

**IFSL MARLBOROUGH OEIC**

(formerly The Marlborough OEIC)

**Annual Report and Audited Financial Statements**

for the year ended 28 February 2022

**IFSL**

— Fund Services —

**Marlborough**

## **IFSL MARLBOROUGH 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 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)

#### **Investment Manager**

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

Authorised and regulated by the Financial Conduct Authority.

#### **Depositary**

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**

Barlow Andrews LLP  
Carlyle House  
78 Chorley New Road  
Bolton  
BL1 4BY

#### **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 OEIC**

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## IFSL MARLBOROUGH OEIC

### AUTHORISED STATUS AND GENERAL INFORMATION

#### Authorised status

IFSL Marlborough OEIC (the Company) is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a non-UCITS retail scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000743 and is authorised and regulated by the Financial Conduct Authority. The shareholders are not liable for the debts of the Company.

The Company currently has one sub-fund, IFSL Marlborough Defensive Fund.

A sub-fund is not a legal entity. If the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall will not be met out of the assets attributable to one or more other sub-funds of the ICVC.

#### Investment objective and policy

##### IFSL Marlborough Defensive Fund

The investment objective of the sub-fund was to provide capital growth on a low to medium risk basis from an actively managed diverse portfolio of investments. The sub-fund targeted a positive absolute return on a 12 month rolling basis, however shareholders should be aware that there is no guarantee that this will be achieved over this (or any) time period and that a shareholder's capital is in fact at risk.

This objective was achieved by the sub-fund investing in a diverse portfolio including units/shares in regulated and unregulated collective investment schemes (including, but not restricted to, Exchange Traded Funds, collective investment schemes which themselves invest in property and/or the shares of property companies, and index-linked collective investment schemes) and transferable securities (including, but not restricted to, shares in investment companies including investment trusts which themselves invest in equities, property and/or the shares of property investment companies, and equity linked transferable securities and fixed interest investments), on a global basis. The sub-fund is also permitted to invest in money market instruments, government and public securities. Other eligible asset classes may include other transferable securities, cash or near cash and deposits.

The sub-fund may invest in derivative instruments and forward transactions for the purposes of efficient portfolio management including hedging.

#### Rights and terms attaching to each share class

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

#### Winding up

The winding up of IFSL Marlborough OEIC and closure of IFSL Marlborough Defensive Fund commenced on 8 November 2019. With the exception of the holding in EEA Life Settlements, all other assets within the sub-fund have been sold and a capital repayment of £2,041,958 was sent to shareholders on 25 November 2019. For accumulation shareholders the income held at 8 November 2019 was included in the capital repayment, and for income shareholders a final distribution was paid on 8 January 2020.

A second capital repayment of £15,515 was sent to shareholders on 12 June 2020.

A third capital repayment was sent to shareholders on £12,182 was paid on 28 April 2021.

#### 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 Company changed from The Marlborough OEIC to IFSL Marlborough OEIC; and the sub-fund changed from Marlborough Defensive Fund to IFSL Marlborough Defensive 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.

**AUTHORISED STATUS AND GENERAL INFORMATION**

**Leverage**

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

The total amount of leverage calculated is as follows:

Date	Gross Method	Commitment Method
28 February 2022	100.00%	100.00%
28 February 2021	83.18%	83.18%

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

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

**Remuneration policy**

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

The quantitative remuneration disclosures as at 30 September 2021 (the Alternative Investment Fund Manager's (AIFM's) year-end) are set out below:

	Number of identified staff	Total remuneration paid £	Fixed remuneration paid £	Variable remuneration paid £
<b>Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the AIF</b>				
Senior management	9	721,509	600,044	121,465
Risk takers and other identified staff	3	114,005	89,292	24,713
<b>Allocation of total remuneration of the employees of the AIFM to the AIF</b>				
Senior management	-	-	-	-
Risk takers and other identified staff	-	-	-	-

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 AIFM.

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

**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**

04 May 2022

**STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES**

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

In preparing those financial statements the ACD is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014 and amended in June 2017;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- for the reasons stated in Note 1 of the accounting policies, prepare the financial statements on a break up basis as the sub-fund is no longer a going concern.

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

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

## **IFSL MARLBOROUGH OEIC**

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

#### **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the IFSL Marlborough OEIC ("the Company") for the period ended 28th February 2022**

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

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

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

The Depositary must ensure that:

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

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

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

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

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

## **HSBC BANK PLC**

04 May 2022

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH OEIC**

**Opinion**

We have audited the financial statements of IFSL Marlborough OEIC (the Company) for the year ended 28 February 2022 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders together with the Balance Sheet, the accounting, distribution and risk management policies and related notes for the sub-fund and the Distributions. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising its sub-fund as at 28 February 2022 and of the net revenue/(expenses) and the net capital gains on the scheme property of the Company comprising its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – financial statements prepared on a break up basis**

We draw attention to Note 1 to the financial statements which explains that the ACD has commenced closure of the sub-fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis as described in Note 1. Our opinion is not modified in respect of this matter.

**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 authorised corporate director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report of the authorised corporate director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the authorised corporate director.

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

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with those records.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH OEIC

### Responsibilities of the authorised corporate director

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 3, the authorised corporate director 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 authorised corporate director 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 authorised corporate director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authorised corporate director either intends to liquidate the company or to cease activity, or have 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.

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.

### 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. Whilst the primary responsibility for the prevention and detection of fraud rests with management and those charged with governance of the entity, we design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit approach was as follows;

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, as well as an understanding as to how the Company is complying with those frameworks. The most significant frameworks were determined as being the IMA SORP, United Kingdom Accounting Standards (UK GAAP), including FRS102, the FCA Collective Investment Schemes Sourcebook and the Company's Prospectus and Instrument of Incorporation.
- After assessing the susceptibility of the Company's financial statements to material misstatement through irregularities, including fraud, we identified the greatest risk of material impact on the financial statements to be the override of controls by management, particularly in relation to the ACD valued investments held in the sub-fund. To address this risk, we reviewed and challenged management's assessment of the data inputs and methodologies used and, where available, we agreed data inputs to external sources, ensuring arithmetical accuracy.
- The Company operates in the highly regulated wealth and asset management industry, and as such, we designed additional audit procedures to identify any non-compliance with laws and regulations.

### Use of our report

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

**Barlow Andrews LLP**  
Chartered Accountants  
Statutory Auditor  
Carlyle House  
78 Chorley New Road  
Bolton

04 May 2022

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**AUTHORISED INVESTMENT ADVISER'S REPORT**

for the year ended 28 February 2022

The net asset value per share of EEA Life Settlements Sterling Run Off Cell at the end of February 2022 was US\$95.0532 per share, compared to US\$95.5717 per share at the end of February 2021, a decrease of 0.54%. In the same period the US Dollar versus Sterling weakened by 3.98%.

The winding up of IFSL Marlborough OEIC and closure of IFSL Marlborough Defensive Fund commenced on 8 November 2019. With the exception of the holding in EEA Life Settlements, all other assets within the sub-fund have been sold and a capital repayment of £2,041,958 was sent to shareholders on 25 November 2019. For accumulation shareholders the income held at 8 November 2019 was included in the capital repayment, and for income shareholders a final distribution was paid on 8 January 2020. A second capital repayment of £15,515 was sent to shareholders on 12 June 2020, and a third capital repayment was sent to shareholders on £12,182 was paid on 28 April 2021.

IFSL, as the ACD, has paid all expenses of the sub-fund over the year.

**IFSL MARLBOROUGH OEIC  
IFSL MARLBOROUGH DEFENSIVE FUND**

**COMPARATIVE TABLE**

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 28.02.2022 pence</b>	<b>Year to 28.02.2021 pence</b>	<b>Year to 29.02.2020 pence</b>
Opening net asset value per share	3.19	3.91	111.14
Return before operating charges*	0.11	0.75	2.85
Operating charges	-	-	(1.56)
Return after operating charges*	0.11	0.75	1.29
Distributions on income shares	-	-	(0.58)
Capital repayment to shareholders	-	(1.47)	(107.94)
Closing net asset value per share	3.30	3.19	3.91

\* after direct transaction costs of: - - -

**Performance**

Return after charges 3.45% 19.08% 1.16%

**Other information**

Closing net asset value (£) 6,442 6,231 7,638  
 Closing number of shares 195,309 195,309 195,309  
 Operating charges 0.00% 0.00% 1.57%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices**

Highest share price N/A N/A 113.24p<sup>A</sup>  
 Lowest share price N/A N/A 111.36p<sup>A</sup>

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 28.02.2022 pence</b>	<b>Year to 28.02.2021 pence</b>	<b>Year to 29.02.2020 pence</b>
Opening net asset value per share	3.51	4.30	121.76
Return before operating charges*	0.12	0.82	3.19
Operating charges	-	-	(1.72)
Return after operating charges*	0.12	0.82	1.47
Distributions on accumulation shares	-	-	(0.69)
Retained distributions on accumulation shares	-	-	0.69
Capital repayment to shareholders	-	(1.61)	(118.93)
Closing net asset value per share	3.63	3.51	4.30

\* after direct transaction costs of: - - -

**Performance**

Return after charges 3.42% 19.08% 1.21%

**Other information**

Closing net asset value (£) 44,870 43,398 53,198  
 Closing number of shares 1,237,092 1,237,092 1,237,092  
 Operating charges 0.00% 0.00% 1.57%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices**

Highest share price N/A N/A 124.14p<sup>A</sup>  
 Lowest share price N/A N/A 121.61p<sup>A</sup>

**IFSL MARLBOROUGH OEIC  
IFSL MARLBOROUGH DEFENSIVE FUND**

**COMPARATIVE TABLE**

**P Income shares**

<b>Change in net assets per share</b>	<b>Year to 28.02.2022 pence</b>	<b>Year to 28.02.2021 pence</b>	<b>Year to 29.02.2020 pence</b>
Opening net asset value per share	3.21	3.94	111.53
Return before operating charges*	0.11	0.75	2.72
Operating charges	-	-	(0.98)
Return after operating charges*	0.11	0.75	1.74
Distributions on income shares	-	-	(1.01)
Capital repayment to shareholders	-	(1.48)	(108.32)
Closing net asset value per share	3.32	3.21	3.94

\* after direct transaction costs of: - - -

**Performance**

Return after charges 3.43% 19.05% 1.56%

**Other information**

Closing net asset value (£) 7,168 6,933 8,498  
 Closing number of shares 215,807 215,807 215,807  
 Operating charges 0.00% 0.00% 0.99%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices**

Highest share price N/A N/A 113.93p<sup>A</sup>  
 Lowest share price N/A N/A 111.80p<sup>A</sup>

**P Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 28.02.2022 pence</b>	<b>Year to 28.02.2021 pence</b>	<b>Year to 29.02.2020 pence</b>
Opening net asset value per share	3.43	4.21	120.29
Return before operating charges*	0.12	0.81	3.05
Operating charges	-	-	(1.12)
Return after operating charges*	0.12	0.81	1.93
Distributions on accumulation shares	-	-	(1.20)
Retained distributions on accumulation shares	-	-	1.20
Capital repayment to shareholders	-	(1.59)	(118.01)
Closing net asset value per share	3.55	3.43	4.21

\* after direct transaction costs of: - - -

**Performance**

Return after charges 3.50% 19.24% 1.60%

**Other information**

Closing net asset value (£) 3,795 3,670 4,499  
 Closing number of shares 106,895 106,895 106,895  
 Operating charges 0.00% 0.00% 0.99%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices**

Highest share price N/A N/A 123.06p<sup>A</sup>  
 Lowest share price N/A N/A 120.15p<sup>A</sup>

<sup>A</sup> For the period to the last valuation point and dealing day of the Fund on 7 November 2019.

The last valuation point and dealing day of the Fund was 7 November 2019, therefore there are no highest and lowest share prices after that date.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

With effect from 7 November 2019 the operating charges are no longer taken from the Fund.

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**PORTFOLIO STATEMENT**

as at 28 February 2022

**Holding or  
nominal value**

**Bid  
value  
£**

**Percentage of  
total net assets  
%**

**SPECIALIST** (28 February 2021 - 100.00%)  
877.686 EEA Life Settlements Sterling Run-Off Cell \*  
Total Specialist

62,275	100.00
<u>62,275</u>	<u>100.00</u>

**Portfolio of investments**  
**Net other assets**  
**Total net assets**

62,275	100.00
-	-
<u>62,275</u>	<u>100.00</u>

\* Unregulated ICVC

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 28 February 2022

	Notes	28 February 2022		28 February 2021	
		£	£	£	£
Income:					
Net capital gains	4		2,043		11,740
Net revenue/(expense) before taxation		-		-	
Taxation	6	<u>-</u>		<u>2,356</u>	
Net revenue after taxation			<u>-</u>		<u>2,356</u>
Total return before distributions			2,043		14,096
Change in net assets attributable to shareholders from investment activities			<u>2,043</u>		<u>14,096</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 28 February 2022

		28 February 2022		28 February 2021	
Opening net assets attributable to shareholders			60,232		73,833
Capital repayment to shareholders		<u>-</u>		<u>(27,697)</u>	
Change in net assets attributable to shareholders from investment activities			2,043		14,096
Closing net assets attributable to shareholders			<u>62,275</u>		<u>60,232</u>

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**BALANCE SHEET**  
as at 28 February 2022

	Notes	28 February 2022	28 February 2021
		£	£
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	12	62,275	60,232
<b>Current Assets:</b>			
Debtors	7	2	-
Cash and bank balances		-	12,983
Total assets		<u>62,277</u>	<u>73,215</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdraft		2	-
Capital repayment due to shareholders		-	12,182
Other creditors	8	-	801
Total liabilities		<u>2</u>	<u>12,983</u>
<b>Net assets attributable to shareholders</b>		<u><u>62,275</u></u>	<u><u>60,232</u></u>

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2022

**1 ACCOUNTING POLICIES**

**Basis of preparation**

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

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

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

The financial statements have been prepared on a break up basis as the ACD has commenced closure of the sub-fund. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the closure of the sub-fund will be borne by the ACD.

**Valuation**

The valuation point was 12:00 on 28 February 2022 being the last valuation point of the accounting year.

Unlisted, unapproved, illiquid or suspended securities are valued at the ACD'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.

**Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 28 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 sub-fund is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

**3 RISK MANAGEMENT POLICIES**

The sub-fund holds a number of financial instruments. The sub-fund's financial instruments comprise securities held in accordance with the investment objectives and policies together with cash balances.

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

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

**Market price risk**

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

**Foreign currency risk**

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

The ACD has identified one principal area where foreign currency risk could impact the sub-fund, namely movements in exchange rates affecting the value of investments. The sub-fund converts all receipts received in currency, into sterling on the day of receipt.

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2022

**4 NET CAPITAL GAINS**

**28 February 2022**      **28 February 2021**

The net gains on investments during the year comprise:

Realised (losses)/ gains on investments	-	2,755
Unrealised gains on investments	2,043	2,254
Compensation payment received on an investment held in the prior year	-	6,281
Transaction charges	-	450
<b>Net capital gains</b>	<u>2,043</u>	<u>11,740</u>

**5 PURCHASES, SALES AND TRANSACTION COSTS**

**28 February 2022**      **28 February 2021**  
**£**                              **£**

There were no purchases in the the year to 28 February 2022, or in the prior year to 28 February 2021.

Sales excluding transaction costs *		
Collective Investment Schemes	-	15,515
Exchange Traded Funds	-	-
	-	<u>15,515</u>
Total sales transaction costs	-	-
<b>Sales net of transaction costs</b>	<u>-</u>	<u>15,515</u>

\* Includes an in-specie transfer out of the sub-fund amounting to £0 (28 February 2021 - £15,515).

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.	-	<u>(450)</u>
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**Average portfolio dealing spread**

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

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
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**6 TAXATION**

**28 February 2022**      **28 February 2021**  
**£**                              **£**

a Analysis of the tax charge for the year		
Adjustment in respect of prior periods	-	(2,356)
<b>Total tax charge</b>	<u>-</u>	<u>(2,356)</u>

b Factors affecting the tax charge for the year

Net revenue before taxation	-	-
Corporation tax at 20%	-	-

Effects of:

Adjustment in respect of prior periods	-	(2,356)
<b>Current tax charge</b>	<u>-</u>	<u>(2,356)</u>

**7 DEBTORS**

**28 February 2022**      **28 February 2021**  
**£**                              **£**

Receivable from the ACD	2	-
<b>Total debtors</b>	<u>2</u>	<u>-</u>

**8 OTHER CREDITORS**

**28 February 2022**      **28 February 2021**  
**£**                              **£**

Accrued expenses	-	801
<b>Total other creditors</b>	<u>-</u>	<u>801</u>

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2022

**9 RELATED PARTIES**

The total amounts due from the ACD at the year end were as follows:

	<b>28 February 2022</b>	<b>28 February 2021</b>
	£	£
Investment Fund Services Limited	2	-

**10 SHAREHOLDERS' FUNDS**

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

	A Income	A Accumulation
Opening shares in issue at 1 March 2021	195,309	1,237,092
Closing shares in issue at 28 February 2022	<u>195,309</u>	<u>1,237,092</u>
	P Income	P Accumulation
Opening shares in issue at 1 March 2021	215,807	106,895
Closing shares in issue at 28 February 2022	<u>215,807</u>	<u>106,895</u>

**11 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £3,114 (2021: £3,012). 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 sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 28 February 2022:

	Investments	Net current assets	Total
	£	£	£
US Dollar	62,275	-	62,275
	<u>62,275</u>	<u>-</u>	<u>62,275</u>

Foreign currency exposure at 28 February 2021:

	Investments	Net current assets	Total
	£	£	£
US Dollar	60,232	-	60,232
	<u>60,232</u>	<u>-</u>	<u>60,232</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 £3,114 (2021: £3,012). A five per cent increase would have an equal and opposite effect.

**Liquidity risk**

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

	<b>28 February 2022</b>	<b>28 February 2021</b>
	£	£
Within one year:		
Bank overdraft	2	-
Capital repayment due to shareholders	-	12,182
Other creditors	-	801
	<u>2</u>	<u>12,983</u>

**IFSL MARLBOROUGH OEIC**  
**IFSL MARLBOROUGH DEFENSIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2022

**12 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	28 February 2022		28 February 2021	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	62,275	-	60,232	-
	<u>62,275</u>	<u>-</u>	<u>60,232</u>	<u>-</u>

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

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

In accordance with FRS102 the sub-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.
- Level 3 - Valuation techniques using unobservable inputs.

EEA Life Settlements Fund is an illiquid stock and is priced using information supplied by the manager and other external information on recent trades in the shares of the fund. A discount is applied to the price provided by the manager to reflect the illiquidity of the investment.

**DISTRIBUTION TABLE**

There have been no distributions for the year to 28 February 2022 (there were no distributions for the year to 28 February 2021).

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

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member of The Investment Association.