,435,559
Operating charges	0.95% ^{A,B}	0.92% ^A	0.93%	0.91%
Direct transaction costs	0.50% ^A	0.15%	0.16%	0.10%
Prices				
Highest share price	344.37p	344.69p	289.59p	280.24p
Lowest share price	321.96p	268.02p	220.98p	234.33p

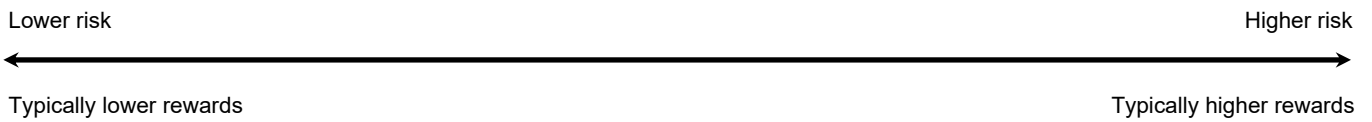
^A From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

^B These figures have been annualised.

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

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



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

The sub-fund has been measured as 5 because it has experienced moderate to high volatility historically. During the period the synthetic risk and reward indicator changed from 6 to 5.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
AUSTRALIA (31 July 2021 - Nil)		
131,776 Santos Ltd	492,580	1.53
Total Australia	<u>492,580</u>	<u>1.53</u>
CHINA/HONG KONG (31 July 2021 - 44.71%)		
75,200 AIA Group Ltd	580,225	1.80
35,000 Alibaba Group Holding Ltd	381,722	1.19
1,450,000 Aluminum Corporation of China Ltd 'H'	570,143	1.77
88,000 China Mengniu Dairy Co Ltd	387,271	1.20
1,188,000 CIMC ENRIC Holdings Ltd	1,076,318	3.34
12,500 Contemporary Amperex Technology Co Ltd 'A'	868,682	2.70
45,200 Ganfeng Lithium Co Ltd	528,426	1.64
12,000 Hong Kong Exchanges and Clearing Ltd	503,299	1.56
157,600 HSBC Holdings Plc	830,772	2.58
19,259 JD.com Inc 'A'	514,795	1.60
42,028 Midea Group Co Ltd 'A'	360,770	1.12
3,140,000 Pacific Basin Shipping Ltd	985,321	3.06
1,394,000 Postal Savings Bank of China Co Ltd 'H'	857,527	2.66
6,000 Sangfor Technologies Inc	108,371	0.34
112,000 Sitc International Holdings Co Ltd	316,093	0.98
14,900 Tencent Holdings Ltd	672,540	2.09
812,000 Want Want China Holdings Ltd	591,950	1.84
72,560 Xtrackers Harvest CSI300 UCITS ETF '1D' USD	759,758	2.36
Total China/Hong Kong	<u>10,893,983</u>	<u>33.83</u>
INDIA (31 July 2021 - 11.65%)		
5,099 Bajaj Finance Ltd	356,718	1.11
51,634 Escorts Ltd	952,583	2.96
21,714 Hdfc Bank Ltd	321,985	1.00
31,226 ICICI Bank Ltd - SPON ADR	489,683	1.52
19,724 Larsen & Toubro Ltd	376,305	1.17
372,000 Manappuram Finance Ltd	585,226	1.82
38,900 Reliance Industries Ltd	926,309	2.88
Total India	<u>4,008,809</u>	<u>12.46</u>
INDONESIA (31 July 2021 - 2.04%)		
539,200 Bank Artos Indonesia Tbk PT	458,013	1.42
1,215,000 Bank Mandiri (Persero) Tbk PT	471,122	1.46
1,280,900 Merdeka Copper Gold Tbk PT	241,195	0.75
Total Indonesia	<u>1,170,330</u>	<u>3.63</u>
MALAYSIA (31 July 2021 - 1.05%)		
285,100 Press Metal Aluminium Holdings Bhd	311,513	0.97
Total Malaysia	<u>311,513</u>	<u>0.97</u>
PHILIPPINES (31 July 2021 - 0.86%)		
97,550 BDO Unibank Inc	191,743	0.60
58,620 International Container Terminal Services Inc	171,249	0.53
Total Philippines	<u>362,992</u>	<u>1.13</u>
SINGAPORE (31 July 2021 - 1.28%)		
8,400 DBS Group Holdings LTD	162,798	0.51
26,300 United Overseas Bank Ltd	433,836	1.35
Total Singapore	<u>596,634</u>	<u>1.86</u>

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
SOUTH KOREA (31 July 2021 - 17.97%)		
12,285 Eugene Technology Co Ltd	360,359	1.12
28,000 KB Financial Group Inc	1,026,017	3.19
2,313 POSCO	378,122	1.17
3,045 Samsung Electro-Mechanics Co Ltd	333,423	1.04
41,610 Samsung Electronics Co Ltd	1,881,532	5.85
1,025 Samsung SDI Co Ltd	369,272	1.15
7,689 SK Hynix Inc	569,195	1.77
1,254 SK Innovation Co Ltd	167,094	0.52
Total South Korea	<u>5,085,014</u>	<u>15.81</u>
TAIWAN (31 July 2021 - 13.66%)		
141,000 ASE Technology Holding Co Ltd	373,339	1.16
450,000 E.Sun Financial Holding Co Ltd	349,131	1.09
52,000 Ennoconn Corp	294,045	0.91
23,000 MediaTek Inc	662,619	2.06
22,000 Realtek Semiconductor Corp	310,125	0.96
342,000 Sercomm Corp	704,823	2.19
122,000 Taiwan Semiconductor Manufacturing Co Ltd	2,079,431	6.46
Total Taiwan	<u>4,773,513</u>	<u>14.83</u>
THAILAND (31 July 2021 - 3.91%)		
493,000 AMATA Corporation Public Co Ltd - NVDR	236,258	0.73
2,883,400 Gunkul Engineering Public Co Ltd - NVDR	445,533	1.38
Total Thailand	<u>681,791</u>	<u>2.11</u>
UNITED STATES (31 July 2021 - Nil)		
5,889 Prologis Inc	681,119	2.12
Total United States	<u>681,119</u>	<u>2.12</u>
Portfolio of investments	29,058,278	90.28
Net other assets	3,127,584	9.72
Total net assets	<u>32,185,862</u>	<u>100.00</u>

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2022

	£
Total purchases costs, including transaction charges	18,089,571
Total sales proceeds, net of transaction charges	25,378,495

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Income:				
Net capital (losses)/gains		(27,734)		5,006,722
Revenue	380,088		385,188	
Expenses	<u>(231,405)</u>		<u>(271,739)</u>	
Net revenue before taxation	148,683		113,449	
Taxation	<u>(28,279)</u>		<u>(34,840)</u>	
Net revenue after taxation		<u>120,404</u>		<u>78,609</u>
Total return before distributions		92,670		5,085,331
Distributions		(124,904)		(78,609)
Change in net assets attributable to shareholders from investment activities		<u>(32,234)</u>		<u>5,006,722</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Opening net assets attributable to shareholders		^A 37,442,715		38,209,496
Amounts receivable on issue of shares	1,691,504		2,960,765	
Amounts payable on cancellation of shares	(7,006,318)		(6,560,457)	
Amounts payable on share class conversions	<u>(15)</u>		<u>(13,555)</u>	
		(5,314,829)		(3,613,247)
Dilution adjustment		15,592		-
Change in net assets attributable to shareholders from investment activities		(32,234)		5,006,722
Retained distribution on accumulation shares		74,617		53,097
Unclaimed distributions		1		2
Closing net assets attributable to shareholders		<u>32,185,862</u>	^A	<u>39,656,070</u>

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

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH FAR EAST GROWTH FUND

BALANCE SHEET
as at 31 January 2022

	31 January 2022	31 July 2021
	£	£
Assets:		
Fixed Assets:		
Investments	29,058,278	36,367,440
Current Assets:		
Debtors	1,736,323	282,226
Cash and bank balances	2,018,920	1,391,611
Total assets	<u>32,813,521</u>	<u>38,041,277</u>
Liabilities:		
Creditors:		
Distribution payable on income shares	37,545	75,384
Other creditors	590,114	523,178
Total liabilities	<u>627,659</u>	<u>598,562</u>
Net assets attributable to shareholders	<u><u>32,185,862</u></u>	<u><u>37,442,715</u></u>

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

Percentage change and sector position to 31 January 2022

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Marlborough Multi Cap Income Fund	(0.78%)	16.43%	17.25%	28.56%
IA UK Equity Income	4.21%	18.77%	20.18%	25.87%
Quartile Ranking *	4	3	3	2

* Based on ranking within The Investment Association's UK Equity Income sector.

External Source of Economic Data: Morningstar (P Acc - quoted price to quoted price). P shares first priced on 2 January 2013. In the period to that date, past performance information for A shares has been used.

The price of the Fund at the end of July 2021 was 240.44p (P accumulation shares). The Fund's benchmark, the FTSE All Share TR Index, was 10971.99 at that time. Since then, the benchmark has risen to 11201.24 (31 Jan 2021); an increase of 2.09%. In comparison, the Fund price fell to 238.56p (P accumulation shares), down 0.78% over the same period. Much of this difference was due to the effect of a weak January when the fund was down 5.96% compared with the index down 0.39%.

Since inception to 31 January 2022, the Fund is up 138.56% (based on P accumulation shares) compared with the FTSE All Share TR Index up 69.35% over the same period (from 6479.05 to 10971.99).

The estimated dividend on P income shares for the six months to 31 January 2022 is 3.063p, due to be paid at the end of March. This is growth of 15.4% compared to the payment made at the end of March 2021, better than previously expected. The table below shows the different income distributions across our range of share classes. We focus on the P income share class (because it is most commonly held by investors).

The Fund value (based on bid value of investments) at the end of July 2021 was £1.16bn. As of the end of January 22, the Fund value was £1.10bn. The Fund experienced net outflows totalling £35.68m.

The vast majority of trading updates and results in January 2022 were in line or ahead of market expectations. What typically happened on the day of announcement was a positive reaction in the share price only to see these gains completely wiped out over the subsequent trading days. Dunelm is an example, which rose c. 8.6% on the day of its Q2 update, showing sales up 26%, gross margins up 1.6% and good forward planning on building inventory levels to combat potential logistics issues. Despite this, the stock eventually ended down 8% from its high of the month. Another holding, Hays, the global recruiter, posted a record Q2. It benefits from wage inflation. A general shortage in the talent pool has emerged due to restricted movement of labour during the pandemic. This also means its particular strength in the IT sector, where employers are hiring without much hesitation, is a sweet spot. The comment from management about all regions seeing growth was in keeping with the other recruiters, who have reported since. Sadly, the share price appreciation on the back of analysts EPS upgrades (e.g. *Jefferies*) was barely noticeable as the shares finished marginally lower at month end. This has been a fairly typical reaction with other stocks as well, even if there is no bad news and helps to explain some of the relative performance versus index.

Global macro fears around the Russia-Ukraine crisis, inflation and rising input costs (not just from higher oil prices) call for companies with pricing power to react accordingly. We are regularly looking for our companies to either take mitigating action via productivity improvements (not simply cutting costs in the form of headcount) and/or putting prices up where they have a degree of demand inelasticity. Whether it be bakery chain Greggs, brick manufacturer Forterra or international recruitment consultant Page Group, the ability to do this successfully is down to a strong management team, who can still bring in profitable volume growth.

The broader policy point of raising interest rates means we look for beneficiaries in the form of banks, utilities, property and some smaller company commodity stocks. The fund has always been relatively underweight commodities compared with the index and peer group. However, we do stick to the investment process of finding quality companies with good corporate governance, strong balance sheets, free cashflow and sustainable dividend paying ability. A number of holdings are now back to not just growing ordinary dividends but also paying special dividends (Admiral, B&M, Sabre Insurance, Dunelm, Softcat, Hargreaves Services, Belvoir and Somero to name a few).

We also remain comfortable about meeting the UK Investment Association's reinstated yield test for the equity income sector. Our fund has a prospective dividend yield of 4.13% compared with the benchmark at 3.12%. In times of inflation, the hunt for real income makes this difference a little more meaningful.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

We also remain comfortable about meeting the UK Investment Association's reinstated yield test for the equity income sector. Our fund has a prospective dividend yield of 4.13% compared with the benchmark at 3.12%. In times of inflation, the hunt for real income makes this difference a little more meaningful.

Siddarth Chand Lall
Hargreave Hale Limited
8 February 2022

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Distributions (pence per share)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>A Income</u>				
Income paid 31 March	2.8695	2.5064	3.4230	3.2610
Income paid 30 September		3.3103	2.7146	4.2001
<u>A Accumulation</u>				
Accumulation paid 31 March	4.5254	3.7962	4.9620	4.4914
Accumulation paid 30 September		5.1091	4.0207	5.9203
<u>P Income</u>				
Income paid 31 March	3.0629	2.6551	3.5987	3.4102
Income paid 30 September		3.5217	2.8662	4.4006
<u>P Accumulation</u>				
Accumulation paid 31 March	4.6012	3.8310	4.9702	4.4763
Accumulation paid 30 September		5.1776	4.0447	5.9099

Portfolio changes

Largest purchases	Cost (£)
Halfords Group	7,918,518
Hays	6,688,812
Paragon Banking Group	6,156,661
Dunelm Group	5,942,336
Mortgage Advice Bureau (Holdings)	4,189,427
Renew Holdings	4,184,336
Greggs	4,136,659
Cake Box Holdings	3,812,062
Royal Mail	3,530,156
Taylor Wimpey	3,335,839
Other purchases	99,698,809
Total purchases for the period	149,593,615
Largest sales	Proceeds (£)
Tate & Lyle	18,497,230
Zegona Communications	17,515,086
National Express Group	12,740,728
Lundin Petroleum	12,248,890
Stock Spirits Group	9,882,902
Mondi	9,137,043
Phoenix Group Holdings	8,460,774
Polymetal International	7,814,868
888 Holdings	7,131,437
Go-Ahead Group	6,887,819
Other sales	62,115,978
Total sales for the period	172,432,755

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

COMPARATIVE TABLE

<u>A Income shares</u>	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	149.64	120.05	147.88	160.16
Return before operating charges*	(0.45)	37.61	(19.55)	(2.53)
Operating charges	(1.28)	(2.20)	(2.14)	(2.29)
Return after operating charges*	(1.73)	35.41	(21.69)	(4.82)
Distributions on income shares	(2.87)	(5.82)	(6.14)	(7.46)
Closing net asset value per share	145.04	149.64	120.05	147.88
* after direct transaction costs of:	0.12	0.31	0.47	0.39
Performance				
Return after charges	-1.16%	29.50%	-14.67%	-3.01%
Other information				
Closing net asset value (£)	45,292,454	49,376,994	52,893,731	76,332,292
Closing number of shares	31,226,521	32,998,094	44,058,946	51,619,184
Operating charges	1.65% ^{A,B}	1.62% ^A	1.53%	1.53%
Direct transaction costs	0.16% ^B	0.23%	0.33%	0.26%
Prices				
Highest share price	159.43p	153.74p	164.94p	159.22p
Lowest share price	147.26p	119.08p	95.34p	136.31p
<u>A Accumulation shares</u>				
Change in net assets per share	Period to 31.01.2022	Year to 31.07.2021	Year to 31.07.2020	Year to 31.07.2019
	pence	pence	pence	pence
Opening net asset value per share	236.05	181.85	214.36	220.72
Return before operating charges*	(0.75)	57.56	(29.38)	(3.16)
Operating charges	(2.02)	(3.36)	(3.13)	(3.20)
Return after operating charges*	(2.77)	54.20	(32.51)	(6.36)
Distributions on accumulation shares	(4.53)	(8.91)	(8.98)	(10.41)
Retained distributions on accumulation shares	4.53	8.91	8.98	10.41
Closing net asset value per share	233.28	236.05	181.85	214.36
* after direct transaction costs of:	0.20	0.48	0.68	0.55
Performance				
Return after charges	-1.17%	29.80%	-15.17%	-2.88%
Other information				
Closing net asset value (£)	66,611,846	69,165,210	68,046,502	90,657,641
Closing number of shares	28,554,935	29,300,796	37,419,657	42,292,461
Operating charges	1.65% ^{A,B}	1.62% ^A	1.53%	1.53%
Direct transaction costs	0.16% ^B	0.23%	0.33%	0.26%
Prices				
Highest share price	251.44p	237.29p	240.84p	219.81p
Lowest share price	232.24p	180.36p	141.21p	187.88p

^A From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by close-ended vehicles such as investment trusts.

^B These figures have been annualised.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

COMPARATIVE TABLE

<u>P Income shares</u>	Period to	Year to	Year to	Year to
Change in net assets per share	31.01.2022	31.07.2021	31.07.2020	31.07.2019
	pence	pence	pence	pence
Opening net asset value per share	159.45	126.97	155.20	166.83
Return before operating charges*	(0.49)	39.91	(20.62)	(2.60)
Operating charges	(0.75)	(1.25)	(1.15)	(1.22)
Return after operating charges*	(1.24)	38.66	(21.77)	(3.82)
Distributions on income shares	(3.06)	(6.18)	(6.46)	(7.81)
Closing net asset value per share	155.15	159.45	126.97	155.20
* after direct transaction costs of:	0.13	0.33	0.49	0.41
Performance				
Return after charges	-0.78%	30.45%	-14.03%	-2.29%
Other information				
Closing net asset value (£)	615,542,602	656,711,990	626,674,244	865,161,140
Closing number of shares	396,737,027	411,857,122	493,579,930	557,435,211
Operating charges	0.90% ^{A,B}	0.87% ^A	0.78%	0.78%
Direct transaction costs	0.16% ^B	0.23%	0.33%	0.26%
Prices				
Highest share price	170.44p	163.81p	173.74p	165.85p
Lowest share price	157.14p	126.15p	100.54p	142.43p
<u>P Accumulation shares</u>				
Change in net assets per share	Period to	Year to	Year to	Year to
	31.01.2022	31.07.2021	31.07.2020	31.07.2019
	pence	pence	pence	pence
Opening net asset value per share	239.60	183.21	214.35	219.06
Return before operating charges*	(0.80)	58.22	(29.54)	(3.09)
Operating charges	(1.12)	(1.83)	(1.60)	(1.62)
Return after operating charges*	(1.92)	56.39	(31.14)	(4.71)
Distributions on accumulation shares	(4.60)	(9.01)	(9.01)	(10.39)
Retained distributions on accumulation shares	4.60	9.01	9.01	10.39
Closing net asset value per share	237.68	239.60	183.21	214.35
* after direct transaction costs of:	0.20	0.48	0.69	0.55
Performance				
Return after charges	-0.80%	30.78%	-14.53%	-2.15%
Other information				
Closing net asset value (£)	374,492,616	384,261,602	326,872,439	468,424,296
Closing number of shares	157,560,082	160,374,249	178,418,175	218,532,505
Operating charges	0.90% ^{A,B}	0.87% ^A	0.78%	0.78%
Direct transaction costs	0.16% ^B	0.23%	0.33%	0.26%
Prices				
Highest share price	256.05p	240.84p	241.84p	219.38p
Lowest share price	236.06p	182.00p	141.88p	187.05p

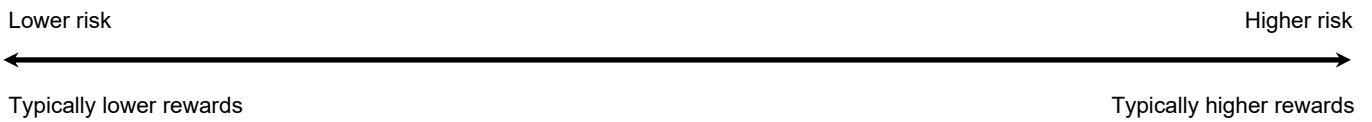
^A From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by close-ended vehicles such as investment trusts.

^B These figures have been annualised.

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

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



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

The sub-fund has been measured as 6 because it has experienced high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENCE (31 July 2021 - 0.76%)		
325,000 Ultra Electronics Holdings	9,529,000	0.86
Total Aerospace and Defence	<u>9,529,000</u>	<u>0.86</u>
AUTOMOBILES AND PARTS (31 July 2021 - 0.13%)		
BANKS (31 July 2021 - 0.28%)		
375,000 Secure Trust Bank	4,950,000	0.45
Total Banks	<u>4,950,000</u>	<u>0.45</u>
BEVERAGES (31 July 2021 - 1.28%)		
400,000 Britvic	3,574,000	0.32
416,500 Shepherd Neame	3,852,625	0.35
Total Beverages	<u>7,426,625</u>	<u>0.67</u>
CHEMICALS (31 July 2021 - 0.66%)		
1,497,500 Synthomer	5,462,880	0.50
Total Chemicals	<u>5,462,880</u>	<u>0.50</u>
CLOSED END INVESTMENTS (31 July 2021 - 1.04%)		
1,100,000 3i Infrastructure	3,784,000	0.34
150,000 Blackrock World Mining Trust	942,000	0.09
5,597,687 Gore Street Energy Storage Fund	6,437,340	0.58
Total Closed End Investments	<u>11,163,340</u>	<u>1.01</u>
CONSTRUCTION AND MATERIALS (31 July 2021 - 3.97%)		
1,000,000 Forterra	2,615,000	0.24
807,800 Keller Group	6,809,754	0.62
2,100,000 Marshalls	14,542,500	1.32
417,000 Morgan Sindall Group	8,736,150	0.79
500,000 Renew Holdings	3,565,000	0.32
2,800,000 Ricardo	12,740,000	1.16
2,500,000 Severfield	1,760,000	0.16
Total Construction and Materials	<u>50,768,404</u>	<u>4.61</u>
CONSUMER SERVICES (31 July 2021 - 1.03%)		
5,116,500 RM	9,465,525	0.86
Total Consumer Services	<u>9,465,525</u>	<u>0.86</u>
ELECTRICITY (31 July 2021 - 0.42%)		
1,750,000 Drax Group	10,526,250	0.96
Total Electricity	<u>10,526,250</u>	<u>0.96</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2021 - 3.86%)		
100,000 Spectris	3,352,000	0.30
11,100,000 Strix Group	25,974,000	2.36
Total Electronic and Electrical Equipment	<u>29,326,000</u>	<u>2.66</u>
FINANCE AND CREDIT SERVICES (31 July 2021 - 1.13%)		
325,000 Mortgage Advice Bureau (Holdings)	4,192,500	0.38
3,500,000 Paragon Banking Group	19,740,000	1.79
Total Finance and Credit Services	<u>23,932,500</u>	<u>2.17</u>
FOOD PRODUCERS (31 July 2021 - 2.29%)		
457,859 Devro	1,025,604	0.09
348,482 Hilton Food Group	3,519,668	0.32
250,000 Tate & Lyle	1,787,000	0.16
Total Food Producers	<u>6,332,272</u>	<u>0.57</u>
GAS, WATER AND MULTI-UTILITIES (31 July 2021 - 2.41%)		
825,000 Severn Trent	23,784,750	2.16
Total Gas, Water and Multi-utilities	<u>23,784,750</u>	<u>2.16</u>

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
GENERAL INDUSTRIALS (31 July 2021 - 2.39%)		
1,400,000 Hargreaves Services	7,168,000	0.65
11,220,000 Macfarlane Group	13,856,700	1.26
Total General Industrials	<u>21,024,700</u>	<u>1.91</u>
HEALTH CARE PROVIDERS (31 July 2021 - 0.49%)		
900,000 CareTech Holdings	4,950,000	0.45
Total Health Care Providers	<u>4,950,000</u>	<u>0.45</u>
HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2021 - 4.74%)		
600,000 Churchill China	8,880,000	0.81
200,000 MJ Gleeson	1,416,000	0.13
6,000,000 Taylor Wimpey	8,913,000	0.81
2,625,000 Vistry Group	26,761,875	2.43
4,100,000 Watkin Jones	10,844,500	0.98
Total Household Goods and Home Construction	<u>56,815,375</u>	<u>5.16</u>
INDUSTRIAL ENGINEERING (31 July 2021 - 0.18%)		
465,005 Somero Enterprises	2,464,526	0.22
Total Industrial Engineering	<u>2,464,526</u>	<u>0.22</u>
INDUSTRIAL METALS AND MINING (31 July 2021 - 3.95%)		
240,000 Anglo American	7,880,400	0.72
14,000,000 Anglo Pacific Group	19,376,000	1.76
900,000 Bodycote	7,186,500	0.65
100,000 Hill & Smith Holdings	1,476,000	0.13
1,325,000 Kenmare Resources	5,737,250	0.52
85,000 Rio Tinto	4,455,700	0.40
Total Industrial Metals and Mining	<u>46,111,850</u>	<u>4.18</u>
INDUSTRIAL SUPPORT SERVICES (31 July 2021 - 1.97%)		
725,000 FDM Group (Holdings)	7,685,000	0.70
4,200,000 Hays	5,955,600	0.54
700,000 Inchcape	5,848,500	0.53
1,721,516 Midwich Group	10,156,944	0.92
500,000 PageGroup	2,877,500	0.26
350,000 Travis Perkins	5,213,250	0.47
Total Industrial Support Services	<u>37,736,794</u>	<u>3.42</u>
INDUSTRIAL TRANSPORTATION (31 July 2021 - 0.60%)		
1,350,000 Royal Mail	6,007,500	0.55
1,250,000 Wincanton	4,800,000	0.44
Total Industrial Transportation	<u>10,807,500</u>	<u>0.99</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2021 - 17.16%)		
2,400,000 3i Group	32,568,000	2.96
600,000 AJ Bell	1,992,000	0.18
800,000 Brewin Dolphin Holdings	2,604,000	0.24
500,000 Bridgepoint Group	1,832,500	0.17
5,500,000 Cenkos Securities	3,905,000	0.35
4,675,000 Finncap Group	1,477,300	0.13
3,000,000 IG Group Holdings	24,255,000	2.20
1,450,000 Intermediate Capital Group	27,354,250	2.48
340,000 K3 Capital Group	1,122,000	0.10
435,000 Liontrust Asset Management	6,925,200	0.63
2,200,000 M&G	4,688,200	0.43
4,000,000 Man Group	7,656,000	0.69
2,000,000 Ninety One	5,152,000	0.47
1,300,000 Numis	4,121,000	0.37
5,257,980 Polar Capital Holdings	32,704,636	2.97
7,200,000 Premier Miton Group	11,808,000	1.07
350,000 Rathbone Brothers	6,475,000	0.59

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
INVESTMENT BANKING AND BROKERAGE SERVICES (continued)		
1,087,500 Record	828,675	0.08
321,789 Tatton Asset Management	1,547,805	0.14
Total Investment Banking and Brokerage Services	<u>179,016,566</u>	<u>16.25</u>
LEISURE GOODS (31 July 2021 - 1.13%)		
130,000 Games Workshop Group	10,185,500	0.92
Total Leisure Goods	<u>10,185,500</u>	<u>0.92</u>
LIFE INSURANCE (31 July 2021 - 5.93%)		
350,000 Aviva	1,520,400	0.14
8,550,000 Chesnara	24,367,500	2.21
8,000,000 Legal & General Group	22,936,000	2.08
2,500,000 Phoenix Group Holdings	16,615,000	1.51
Total Life Insurance	<u>65,438,900</u>	<u>5.94</u>
MEDIA (31 July 2021 - 2.63%)		
6,800,000 Bloomsbury Publishing	25,296,000	2.30
1,500,000 STV Group	5,265,000	0.48
Total Media	<u>30,561,000</u>	<u>2.78</u>
MEDICAL EQUIPMENT AND SERVICES (31 July 2021 - 0.18%)		
NON-LIFE INSURANCE (31 July 2021 - 3.73%)		
750,000 Admiral Group	23,730,000	2.15
2,500,000 Direct Line Insurance Group	7,612,500	0.69
5,500,000 Sabre Insurance Group	12,347,500	1.12
Total Non-life Insurance	<u>43,690,000</u>	<u>3.96</u>
OIL, GAS AND COAL (31 July 2021 - 2.54%)		
2,200,000 BP	8,488,700	0.77
22,000,000 Diversified Gas & Oil	23,276,000	2.11
13,000,000 i3 Energy	1,807,000	0.16
1,988,866 Serica Energy	5,111,386	0.46
3,250,000 Wentworth Resources	682,500	0.06
Total Oil, Gas and Coal	<u>39,365,586</u>	<u>3.56</u>
PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2021 - 0.40%)		
135,000 Greggs	3,592,350	0.33
3,400,000 Kitwave Group	4,488,000	0.41
650,000 Sainsbury (J)	1,874,600	0.17
622,500 Supreme	1,220,100	0.11
Total Personal Care, Drug and Grocery Stores	<u>11,175,050</u>	<u>1.02</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2021 - 1.10%)		
500,000 Anpario	2,850,000	0.26
140,000 Bioventix	4,312,000	0.39
Total Pharmaceuticals and Biotechnology	<u>7,162,000</u>	<u>0.65</u>
PRECIOUS METALS AND MINING (31 July 2021 - 0.92%)		
2,400,000 Sylvania Platinum	2,280,000	0.21
Total Precious Metals and Mining	<u>2,280,000</u>	<u>0.21</u>
REAL ESTATE INVESTMENT AND SERVICES (31 July 2021 - 1.14%)		
2,173,110 Belvoir Group	5,606,624	0.51
800,000 Boot (Henry)	2,232,000	0.20
350,000 LSL Property Services	1,333,500	0.12
1,167,500 M Winkworth	2,101,500	0.19
410,000 Savills	5,457,100	0.50
579,000 The Property Franchise Group	1,818,060	0.16
Total Real Estate Investment and Services	<u>18,548,784</u>	<u>1.68</u>

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IFSL MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
REAL ESTATE INVESTMENT TRUSTS (31 July 2021 - 10.33%)		
2,840,000 Big Yellow Group	42,145,600	3.82
10,384,615 LondonMetric Property	27,643,845	2.51
3,270,000 Safestore Holdings	41,430,900	3.76
10,400,000 Supermarket Income REIT	12,428,000	1.13
Total Real Estate Investment Trusts	<u>123,648,345</u>	<u>11.22</u>
RETAILERS (31 July 2021 - 4.19%)		
1,800,000 B&M European Value Retail	10,134,000	0.92
800,000 DFS Furniture	1,948,000	0.18
1,375,000 Dunelm Group	18,246,250	1.66
2,400,000 Halfords Group	7,891,200	0.72
600,000 Howden Joinery Group	4,840,800	0.44
50,000 Next	3,736,000	0.34
3,350,000 Pets at Home Group	14,224,100	1.29
2,000,000 Wickes Group	4,068,000	0.37
Total Retailers	<u>65,088,350</u>	<u>5.92</u>
SOFTWARE AND COMPUTER SERVICES (31 July 2021 - 1.42%)		
175,000 Computacenter	4,651,500	0.42
500,000 EMIS Group	6,500,000	0.59
350,000 Softcat	5,677,000	0.52
Total Software and Computer Services	<u>16,828,500</u>	<u>1.53</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2021 - 0.53%)		
2,823,313 TT Electronics	6,578,319	0.60
Total Technology Hardware and Equipment	<u>6,578,319</u>	<u>0.60</u>
TELECOMMUNICATIONS EQUIPMENT (31 July 2021 - 0.22%)		
1,000,000 Spirent Communications	2,408,000	0.22
Total Telecommunications Equipment	<u>2,408,000</u>	<u>0.22</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (31 July 2021 - 3.47%)		
2,297,500 Telecom Plus	34,692,250	3.15
Total Telecommunications Service Providers	<u>34,692,250</u>	<u>3.15</u>
TRAVEL AND LEISURE (31 July 2021 - 3.08%)		
1,000,000 Cake Box Holdings	2,300,000	0.21
500,000 Hollywood Bowl Group	1,245,000	0.11
Total Travel and Leisure	<u>3,545,000</u>	<u>0.32</u>
OVERSEAS SECURITIES (31 July 2021 - 4.79%)		
70,000 AbbVie	7,202,626	0.65
10,000 Blackstone	926,589	0.08
300,000 Cibus Nordic Real Estate	5,984,712	0.54
400,000 NN Group	16,603,742	1.51
15,000 Novartis	928,570	0.08
60,000 Pfizer	2,431,961	0.22
975,000 Princess Private Equity Holding	10,511,582	0.95
300,000 TotalEnergies	12,575,187	1.14
2,623,459 Tufton Oceanic Assets Limited	2,485,671	0.23
Total Overseas Securities	<u>59,650,640</u>	<u>5.40</u>
Portfolio of investments	<u>1,092,441,081</u>	<u>99.14</u>
Net other assets	<u>9,498,437</u>	<u>0.86</u>
Total net assets	<u>1,101,939,518</u>	<u>100.00</u>

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IFSL MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2022

£

Total purchases costs, including transaction charges

149,593,615

Total sales proceeds, net of transaction charges

172,432,755

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STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Income:				
Net capital (losses)/gains		(26,455,264)		97,796,643
Revenue	22,850,826		22,285,972	
Expenses	<u>(5,069,595)</u>		<u>(4,692,172)</u>	
Net revenue before taxation	17,781,231		17,593,800	
Taxation	<u>(342,518)</u>		<u>(344,847)</u>	
Net revenue after taxation		<u>17,438,713</u>		<u>17,248,953</u>
Total return before distributions		(9,016,551)		115,045,596
Distributions		(22,093,454)		(21,388,496)
Change in net assets attributable to shareholders from investment activities		<u>(31,110,005)</u>		<u>93,657,100</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Opening net assets attributable to shareholders		^A 1,159,843,963		1,076,209,834
Amounts receivable on issue of shares	36,261,856		4,175,343	
Amounts payable on cancellation of shares	(71,947,840)		(109,690,331)	
Amounts payable on share class conversions	<u>2</u>		<u>87</u>	
		(35,685,982)		(105,514,901)
Dilution Adjustment		349,722		
Change in net assets attributable to shareholders from investment activities		(31,110,005)		93,657,100
Retained distribution on accumulation shares		8,541,820		7,535,518
Closing net assets attributable to shareholders		<u>1,101,939,518</u>		^A <u>1,071,887,551</u>

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

IFSL MARLBOROUGH NO 2 OEIC
IFSL MARLBOROUGH MULTI CAP INCOME FUND

BALANCE SHEET
as at 31 January 2022

	31 January 2022	31 July 2021
	£	£
Assets:		
Fixed Assets:		
Investments	1,092,441,081	1,142,142,751
Current Assets:		
Debtors	4,260,758	6,421,040
Cash and bank balances	22,273,019	31,510,332
Total assets	<u>1,118,974,858</u>	<u>1,180,074,123</u>
Liabilities:		
Creditors:		
Distribution payable on income shares	13,047,798	15,598,229
Other creditors	3,987,542	4,631,931
Total liabilities	<u>17,035,340</u>	<u>20,230,160</u>
Net assets attributable to shareholders	<u>1,101,939,518</u>	<u>1,159,843,963</u>

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

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

Percentage change and sector position to 31 January 2022

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Marlborough Nano-Cap Growth Fund	(6.96%)	12.56%	69.62%	119.03%
FTSE SmallCap Index (ex. Investment Cos)	(2.52%)	24.89%	46.08%	49.41%
IA UK Smaller Companies	(7.30%)	10.45%	42.49%	63.23%
Quartile Ranking *	3	3	1	1

* Based on ranking within The Investment Association's UK Smaller Companies sector.

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

During the 6-month period from 1st August 2021 to 31st January 2022, the price of the 'P' class units fell 6.96%. This compared to a fall of 3.63%, 12.48% and 4.45% for the FTSE Small Cap Ex IT, FTSE AIM and FTSE 250 indices respectively.

Despite the uncertainty created by the COVID-19 pandemic, the UK economy showed its resilience for much of the period. Highly accommodative fiscal and monetary policy enabled consumers and businesses to manage through periods of lockdown and maintain solid balance sheets. Furthermore, the UK's admirable vaccination programme allowed society and the real economy to return to some form of normality. However, inflation started to become an issue and subsequently turned out to be less 'transitory' than expected. This negatively impacted markets towards the end of 2021 and the turbulence has continued into 2022, with market consensus now expecting interest rates to increase throughout the year. Given markets are forward-looking, volatility has increased and we have seen a rotation away from many growth-orientated companies towards those with a value tilt, in anticipation of a higher interest rate environment.

The UK stock market continues to represent good value versus other global markets, particularly given valuations were already somewhat depressed due to Brexit and COVID-19. We maintain the view that quality, niche, small and mid-cap UK equities should have the agility to navigate changes, both positive and negative. Many of the fund's holdings, across a variety of sectors, have had a successful six months at an operational level. Indeed, several have been significant beneficiaries of the pandemic. For example, many companies engaging in communications technology, cybersecurity, ecommerce, online gambling, payments, specialist healthcare devices/services and video gaming have thrived. Sectors that were negatively impacted by the pandemic such as travel, retail, and leisure saw their share prices rise as investors pursued 're-opening' trades during the period. Operators with minimal debt and compelling propositions have been better able to bounce back quickly following the success of the vaccination rollout. Energy and mining stocks also performed well due to rising prices in commodity markets.

Moreover, UK equity markets were very active, with a plethora of IPOs and placings during the period. The fund actively participated in this new issuance, taking the view that companies with sound business models and strong management teams should be supported, were they in a position to capitalise on the opportunities ahead. M&A was also prominent throughout the period. A handful of our portfolio companies have been subject to takeovers and approaches; most notably Sigma Capital was acquired by a private equity firm in August, Wameja was acquired by Mastercard in September, and Cloudcall was acquired by a venture capital firm in January 2022. With no shortage of opportunity, we were able to redeploy some of the proceeds from the transactions into exciting businesses that we believe can become leaders of the future.

Biggest winners during the period included Beeks Financial Cloud, Brighton Pier, M&C Saatchi, Zinc Media, Renold, Ingenta, Deltic Energy, Circassia, Dianomi and Accesso Technology. Largest losers included Actual Experience, Parsley Box, Mode Global, Rua Life Sciences, Accrol, Shanta Gold, TMT Investments, Xeros Technology, Seen and Creo Medical.

Winners

Beeks Financial Cloud, the trading and analytics platform for financial market participants, rose 53% during the period. The company continued to invest in its product and grow its sales pipeline which subsequently led it to beat market expectations.

Losers

Actual Experience, the human experience management company, fell 85% during the period. Revenues failed to materialise as expected and the company said it was likely to lose a longstanding contract.

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

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2022

The UK equity market, along with other markets across the globe, has experienced heightened volatility since the end of 2021. This has principally been due to high inflation prints, the prospect of higher interest rates, energy price increases coupled with tax rises, further compounded by an uncertain geopolitical environment. Despite the economic and geopolitical uncertainty, many of our companies continue to issue updates that are in-line or ahead of expectations, with few profit warnings. In many cases, cost increases have been passed on and growth rates maintained, providing evidence that the fundamentals remain intact for now. The speed of the rotation has been very fast. However, we are not in the business of forecasting the macroeconomic environment and will continue to invest in growth-orientated companies that we believe can perform well through the economic cycle.

Guy Feld / Eustace Santa Barbara - Hargreave Hale Limited
11 March 2022

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Distributions (pence per share)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>A Accumulation</u>				
Accumulation paid 31 March	-	-	-	-
Accumulation paid 30 September	-	-	-	-
<u>P Accumulation</u>				
Accumulation paid 31 March	-	-	-	-
Accumulation paid 30 September	-	-	-	0.2768

Portfolio changes

Largest purchases		Cost (£)
Tortilla Mexican Grill		1,587,018
Gfinity		1,425,000
Mpac Group		1,069,086
Gusbourne		1,000,000
HealthBeacon		989,764
McColl's Retail Group		960,952
DSW Capital		850,000
Access Intelligence		800,000
Marlowe		750,000
Pan African Resources		719,608
Other purchases		5,977,644
Total purchases for the period		16,129,072
Largest sales		Proceeds (£)
Sigma Capital Group		6,063,000
Impax Asset Management Group		4,444,949
SCA Investments		4,321,563
Moxico Resources		4,140,472
Agronomics		3,539,372
Cerillion		3,049,596
Water Intelligence		2,633,117
CloudCall Group		2,629,994
IQGeo Group		2,429,042
Instem		2,226,788
Other sales		42,137,855
Total sales for the period		77,615,748

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

COMPARATIVE TABLE

<u>A Accumulation shares</u>	Period to	Year to	Year to	Year to
Change in net assets per share	31.01.2022	31.07.2021	31.07.2020	31.07.2019
	pence	pence	pence	pence
Opening net asset value per share	279.21	166.25	169.31	172.27
Return before operating charges*	(19.12)	116.64	(0.49)	(0.35)
Operating charges	(2.21)	(3.68)	(2.57)	(2.61)
Return after operating charges*	(21.33)	112.96	(3.06)	(2.96)
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	257.88	279.21	166.25	169.31

* after direct transaction costs of: 0.13 0.24 0.17 0.14

Performance

Return after charges -7.64%^C 67.95% -1.81% -1.72%

Other information

Closing net asset value (£)	31,106,788	34,831,740	19,579,431	21,643,451
Closing number of shares	12,062,508	12,474,902	11,777,079	12,783,454
Operating charges	1.56% ^{A,B}	1.56% ^A	1.55%	1.55%
Direct transaction costs	0.10% ^B	0.10%	0.10%	0.08%

Prices

Highest share price	297.58p	293.57p	186.23p	191.92p
Lowest share price	261.47p	165.50p	114.60p	151.30p

P Accumulation shares

Change in net assets per share	Period to	Year to	Year to	Year to
	31.01.2022	31.07.2021	31.07.2020	31.07.2019
	pence	pence	pence	pence
Opening net asset value per share	296.21	175.09	176.93	178.67
Return before operating charges*	(20.35)	123.16	(0.44)	(0.34)
Operating charges	(1.22)	(2.04)	(1.40)	(1.40)
Return after operating charges*	(21.57)	121.12	(1.84)	(1.74)
Distributions on accumulation shares	-	-	-	(0.28)
Retained distributions on accumulation shares	-	-	-	0.28
Closing net asset value per share	274.64	296.21	175.09	176.93

* after direct transaction costs of: 0.14 0.25 0.18 0.14

Performance

Return after charges -7.28%^C 69.18% -1.04% -0.97%

Other information

Closing net asset value (£)	241,602,931	315,583,278	163,648,738	182,185,518
Closing number of shares	87,972,193	106,539,742	93,467,101	102,967,550
Operating charges	0.81% ^{A,B}	0.81% ^A	0.80%	0.80%
Direct transaction costs	0.10% ^B	0.10%	0.10%	0.08%

Prices

Highest share price	315.80p	310.74p	195.33p	199.15p
Lowest share price	278.24p	174.18p	120.29p	157.40p

^A 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.

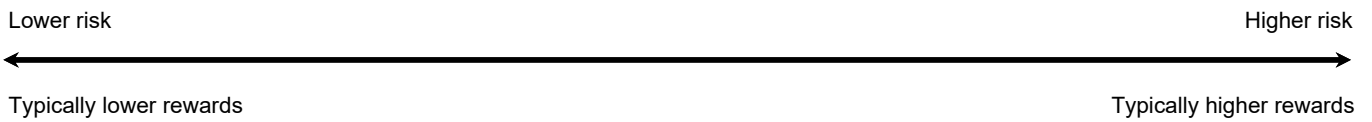
^B These figures have been annualised.

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

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

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



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

The sub-fund has been measured as 6 because it has experienced high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

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

PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENCE (31 July 2021 - 0.11%)		
9,185,000 TP Group	321,475	0.12
Total Aerospace and Defence	<u>321,475</u>	<u>0.12</u>
AUTOMOBILES AND PARTS (31 July 2021 - 0.73%)		
3,520,539 Surface Transforms	1,689,859	0.62
Total Automobiles and Parts	<u>1,689,859</u>	<u>0.62</u>
BEVERAGES (31 July 2021 - 0.53%)		
1,524,463 Gusbourne	1,067,124	0.39
80,500 Shepherd Neame	744,625	0.27
1,250,000 The Artisanal Spirits Company	1,062,500	0.39
Total Beverages	<u>2,874,249</u>	<u>1.05</u>
CHEMICALS (31 July 2021 - 0.44%)		
2,156,884 Hardide	711,772	0.26
6,071,429 Plant Health Care	522,143	0.19
Total Chemicals	<u>1,233,915</u>	<u>0.45</u>
CLOSED END INVESTMENTS (31 July 2021 - 1.01%)		
750,000 Augmentum Fintech	1,012,500	0.37
2,000,000 Golden Prospect Precious Metals	790,000	0.29
3,500,000 KRM22	1,540,000	0.57
Total Closed End Investments	<u>3,342,500</u>	<u>1.23</u>
CONSTRUCTION AND MATERIALS (31 July 2021 - 1.13%)		
3,247,581 SigmaRoc	2,922,823	1.07
Total Construction and Materials	<u>2,922,823</u>	<u>1.07</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2021 - 3.77%)		
22,635,807 CAP-XX	1,131,790	0.42
884,284 SDI Group	1,565,183	0.57
6,500,000 Thruvision Group	1,625,000	0.60
1,500,000 Volex	4,402,500	1.62
Total Electronic and Electrical Equipment	<u>8,724,473</u>	<u>3.21</u>
GENERAL INDUSTRIALS (31 July 2021 - 1.26%)		
820,344 Hargreaves Services	4,200,161	1.54
Total General Industrials	<u>4,200,161</u>	<u>1.54</u>
HEALTH CARE PROVIDERS (31 July 2021 - 1.96%)		
687,681 Diaceutics	728,942	0.27
2,290,000 Induction Healthcare Group	1,190,800	0.44
9,227,964 Open Orphan	1,661,034	0.61
6,055,802 Totally	1,968,136	0.72
Total Health Care Providers	<u>5,548,912</u>	<u>2.04</u>
HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2021 - 0.81%)		
1,326,262 Springfield Properties	2,015,918	0.74
Total Household Goods and Home Construction	<u>2,015,918</u>	<u>0.74</u>
INDUSTRIAL ENGINEERING (31 July 2021 - 2.01%)		
450,000 Mpac Group	2,385,000	0.88
4,000,000 Renold	1,152,000	0.42
46,554 Somero Enterprises	246,736	0.09
1,108,959 Xeros Technology Group	1,108,959	0.41
Total Industrial Engineering	<u>4,892,695</u>	<u>1.80</u>
INDUSTRIAL METALS AND MINING (31 July 2021 - 4.68%)		
101,291,546 AfriTin Mining	5,976,201	2.19
52,426,552 Horizonte Minerals	3,145,593	1.15
12,750,000 Metals Exploration	159,375	0.06

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PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
INDUSTRIAL METALS AND MINING (continued)		
7,580,000 Phoenix Copper	4,017,400	1.47
1,575,622 Tharisa	1,938,015	0.71
Total Industrial Metals and Mining	<u>15,236,584</u>	<u>5.58</u>
INDUSTRIAL SUPPORT SERVICES (31 July 2021 - 6.43%)		
5,344,062 eEnergy Group	774,889	0.28
3,740,000 Frontier IP Group	3,627,800	1.33
1,220,000 Journeo	1,305,400	0.48
530,270 Marlowe	4,751,219	1.74
20,000,000 REACT Group	420,000	0.15
525,000 Smiths News	186,375	0.07
750,000 Staffline Group	412,500	0.15
2,500,000 Sureserve Group	2,250,000	0.83
453,476 Water Intelligence	3,854,546	1.41
Total Industrial Support Services	<u>17,582,729</u>	<u>6.44</u>
INDUSTRIAL TRANSPORTATION (31 July 2021 - Nil)		
1,000,000 Facilities by ADF	660,000	0.24
Total Industrial Transportation	<u>660,000</u>	<u>0.24</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2021 - 9.39%)		
309,531 Alpha FX Group	5,726,323	2.10
850,000 DSW Capital	1,020,000	0.37
220,000 Impax Asset Management Group	2,384,800	0.88
540,297 K3 Capital Group	1,782,980	0.65
2,260,000 Mode Global Holdings	316,400	0.12
3,370,903 Record	2,568,628	0.94
66,900,000 RiverFort Global Opportunities	836,250	0.31
1,363,636 Team	927,272	0.34
66,926 Volvere	769,649	0.28
4,250,000 WH Ireland Group	1,870,000	0.69
Total Investment Banking and Brokerage Services	<u>18,202,302</u>	<u>6.68</u>
LEISURE GOODS (31 July 2021 - 1.96%)		
500,000 Gear4Music (Holdings)	3,250,000	1.19
Total Leisure Goods	<u>3,250,000</u>	<u>1.19</u>
MEDIA (31 July 2021 - 4.82%)		
862,001 Dianomi	3,275,604	1.20
1,500,000 Digitalbox	172,500	0.06
4,417,950 Ebiquity	2,584,501	0.95
1,758,392 Everyman Media Group	2,373,829	0.87
247,714 M&C Saatchi	445,885	0.16
5,200,000 National World	1,248,000	0.46
31,193,730 One Media iP Group	2,027,592	0.74
4,670,304 XLMedia	1,774,716	0.65
1,583,333 Zinc Media Group	1,250,833	0.46
Total Media	<u>15,153,460</u>	<u>5.55</u>
MEDICAL EQUIPMENT AND SERVICES (31 July 2021 - 2.61%)		
3,000,000 Circassia Group	1,261,500	0.46
1,053,835 Creo Medical Group	1,222,449	0.45
2,465,536 Inspiration Healthcare Group	2,465,536	0.91
10,000,000 Kromek Group	1,700,000	0.62
Total Medical Equipment and Services	<u>6,649,485</u>	<u>2.44</u>
OIL, GAS AND COAL (31 July 2021 - 2.37%)		
53,324,167 Deltic Energy	1,199,794	0.44
1,964,489 Jadestone Energy	1,846,620	0.68
2,333,332 Longboat Energy 'Reg S'	1,329,999	0.49
13,333,333 Quadrisse Fuels International	272,000	0.10

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Holding or nominal value	Bid value £	Percentage of total net assets %
OIL, GAS AND COAL (continued)		
1,267,805 Trinity Exploration & Production	1,610,112	0.59
17,079,146 Westmount Energy	1,195,540	0.44
Total Oil, Gas and Coal	<u>7,454,065</u>	<u>2.74</u>
OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (31 July 2021 - 0.48%)		
625,000 Marwyn Acquisition Company	9,375	-
2,250,000 TMT Acquisition	495,000	0.18
Total Open End and Miscellaneous Investment Vehicles	<u>504,375</u>	<u>0.18</u>
PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2021 - 2.32%)		
2,750,000 Accrol Group Holdings	521,125	0.19
1,250,000 Kitwave Group	1,650,000	0.61
1,920,000 Parsley Box Group	595,200	0.22
Total Personal Care, Drug and Grocery Stores	<u>2,766,325</u>	<u>1.02</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2021 - 1.64%)		
8,000,000 Agronomics	1,400,000	0.51
3,465,527 Poolbeg Pharma	266,846	0.10
283,000 RUA Life Sciences	155,650	0.06
Total Pharmaceuticals and Biotechnology	<u>1,822,496</u>	<u>0.67</u>
PRECIOUS METALS AND MINING (31 July 2021 - 3.31%)		
45,505,272 Jubilee Metals Group	6,689,275	2.45
9,572,753 Pan African Resources	1,740,326	0.64
12,335,894 Shanta Gold	832,673	0.31
Total Precious Metals and Mining	<u>9,262,274</u>	<u>3.40</u>
REAL ESTATE INVESTMENT AND SERVICES (31 July 2021 - 0.76%)		
790,409 The Property Franchise Group	2,481,884	0.91
Total Real Estate Investment and Services	<u>2,481,884</u>	<u>0.91</u>
RETAILERS (31 July 2021 - 2.70%)		
1,416,390 Angling Direct	764,851	0.28
1,000,000 CMO Group	1,520,000	0.56
17,379,513 Sosandar	4,344,878	1.59
Total Retailers	<u>6,629,729</u>	<u>2.43</u>
SOFTWARE AND COMPUTER SERVICES (31 July 2021 - 26.46%)		
4,425,489 1Spatial	1,947,215	0.71
3,679,898 Access Intelligence	4,121,486	1.51
323,053 accesso Technology Group	2,280,754	0.84
1,887,500 Actual Experience	283,125	0.10
7,020,147 ATTRAQT Group	2,106,044	0.77
2,411,089 Beeks Financial Cloud Group	4,026,519	1.48
400,000 Cerillion	3,040,000	1.11
48,500,000 Crimson Tide	1,261,000	0.46
3,581,300 Crossword Cybersecurity	1,181,829	0.43
1,100,000 D4t4 Solutions	3,135,000	1.15
733,193 Eagle Eye Solutions Group	4,289,179	1.57
1,808,906 essensys	4,703,156	1.72
3,485,000 GetBusy	2,474,350	0.91
8,187,516 GRC International Group	3,684,382	1.35
1,543,207 Ingenta	1,358,022	0.50
329,924 Instem	2,408,445	0.88
1,374,125 Intercede Group	948,146	0.35
5,908,455 IQGeo Group	7,799,161	2.86
526,488 K3 Business Technology Group	905,559	0.33
1,023,639 Kooth	3,255,172	1.19
2,491,873 Oxford Metrics	2,666,304	0.98
3,859,791 PCI-PAL	2,315,875	0.85
20,000,000 Rosslyn Data Technologies	700,000	0.26

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PORTFOLIO STATEMENT

as at 31 January 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
SOFTWARE AND COMPUTER SERVICES (continued)		
4,652,777 SEEEN	1,023,611	0.38
435,070 Sopheon	3,480,560	1.28
3,362,695 SysGroup	840,674	0.31
947,500 ULS Technology	794,005	0.29
726,862 Vianet Group	654,176	0.24
12,500,000 VR Education Holdings	1,812,500	0.67
2,200,000 ZOO Digital Group	3,168,000	1.16
Total Software and Computer Services	<u>72,664,249</u>	<u>26.64</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2021 - 1.06%)		
4,250,000 Concurrent Technologies	3,570,000	1.31
Total Technology Hardware and Equipment	<u>3,570,000</u>	<u>1.31</u>
TELECOMMUNICATIONS EQUIPMENT (31 July 2021 - 1.50%)		
1,250,000 BATM Advanced Communications	762,500	0.28
23,250,979 Filtronic	2,441,353	0.90
1,875,000 MTI Wireless Edge	1,200,000	0.44
Total Telecommunications Equipment	<u>4,403,853</u>	<u>1.62</u>
TRAVEL AND LEISURE (31 July 2021 - 4.76%)		
245,000 Brighton Pier Group (The)	218,050	0.08
785,726 Cake Box Holdings	1,807,170	0.66
9,421,299 DP Poland	499,329	0.18
6,000,000 Gaming Realms	1,698,000	0.62
35,625,000 Gfinity	1,086,562	0.40
9,500,000 Nightcap	1,710,000	0.63
1,223,807 Rotala	354,904	0.13
2,641,176 Safestay	475,412	0.17
24,500,000 Tasty	1,225,000	0.45
3,000,000 Ten Lifestyle Group	3,600,000	1.32
3,667,003 The Fulham Shore	605,055	0.22
875,000 Tortilla Mexican Grill	1,583,750	0.58
1,645,133 Various Eateries	1,151,593	0.42
Total Travel and Leisure	<u>16,014,825</u>	<u>5.86</u>
OVERSEAS SECURITIES (31 July 2021 - 1.62%)		
199,111 HealthBeacon	861,970	0.32
445,000 TMT Investments	1,842,547	0.68
3,200,000 Wiluna Mining Corp	1,783,311	0.65
Total Overseas Securities	<u>4,487,828</u>	<u>1.65</u>
UNQUOTED SECURITIES (31 July 2021 - 3.40%)		
3,356,366 Albert Technologies ^C	-	-
2,600,000 Crawshaw Group ^B	-	-
1,500,000 Gable Holdings ^B	-	-
100,558 Gusbourne Warrants 15.12.22	-	-
2,843,978 HaloSource 'Reg S' ^B	-	-
5,942 Infinity Reliance ^A	249,980	0.09
800,000 Mar City ^B	-	-
7,147,274 Moxico Resources ^A	2,573,019	0.94
20,000,000 NFT Investments ^D	480,000	0.18
10,000,000 One Media iP Group Warrants 25.09.25	50,000	0.02
222,387 Prefcap ^C	-	-
18,000 SCA Investments ^A	4,008,780	1.47
1,000,000 Summerway Capital ^D	800,000	0.29
Total Unquoted Securities	<u>8,161,779</u>	<u>2.99</u>
Portfolio of investments	254,725,222	93.41
Net other assets	17,984,497	6.59
Total net assets	<u>272,709,719</u>	<u>100.00</u>

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IFSL MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2022

^A These shares are unlisted and are being valued using the latest information received.

^B These shares are valued at zero, as the companies are in administration with no expected return.

^C These shares have been delisted and are valued at zero, based on the latest information received.

^D These shares are suspended and are valued using the latest information received until a resumption in trading or more information is released.

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

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2022

£

Total purchases costs, including transaction charges

16,129,072

Total sales proceeds, net of transaction charges

77,615,748

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STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Income:				
Net capital (losses)/gains		(20,977,462)		70,735,960
Revenue	756,234		579,437	
Expenses	<u>(1,406,591)</u>		<u>(943,562)</u>	
Net expense before taxation		<u>(650,357)</u>		<u>(364,125)</u>
Taxation		<u>(12,183)</u>		<u>(19,033)</u>
Net expense after taxation		<u>(662,540)</u>		<u>(383,158)</u>
Total return before distributions		(21,640,002)		70,352,802
Distributions		31,423		420
Change in net assets attributable to shareholders from investment activities		<u>(21,608,579)</u>		<u>70,353,222</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2022

	31 January 2022		31 January 2021	
	£	£	£	£
Opening net assets attributable to shareholders		^A 351,164,297		183,229,900
Amounts receivable on issue of shares	3,836,039		16,523,578	
Amounts payable on cancellation of shares	(61,534,401)		(15,604,176)	
Amounts payable on share class conversions	<u>(422)</u>		<u>(557)</u>	
		(57,698,784)		918,845
Dilution adjustment		852,781		-
Change in net assets attributable to shareholders from investment activities		(21,608,579)		70,353,222
Retained distribution on accumulation shares		4		-
Closing net assets attributable to shareholders		<u>272,709,719</u>		^A <u>254,501,967</u>

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

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

BALANCE SHEET
as at 31 January 2022

	31 January 2022	31 July 2021
	£	£
Assets:		
Fixed Assets:		
Investments	254,725,222	337,219,716
Current Assets:		
Debtors	7,150,278	640,558
Cash and bank balances	12,567,793	15,251,857
Total assets	<u>274,443,293</u>	<u>353,112,131</u>
Liabilities:		
Creditors:		
Bank overdrafts	283,030	376,704
Other creditors	1,450,544	1,571,130
Total liabilities	<u>1,733,574</u>	<u>1,947,834</u>
Net assets attributable to shareholders	<u>272,709,719</u>	<u>351,164,297</u>

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

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

Investment Fund Services Limited
Registered in England No. 06110770
Authorised and regulated by the Financial Conduct Authority and a
member of The Investment Association.