

SCHEMES MANAGED BY  
MARLBOROUGH FUND MANAGERS LTD  
PROSPECTUS

IN RELATION TO THE FOLLOWING NON-UCITS RETAIL SCHEMES:

The MARLBOROUGH BALANCED FUND, the MARLBOROUGH CAUTIOUS  
FUND and the MARLBOROUGH GLOBAL FUND

*Prepared in accordance with the Collective Investment Scheme Sourcebook  
Dated and valid as at 1<sup>st</sup> January 2017*

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## Important information

No person has been authorised by the Schemes or the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Schemes or the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Schemes have not changed since the date hereof.

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Schemes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

**Unitholders are deemed to have taken notice of the provisions of the Trust Deed which is binding on each of the Unitholders. A copy of the Trust Deed is available on request from Marlborough Fund Managers Limited.**

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Marlborough Fund Managers Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the "valid as at date" which is on the front cover and below. The Schemes cannot be bound by an out of date prospectus when a new prospectus has been issued and investors should check with the Manager that this is the most recently published prospectus.

## US Tax Reporting

The Company is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US financial instruments. Complying with such requirements may require the Company to request certain information and documentation from Shareholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Shareholder that fails to provide the required information may be subject to a compulsory redemption of their shares and/or mandatory penalties.

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 1<sup>st</sup> January 2017.

## DEFINITIONS

<b>"the Act"</b>	the Financial Services and Markets Act 2000, as amended, reinstated, re-enacted or replaced.
<b>"AIFM Directive"</b>	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
<b>"FCA"</b>	Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London, E14 5HS.
<b>"Investment Adviser"</b>	Marlborough Investment Management Limited.
<b>"Leverage"</b>	means any method by which the exposure of a Scheme is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means.
<b>"Manager"</b>	Marlborough Fund Managers Limited.
<b>"Collective Investment Scheme Sourcebook" or "COLL"</b>	the rules contained in the Collective Investment Schemes Sourcebook made by the FCA pursuant to Section 247 of the Act as amended, reinstated, re-enacted or replaced from time to time.
<b>"FCA Handbook"</b>	the FCA's Handbook of Rules and Guidance, as amended from time to time;
<b>"Funds" or "Fund"</b>	the Schemes or a Scheme as the context requires.
<b>"FUND Sourcebook" or "FUND"</b>	the rules contained in the Investment Funds Sourcebook issued by the FCA as amended or replaced from time to time.
<b>"Professional Liability Risks"</b>	shall have the meaning given to it in IPRU(INV) 11.13.12 EU of the FCA Handbook.
<b>"The Schemes" or a "Scheme"</b>	Marlborough Balanced Fund, Marlborough Cautious Fund and Marlborough Global Fund, or each of them as the context requires.
<b>"The Registrar"</b>	Marlborough Fund Managers Limited.
<b>"Regulations"</b>	the FCA Handbook, including COLL and FUND as relevant.
<b>"The Trust Deed"</b>	the trust deeds constituting the Schemes as amended by any supplemental deeds.
<b>"The Trustee"</b>	HSBC Bank plc.
<b>"The Depositary"</b>	The Trustee is the Depositary for the purposes of AIFMD
<b>"Depositary Services Agreement"</b>	A written contract entered into by the Manager and the Depositary to evidence the appointment of the Depositary by the Manager on behalf of the Schemes and to reflect the requirements of Article 83 of the Commission Delegated Regulation (EU) No. 231/2013.
<b>"Unit"</b>	a Class A, Class B, Class P and/or Class I income or an accumulation Unit in any of the Schemes (as applicable).
<b>"Unitholder"</b>	a holder of Units in one of the Schemes.
<b>"UCITS Directive"</b>	means the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended from time to time.

## **1 THE AUTHORISED FUND MANAGER**

Name	Marlborough Fund Managers Limited.
Corporate form	Private limited company.
Country of incorporation	Incorporated in England and Wales.
Holding company	The Manager's ultimate holding company is UFC Fund Management plc which is incorporated in England and Wales.
Registered office and head office	Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP
Date of Incorporation	3 October 1986
Share Capital	Issued and paid up share capital of £50,000.
Authorisation	Authorised and regulated by the Financial Conduct Authority.

In accordance with the Regulations, the Manager is permitted to delegate certain functions and has delegated the investment management function in relation to the Schemes to Marlborough Investment Management Limited. In accordance with the requirements in the Regulations, the Manager may terminate this agreement at any time with immediate effect where it is in the interests of the Unitholders to do so.

## **2 THE TRUSTEE**

Pursuant to the Depositary Services Agreement, HSBC Bank plc has been appointed as depositary to the Scheme.

The Depositary is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The Depositary provides services to the Funds as set out in the Depositary Services Agreement and, in doing so, shall comply with the provisions of the FCA's COLL and FUND Sourcebooks.

The Depositary's duties include the following:-

- (i) Ensuring that the Funds' cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to units of the Funds have been received.
- (ii) Safekeeping the assets of the Funds which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) Ensuring that issues, redemptions and cancellations of the units of the Funds are carried out in accordance with the applicable law.
- (iv) Ensuring that the value of the units of the Funds are calculated in accordance with the applicable law.
- (v) Carrying out the instructions of the Manager, unless they conflict with the applicable law.
- (vi) Ensuring that in transactions involving the Funds' assets any consideration is remitted to the Funds within the usual time limits.
- (vii) Ensuring that Funds' income is applied in accordance with applicable law.

(viii) Ensuring that the income of the Funds is received in line with the tax status of each unitholder and tax vouchers are distributed in the name of each unitholder in accordance with applicable law.

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 90 days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

Subject to the FCA Rules, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or part of its duties as Depositary. For this fund custody services are provided by HSBC Bank plc, HSBC Securities Services.

Investors have no personal right to directly enforce any rights or obligations under the Depositary Agreement.

The Depositary is liable to the Funds for the loss of financial instruments of the Funds which are held in custody. The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party save where this liability has been lawfully discharged to a delegate (any such discharge will be notified to the Unit holders and consent will be obtained from the Manager to such delegation and discharge) or where the loss of financial instruments arises as a result of an external event beyond reasonable control of the Depositary as provided for under AIFMD. The Depositary will not be indemnified out of the assets of the Funds for the loss of financial instruments where it is so liable.

From time to time conflicts may arise between the Depositary and its delegate, for example, where an appointed delegate is an affiliated group company and is providing a product or service to the Funds and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the Funds. The Depositary maintains a conflict of interest policy to address this.

### **3 THE REGISTRAR**

Name	Marlborough Fund Managers Limited
Address	Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

The Register of Unitholders is maintained and can be inspected at the office of the Registrar, as shown above.

### **4 THE INVESTMENT ADVISER**

An investment adviser has been appointed to act in that capacity for the Schemes covered by this document. The investment adviser (further details appear below) is a member of the same group of companies as the Manager:

Name	Marlborough Investment Management Limited
Registered office and head office	PO Box 1852, Croxall, Lichfield, Staffordshire, WS13 8XU.
Authorisation	Authorised and regulated by the Financial Conduct Authority.
Principal Activity	Investment Management.
Terms of appointment of the Investment Advisers	The Investment Adviser undertakes the investment management of each of the Schemes in accordance with the Trust Deeds, this Prospectus, the applicable investment objectives and the policy of the Scheme and COLL. Under the investment advisory agreement the Investment Adviser may call on the Manager to ratify and confirm any act or thing lawfully and properly done by it in the proper performance of its duties. The Investment Adviser has authority to make investment decisions on behalf of the Manager. The Investment Adviser will act as broker fund adviser to the Scheme managed by the Investment Adviser. The Investment Adviser is remunerated by the Manager out of the preliminary charge and the periodic charge (see Appendix 1) under agreements between the Investment Adviser and the Manager.

### **5 THE AUDITOR**

Name Barlow Andrews.  
Address 78 Chorley New Road, Bolton BL1 4BY.

## **6 CONSTITUTION OF THE SCHEMES**

The Schemes are authorised Unit trusts established by a Trust Deed dated 8 January 1992 in respect of the Marlborough Cautious Fund, 15 February 1993 in respect of the Marlborough Balanced Fund and 23 March 1992 in respect of the Marlborough Global Fund.

The dates of authorisation of each of the Schemes are set out in Appendix 1.

The Schemes are Non-UCITS Retail Schemes for the purposes of COLL. This means that Units in the Schemes are available for investment by all classes of investor in the UK. A non-UCITS Retail Scheme does not benefit from certain passporting rights under the UCITS Directive.

The base currency of the Schemes is sterling. It is not intended that the Schemes will invest in any immovable property or tangible moveable property.

The Schemes are designed for both retail and non-retail investors.

It is intended that the Manager will manage the Schemes so that they will be an eligible investment for the stocks and shares component of an ISA.

### **Typical Investor**

Class A Units are intended for direct retail investors, Class B Units are intended for larger investors typically investing via an intermediary or financial adviser, and Class P and Class I Units are intended for large institutional investors and platforms. However, a typical investor will understand and appreciate the risks associated with investing in Units in such Schemes, and may have received advice from an appropriately qualified adviser. In each case investors will, subject to the Manager's discretion, need to meet the applicable investment requirements in Section 16 below.

## **7 INVESTMENT OBJECTIVES AND POLICY**

The investment objectives of each of the Schemes are set out in Appendix 1 as are details of the Manager's investment policy for achieving those objectives and the eligible markets through which each Scheme may invest. An eligible market is a market established in an EEA State on which transferable securities admitted to official listing in the Member State are dealt in or traded.

COLL prescribes certain limitations on the investments which may be included in the property of each of the Schemes which are applicable to Non-UCITS Retail Schemes. Appendix 2 sets out a summary of the investment and borrowing powers in relation to each of the Schemes.

**The Schemes may invest in derivatives and forward transactions for hedging purposes only.**

## **8 TERMINATION OF THE SCHEMES**

A Scheme will be wound up upon the happening of any of the events relevant to the Scheme in question set out in COLL which include, without limitation:

- (a) the order declaring the relevant Scheme to be an authorised Unit trust Scheme being revoked;
- (b) the passing of an extraordinary resolution winding up the Scheme (provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee);
- (c) in response to a request to the FCA by the Manager or the Trustee for the revocation of the authorisation order, the FCA has agreed, inter alia, that, on the conclusion of the winding up of the Scheme, the FCA will agree to that request; and
- (d) pursuant to a Scheme of arrangement which is to result in the Scheme being left with no property.



The procedure for winding up the Scheme is as follows:-

- (a) Upon the effective date of any approved Scheme of arrangement pursuant to COLL the Trustee will wind up the Scheme in accordance with the approved Scheme arrangement;
- (b) in any other case, the Trustee will as soon as practicable after the Scheme falls to be wound up, realise the property of the Scheme and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding-up distribute the proceeds to the Unitholders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Scheme;
- (c) any unclaimed net proceeds or other cash held by the Trustee after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court subject to the Trustee having a right to receive out of it any expenses incurred by him in making and relating to that payment into court;
- (d) where the Trustee and one or more Unitholders agree, the Trustee does not have to realise the property of the Scheme proportionate to the entitlement of that or those Unitholders. Instead, the Trustee may distribute that part in the form of property. Before distributing that property, the Trustee will make such adjustments or retain such provision as appears to the Trustee to be appropriate ensuring that, a proportionate share of the liabilities and costs is borne by that or those holders;
- (e) when the winding up is complete, the Trustee shall notify the FCA in writing. At the same time the Manager or Trustee shall request that the FCA revokes the order of authorisation under section 256 of the Act (as appropriate).

## **9 CHARACTERISTICS OF UNITS IN THE SCHEMES**

The Trust Deed of each of the Schemes authorises the issue of both income and accumulation Units under such designation as the Manager may decide. As at the date of this Prospectus the Manager intends to issue Class A, Class B, Class P and Class I accumulation Units only in respect of the Marlborough Balanced Fund. Class A, Class B and Class P accumulation Units are available in the case of the Marlborough Global Fund. Class A, Class B and Class P income and accumulation Units are available in the case of the Marlborough Cautious Fund.

### **Income Units**

An income Unit is a Unit in respect of which net income is to be distributed and which represents one undivided share in the property of the Scheme.

### **Accumulation Units**

An accumulation Unit is a Unit in respect of which net income is accumulated and retained in the property of the Scheme concerned and is reflected in the price of such Unit.

## **TITLE TO UNITS**

Each holder of a Unit in each of the Schemes is entitled to participate in the property of the Schemes and the income thereof. A Unitholder's right in respect of each of the Schemes as represented by his Units is that of a beneficial interest under a trust.

Title to Units will be evidenced in a register (the "Register"). No certificates will be issued to Unitholders. A Unitholder's contract note will be evidence of title to his Units although the Register would ultimately be conclusive evidence. The Register can be inspected by Unitholders at the offices of the Manager at Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. No notice of any trust, express, implied or constructive shall be entered on the Register in respect of any Unit, and the Manager and the Trustee shall not be bound by any such notice. A Unitholder is not liable to make any further payment after he has paid the purchase price of the Unit. Unitholders will not be liable for the debts of a Scheme.

The Trust Deed of each Scheme allows the Registrar to charge a fee for issuing any documents (with the exception of the Prospectus and a copy of the entries on the Register relating to a Unitholder) or for amending any entry on the Register otherwise than on the issue or sale of Units.

## **10 MEETINGS AND VOTING RIGHTS**

A meeting of Unitholders duly convened and held in accordance with COLL shall be competent and by extraordinary resolution may approve any modification alteration or addition to the provisions of either the Trust Deed or the Prospectus which, the Manager and the Trustee have agreed to be a fundamental change in accordance with COLL. This would include, without limitation, any proposal for a Scheme of arrangement and certain changes to a Scheme's investment objective and/or investment policy.

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of Units on the date seven days before the notice is sent ("The cut-off date"), but excluding any persons who are known not to be Unitholders at the date of the meeting or other relevant date.

At a meeting of Unitholders the quorum for the transaction of business is two Unitholders, present in person or by proxy. If a quorum is not present within half an hour of the time appointed the meeting will be dissolved (if requisitioned by Unitholders) or in any other case will be adjourned to a day and time at least seven days later. If at such an adjourned meeting a quorum is not present within 15 minutes of the appointed time, one person entitled to count in a quorum will be a quorum.

On a show of hands every Unitholder who (being an individual) is present in person or by proxy, or (being a corporation) is present by one of its duly authorised representatives, shall have one vote. On a poll votes may be given in person or by proxy and the voting rights for each Unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Unit bears to the aggregate price (or prices) of all the Units in issue on the cut-off date. A Unitholder entitled to more than one vote need not, if he votes, use all of his votes or cast all of the votes he uses in the same way. A vote will be decided on a show of hands unless (before or on the declaration of the result of a show of hands) a poll is demanded by the chairman, at least two Unitholders or the Trustee.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the Register of holders.

A Unitholder may appoint a proxy to attend a meeting and vote in his place. An instrument appointing a proxy may be in any usual or common form or in any other form approved by the Manager. It should be in writing under the hand of the appointer or his attorney or, if the appointer is a corporation, either under the common seal, executed as a deed or under the hand of a duly authorised representative or attorney.

The Manager is entitled to attend any meeting but, except in relation to third party Units, is not entitled to count in the quorum or vote, and any Units it holds are not treated as being in issue for the purposes of the meeting. An associate of the Manager is entitled to attend the meeting and may be counted in the quorum, but may not vote except in relation to third party Units. For this purpose, third party Units are Units held on behalf of or jointly with a person who, if himself the registered Unitholder, would be entitled to vote, and from whom the Manager or the associate (as relevant) has received voting instructions.

The Unitholders may request the convening of a general meeting by requisition pursuant to and in accordance with COLL. Unitholders in general meeting may, amongst other things, pass a resolution to remove the Manager.

## **11 VALUATION OF PROPERTY**

### **Valuation of the property of the Schemes**

Each Unit represents a proportional share of the overall property attributable to a Scheme. Therefore, the value of a Unit is calculated in broad outline, by calculating the net value of property attributable to the Scheme, and dividing that value (or that part of that value attributed to Units of the class in question) by the number of Units (of the class in question) in issue. The assets comprising the property of each Scheme will be valued in accordance with COLL, on the terms as set out in the Trust Deeds.

The valuation of the property of each of the Schemes will take place on the days set out in Appendix 1 at 12 noon in order to calculate the prices at which Units can be created, cancelled, bought and sold.

Valuations of the property of the Schemes will be done on both a bid and offer basis for redemption and sales of Units and on a mid-market basis for calculation of the Manager's fee. The bid basis calculation will be used for calculating the investment limits for each of the Schemes. The cancellation price is available on application to the Manager.

The bid and offer basis is calculated using the best bid/offer prices of securities either traded or ordered, as at each valuation point.

The Manager may carry out additional valuations if it considers it desirable to do so, and must inform the Trustee if it does so.

Details of how the property of the Schemes is determined in relation to each purpose for which such property must be valued is set out in Appendix 4 to this Prospectus.

### **Pricing basis**

The Manager deals at a forward price; that is to say at the price ruling at the next valuation point.

Prices are calculated according to a formula laid down by the FCA, which sets out a minimum and maximum price range.

## **12 CHARGES**

### **Preliminary charge**

The Manager may include in the issue price of Units a preliminary charge on such Units. Details of the current rate of the Preliminary Charge for each Scheme can be found in Appendix 1.

### **Periodic charge**

The Manager is also entitled under the Trust Deed to make a periodic charge on the value of the property of each of the Schemes. The periodic charge accrues daily. The calculation of the periodic charge is based upon the first or only valuation point on each business day. The annual charge charged during a calendar month is paid to the ACD no more frequently than weekly. The current levels of the periodic charge for each Scheme are shown in Appendix 1 together with details of the basis on which the charge is made. Any increase in the periodic charge is subject to 60 days' prior written notice to the Unitholders in accordance with COLL.

The periodic charge is paid out of the property of each of the Schemes. The periodic charge is charged to the income of the Schemes, except in the case of the Marlborough Cautious Fund where the full amount is charged to the capital accounts (which may constrain the capital growth of the Scheme).

### **Charge on redemption**

The Manager is entitled under the Trust Deeds to make a charge on redemption of Units in each of the Schemes but at present does not intend to make such a charge for any of the Schemes.

### **Other charges and expenses**

#### **Remuneration of the Trustee**

The Trustee is remunerated out of the property of the Schemes in respect of its services. The Trustee is remunerated out of the property of the Scheme in respect of its services. The Trustee is paid on the total value of all funds managed by the Manager and under the trusteeship of the Trustee plus VAT of the value of the property of the Scheme on the following sliding scale:

- 0.03% per annum of the first £500 million of the Scheme property;
- 0.02% per annum of the next £1 billion of the Scheme property;
- 0.01% per annum of the balance over £1.5 billion.

The Trustee's fee accrues daily and the calculation of the fee is based upon the first or only valuation point on each business day. The fee charged during a calendar month is paid to the Trustee on or as soon as reasonably practicable after the last business day of that calendar month. The Trustee's fee may be increased on 60 days' prior notice to Unitholders.

In addition, the Trustee makes transaction charges and custody charges. These charges are of such amounts as may be agreed by the Manager and the Trustee. Transaction charges vary from country to country. Details of the ranges of charges based on geographic area are given below ("Activity fee"). Custody charges vary according to geographic location and market value of the holdings (calculated in the same manner as for the Manager's periodic charge). Similar details of the ranges of charges are set out below ("Safekeeping fee").

## Ranges of charges

Geographic area	Safekeeping fee (BPS per annum)	Activity fee
UK (Crest Transactions)	0.60	£11.00
UK (Non Crest Transactions)	0.90	£20.00
United States of America (together with all assets held in Cedel)	2.00	£20.00
Euroclear / Clearstream	2.50	£22.50
Europe	2.00 to 7.00	£22.50 to £45.00
Other markets	2.50 to 15.00	£30.00 to £60.00

The safe keeping and activity fees can be increased on 60 days' prior written notice to Unitholders in accordance with COLL.

## Expenses

The Trustee is entitled to be reimbursed out of the property of each of the Schemes for:

(a) expenses properly incurred in performing duties imposed on it; and

(b) exercising powers conferred upon it by COLL,

together with any VAT due on such expenses which shall be payable in addition. The relevant duties may include without limitations:

- Delivery of stock to the Trustee or Custodian;
- custody of assets;
- collection of income
- submission of tax returns;
- handling tax claims;
- preparation of the Trustee's annual report;
- such other duties as the Trustee are required by Law to perform.

In particular, the Trustee may be paid the following expenses or disbursements (plus VAT):

- (i) All expenses of registration of assets in the name of the Trustee or its nominees or agents; of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts; of effecting currency transactions and transmitting money relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice; of conducting legal proceedings; of communicating with holders, the Manager, the Registrar or other persons in respect of each of the Schemes, relating to any enquiry by the Trustee into the conduct of the Manager and any report to holders or otherwise relating to the performance by the Trustee of its duties or the exercise by the Trustee of its powers; and
- (ii) All charges of nominees or agents in connection with any of the matters referred to at (i) above; and
- (iii) Any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by the Trustee.

If any person, at the request of the Trustee in accordance with COLL, provides services including but not limited to those of a custodian of property of the Schemes, the expenses and disbursements hereby authorised to be paid to the Trustee out of the property of the Scheme shall extend to the remuneration of such persons as approved by the Trustee and the Manager.

## Additional Expenses

Certain other expenses are also permitted by the Regulations and by the Trust Deed to be paid out of the property of each of the Schemes. At present these comprise in relation to each Scheme:-

- (a) Broker's commission, fiscal charges and other disbursements which are:
  - (i) Necessary to be incurred in effecting transactions for each of the Schemes, and
  - (ii) Normally shown in contract notes, confirmation notes and difference accounts as appropriate.
- (b) Interest on any borrowings permitted under the Trust Deed and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements.
- (c) Taxation and duties payable in respect of the property of each of the Schemes, the Trust Deed or the issue of Units.
- (d) Any costs incurred in modifying the Trust Deed constituting each Scheme, including costs incurred in respect of meetings of Unitholders convened for the purpose, where the modification is:
  - (i) Necessary to implement any change in the law (including changes in the Regulations),
  - (ii) Necessary as a direct consequence of any change in the law (including changes in the Regulations), or
  - (iii) Expedient having regard to any fiscal enactment and which the Manager and the Trustee agree is in the interests of the Unitholders, or
  - (iv) To remove obsolete provisions from the Trust Deed constituting each of the Schemes.
- (e) Any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager.
- (f) The expenses of the Trustee in convening a meeting of Unitholders convened by the Trustee alone.
- (g) The audit fees of the auditor and VAT thereon and any expenses of the auditor.
- (h) The fees of the FCA under Section 113 (8) of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Schemes are or may be marketed.
- (i) Any payment permitted by the Regulations in connection with liabilities on a transfer of assets.
- (j) Any costs and expenses incurred by the Registrar in relation to the maintenance of the Register and any sub-plan register.
- (k) All fees charged by and any expenses and disbursements agreed for payment to the Registrar appointed under the Regulations including fees, expenses and disbursements relating to the establishment of any sub-register. At present the Manager acts as Registrar for the Schemes. The charge is a fixed annual amount together with an additional amount for each Unitholder on the register at the beginning of the accounting period concerned. The current charge is a fixed annual amount of £200 together with an additional amount of £10.75 per Unitholder.

Where applicable, VAT shall be payable of these expenses, in addition to the expenses themselves, and will be chargeable out of the property of the Schemes.

## 13 ACCOUNTING PERIODS

The annual and interim accounting periods applicable to each Scheme are set out in Appendix 1 to this Prospectus.

## **14 REPORTS**

The dates on which the annual report (the "**long report**") of each of the Schemes will be made available to Unitholders is set out in Appendix 1. The annual long report and the half-yearly long report are available on request or at [www.marlboroughfunds.com](http://www.marlboroughfunds.com).

The long reports of each Scheme shall (if relevant) contain details of:

- (a) the percentage of each Scheme's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the Manager has made for managing a Scheme's liquidity;
- (c) each Scheme's current risk profile and the risk management systems employed by the Manager to manage those risks.

## **15 DETERMINATION AND DISTRIBUTION OF INCOME**

The income in relation to Units issued by the Marlborough Cautious Fund is distributed to all respective Unitholders of income Units in accordance with the provisions of the Trust Deed of the Scheme and COLL. The annual and interim allocation dates for this Scheme are set out in Appendix 1.

The distribution periods for each Scheme are detailed in Appendix 1. Units purchased within these periods will be Group 2 Units. At the next distribution they become Group 1 Units.

Income equalisation applies only to Group 2 Units. It is the average amount of income included in the purchase price of all Group 2 Units and is refunded to Unitholders of these Units as a return of capital. Upon the first allocation of income following the purchase of a Unit in a Scheme, the relevant Unitholder will receive as part of that allocation a capital sum representing that part of the purchase price of the Unit which was attributable to income accrued up to the time of purchase and is, accordingly, properly classifiable as a capital expense of the Unitholder at the time of purchase.

The amount so paid, known as "income equalisation", will be an amount arrived at by taking the aggregate of the Manager's best estimate of the amounts of income included in the price of Units of that class issued or sold in the annual accounting period in question and dividing that aggregate by the number of those Units and applying the resultant average to each of the Units in question. Being capital it is not liable to income tax but must be deducted from the cost of Units for the purposes of UK taxation of chargeable gains.

In the case of accumulation Units, income is allocated to the Unit such that it becomes part of the capital property of that Unit.

The income available for distribution or accumulation in relation to each Scheme is determined in accordance with COLL. Broadly it comprises all sums deemed by the Manager, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the Scheme and attributable to the Scheme in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting the Auditors in accordance with COLL, in relation to taxation and other matters.

Income relating to the Scheme is allocated as it accrues or is received in proportion to the Units of entitlement in the property of the Scheme.

If any distributions are unclaimed these will be added to the capital of the Scheme concerned after the expiration of six years from the date of the distribution.

## **16 ISSUE AND REDEMPTION OF UNITS**

### **Dealing**

Units in the Schemes may be bought or sold on any day the Manager is open for business. These "business days" are normally Monday to Friday each week between 9.00 a.m. to 5.00 p.m. Business days do not include:-

- bank and public holidays;
- the afternoon of the last business day before 25 December;

- the afternoon of the last business day of the year; and
- any other day at the Manager's discretion.

Units may be bought and sold by written instructions to Marlborough Fund Managers Limited, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. The Manager may also, at its sole discretion, accept instructions by telephone on 0808 1452501 or by facsimile on 01204 533045 on such terms as it may specify.

Instructions accepted on any day will be dealt with at the next valuation point following receipt of such instructions. Valuation points for each of the Schemes can be found in Appendix 1.

### Buying Units

Units will be allocated at not more than the true offer price applicable at the next valuation point following receipt of instructions.

Save where the Manager, in exceptional circumstances, agrees to a lower figure the following minima apply to the Units issued by each of the Schemes:

Unit Class	Minimum Initial Investment	Minimum Subsequent Investment
Class A	£1,000	£1,000
Class B	£50,000	£1,000
Class P	£1,000,000	£1,000
Class I	£10,000,000	£10,000,000

A contract note giving details of the transaction will be issued on the next business day following purchase. Settlement is due by return of post on receipt of the contract note. Unit certificates will not be issued. The contract note will be evidence of title although the register would ultimately be conclusive evidence.

### In specie application

The Manager may, by special arrangement and at its discretion, agree to arrange for the issue of Units in exchange for assets other than cash but only if the Trustee is satisfied that acquisition of the assets in exchange for the Units to be issued is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders of the Scheme concerned.

### Selling Units

The Manager will normally buy back Units from registered holders free of commission, at not less than the true bid price (except in the case of a "Large Deal", see below) applicable at the next valuation point following receipt of instructions. Instructions can be given by telephone, in writing or by facsimile as above.

A contract note will be issued to confirm the transaction. Payment of the amount due will be issued by the close of the fourth business day following the later of:

- the valuation point immediately after the request to redeem; or
- the time when the Manager has all duly executed instruments and authorisations to effect transfer of title to the Units (normally on receipt of a properly completed renunciation form from the Unitholder).

Save where the Manager, in exceptional circumstances, agrees to a lower figure the following holding and redemption minima apply to the Units issued by each of the Schemes:

Unit Class	Minimum Holding	Minimum Redemption
Class A	£1,000	£500
Class B	£50,000	£500
Class P	£1,000,000	£500

Class I	£10,000,000	£10,000,000

The Manager may however agree to waive or discount the minimum requirements.

### Switching/converting Units

Unitholders in a Scheme are permitted to switch all or some of their Units between different types or classes. This includes switching from income to accumulation Units, or between Class A, Class B, Class P and Class I Units where applicable, and includes to the restrictions on holding each class of Unit described in this section 16. Such switches of Unit class or unit type can be carried out at no charge. Instructions to convert or switch Units must be received by the Manager in writing. Instructions may also be received, at the Manager's sole discretion, by telephone or email. Units will be switched or converted at the next available valuation point following receipt and acceptance of the instruction. The number of new Units received will be determined by the price of old and new Units at the valuation point when the conversion or switch is carried out. Switches between Unit classes in the same Scheme are not treated as a disposal for UK tax purposes. In no circumstances will a Unitholder who switches Units in once class for units in any other class, be given a right by law to cancel or withdraw from the transaction.

### Note: Definition of a Large Deal

Deals of more than £15,000 will be considered "large deals" for the purposes of COLL. This allows the Manager the right to give cancellation price (minimum bid) on redemption deals over £15,000 by any person as principal, either as a single transaction, or as a series of transactions totalling over £15,000 in value, in one dealing period in the Scheme.

### In specie redemption

Where a Unitholder requests redemption of a number of Units, the Manager may at its discretion, by serving a notice of election on the Unitholder not later than the close of business on the second business day following the day of receipt of the request, elect that the Unitholder shall not be paid the redemption price of his Units but instead there shall be a transfer to that holder of property of the relevant Scheme having the appropriate value. Where such a notice is so served on a Unitholder, the Unitholder may serve a further notice on the Manager not later than the close of business on the fourth business day following the day of receipt by the Unitholder of the first mentioned notice requiring the Manager, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the Unitholder of the net proceeds of that sale. The selection of Scheme property to be transferred (or sold) is made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the Unitholder requesting redemption of his Units than to continuing Unitholders. The Manager may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the Units.

### Electronic Communication of Transfer / Renunciation of Title to Fund Units

The Manager may accept instructions to transfer or renounce title to units by electronic communication in certain, limited circumstances following the Manager's prior agreement which will only be given on a case by case basis. In such circumstances the Manager will accept electronic communication only where the Manager can satisfy itself that the communication is from the unitholder and is genuine. The Manager does not intend, however, to accept electronic instructions as a matter of course and will require signed, hard copy instructions in accordance with the above.

### Publication of Prices

The bid and offer prices of Units are published in the Financial Times, where there are both income and accumulation Units in issue only the price of income Units will be published. In addition, all prices can be obtained from our website at [www.marlboroughfunds.com](http://www.marlboroughfunds.com) or by calling us on 0808 145 2500. The cancellation prices last notified to the Trustee are available on request from the Manager. The Manager is not responsible for any errors in publication or non-publication.

### Deferred Redemption

In times of high levels of redemption, the Manager may, with the prior agreement of the Trustee, or shall if the Trustee so requires, permit deferral of redemptions to the next valuation point where the total value of the redemptions requested together represent over 10% of the Fund's net asset value. Subject to sufficient liquidity being raised at the next valuation point all redemption requests relating to the earlier valuation point will be completed before those relating to the later valuation point.



## **Mandatory redemption of Units**

If the Manager reasonably believes that any Units are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequences (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

it may give notice to the holder of such Units requiring him or her to transfer them to a person who is qualified or entitled to own them or to request the redemption of the shares by the Manager. If the holder does not either transfer the shares to a qualified person or establish to the Manager's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

## **Suspension of Dealings**

The Manager may with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any shares in a Fund ("dealing") where due to exceptional circumstances it is in the interests of all unitholders in the Fund.

The Manager and the Trustee must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of the unitholders. On suspension, the Manager, or the Trustee (if the Trustee has required the Manager to suspend dealings) will immediately inform the FCA stating the reason for the suspension and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The Manager will notify unitholders of the suspension as soon as practicable after suspension commences, drawing unitholders' particular attention to the exceptional circumstances which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform unitholders of how to obtain further information regarding the suspension with a view to keeping unitholders sufficiently informed. The Manager shall publish on its website and/or by other general means sufficient details to keep unitholders appropriately informed about the suspension including, if known, its likely duration.

During a suspension none of the obligations in COLL 6.2 (Dealing) apply; and the Manager shall comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension. The suspension of dealings in units must cease as soon as practicable after the exceptional circumstances which led to the suspension, have ceased.

The Manager and the Trustee shall formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information provided to the FCA in respect of the reasons for the suspension.

The Manager shall inform the FCA of the proposed restart of dealing in units and immediately after the restart shall confirm this by giving notice to the FCA.

The Manager may agree, during the suspension, to deal in units in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first valuation point after restart of dealing in units, provided that if the Manager operates limited redemption arrangements, and the event leading to the suspension of dealing has affected a valuation point, the Manager shall declare an additional valuation point as soon as possible after the restart of dealing in units.

The provisions relating to suspension of dealings can only apply to one or more classes of units without being applied to other classes, if it is in the interest of all the unitholders.

## **The Manager dealing as principal**

Where the Manager deals as principal in the units in the Schemes any profits or losses arising from such transactions shall accrue to the Manager and not to the Schemes.

The Manager is under no obligation to account to the Trustee, or to unit holders for any profit it makes on the issue or re-issue of units or cancellation of units which it has redeemed.

## 17 INCOME AND CAPITAL GAINS TAXATION

### I TAXATION OF THE SCHEME

THE FOLLOWING SUMMARY IS BASED ON CURRENT UK LAW AND HM REVENUE & CUSTOMS' PRACTICE WHICH MAY CHANGE. IT IS INTENDED TO OFFER SOME GUIDANCE TO PERSONS (OTHER THAN DEALERS IN SECURITIES) ON THE UK TAXATION OF THE SCHEME AND ITS UNITHOLDERS. IT SHOULD NOT BE REGARDED AS DEFINITIVE OR EXHAUSTIVE AND PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE ON THE TAXATION OR EXCHANGE CONTROL CONSEQUENCES OF INVESTING IN ANY OF THE SCHEMES.

IN PARTICULAR, THIS SUMMARY PRINCIPALLY ADDRESSES THE TAXATION CONSEQUENCES FOR AN INVESTOR WHO IS AN INDIVIDUAL RESIDENT AND DOMICILED IN THE UK FOR UK TAX PURPOSES, ALTHOUGH IT DOES NOT TAKE ACCOUNT OF PARTICULAR INDIVIDUAL CIRCUMSTANCES. CONSEQUENTLY POTENTIAL INVESTORS WHO ARE NOT INDIVIDUALS AND POTENTIAL INVESTORS WHO MAY BE SUBJECT TO TAXATION OR EXCHANGE CONTROL IN A JURISDICTION OTHER THAN THE UK SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

#### (a) Income

As an authorised Unit trust, each Scheme is treated as a company and consequently is liable to corporation tax on its taxable income, after relief for its allowable expenses of management. Corporation tax will be payable at a special rate applicable to authorised Unit trusts (currently 20%). Where an accounting period of the Scheme falls into two financial years for which different tax rates apply, there will be an apportionment of income between them for tax purposes.

The Schemes will not generally be chargeable to UK corporation tax on dividends from UK resident or overseas companies.

If, for an accounting period, allowable management expenses exceed a Scheme's taxable income then that Scheme generates a tax loss for that period.

Income from overseas sources may be taxed in that overseas jurisdiction as well as in the UK. In most instances that overseas tax may be offset against UK corporation tax payable by the Scheme.

#### (b) Chargeable Gains

As an authorised Unit trust, each Scheme is exempt from UK capital gains tax and corporation tax on chargeable gains arising on the sale of its investments. The Schemes will not be entitled to corporation tax relief on losses which are treated as capital in nature.

#### (c) Stamp Taxes

There is no specific exemption from stamp duty or stamp duty reserve tax ("SDRT") for authorised Unit trusts. Consequently, each Scheme will be liable to pay such taxes as normal when it purchases underlying investments. Stamp duty is paid on a transaction involving stock or marketable securities, and the rate is 0.5% of the value of the stock or securities. SDRT is paid on an agreement to transfer chargeable securities, and the rate is 0.5% of the value of the stock or securities.

### II TAXATION OF THE UNITHOLDER

#### (a) Income

For each Scheme, the amounts shown as available for distribution in the distribution accounts of that Scheme may be designated by that Scheme for distribution as dividends or as yearly interest, but only a Unit trust holding more than 60% of its investments in 'qualifying investments' (mainly interest bearing assets) can designate distributions as yearly interest. It is expected that each of the Schemes will show all such amounts as available for distribution as dividends, in which case the following will apply.

The Scheme will generally make dividend distributions which broadly reflect any income arising from its investments. Dividend distributions by the Scheme are made without deduction of income tax. The first £5,000 of dividend

distributions received by individual investors in any tax year are not subject to income tax. Dividend distributions received in excess of this amount should be reported on the individual investor's Self Assessment Tax Return. For distribution amounts in excess of £5,000 in any tax year, individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 7.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 32.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 38.1% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for the additional rate of tax.

Dividend distributions received by corporate unitholders chargeable to UK corporation tax will need to be streamed into 'franked' and 'unfranked' income according to the underlying gross income of the Scheme.

In broad terms, the portion treated as being 'franked' will be such proportion of the Scheme's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate unitholder (unless the unitholder is treated as a dealer in securities for tax purposes). The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate unitholder will, therefore, be subject to corporate tax at the rate applicable to that corporate unitholder but with credit for the income tax deducted. Such unitholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate unitholder's share of the Scheme's liability to corporation tax for the distribution period in question.

Dividend distributions will be made gross to unitholders who are not UK resident. Non resident unitholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident unitholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non resident trusts may be chargeable to UK income tax on distributions made by the Scheme and are recommended to seek professional advice.

#### **(b) Chargeable Gains**

Capital gains made by individual unitholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2016/2017, the first £11,100 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Unitholders who are non UK resident will not normally be liable to UK tax on capital gains arising on a sale, disposal or other chargeable event unless the unitholding is connected with a trade carried on by the Unitholder through a UK branch or agency or certain anti-avoidance provisions relating to temporary non-UK residence apply.

Capital gains made by Unitholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Unitholder after taking account the availability of any indexation relief. The main rate of corporation tax is currently 20% but is due to reduce to 19% with effect from 1 April 2017.

#### **(c) Inheritance tax**

Units held in any of the Schemes will generally form part of a person's estate and will therefore potentially be subject to UK inheritance tax ("IHT").

IHT is chargeable on the death of a person, on gifts made within the seven years before a person's death and (immediately) on gifts to most types of trusts. The rate of tax is 0% up to a cumulative nil-rate limit. The excess is charged at 20% where the tax is charged during a person's lifetime and 40% if the tax is charged on or by reference to the person's death. Where tax is charged both during lifetime and again on death by reference to the same transfer, credit is given for the lifetime tax suffered.

For these purposes gifts may include transfers at less than full market.

For investors who are neither domiciled in the UK nor (by virtue or long-residence here) deemed to be domiciled in the UK (nor subsequently elect to be treated as domiciled in the UK), Units held in any of the Schemes are likely to be treated as excluded property. The same treatment is likely to apply to Units held by a trust established by a person who was, at the time the trust was established or at the time any funds were added to the trust, neither domiciled nor

deemed domiciled in the UK (nor has subsequently elected to be treated as domiciled in the UK).

### **III STAMP DUTY RESERVE TAX (“SDRT”)**

The Stamp Duty Reserve Tax (SDRT) charge on the surrender of units / shares in UK based unit trust schemes and open ended investment companies (OEICs) to the fund manager was abolished on 30 March 2014.

However, the SDRT charge will remain in relation to certain transactions:

(a). Third party transfers of units

Where the transaction is handled by the Manager there will continue to be no principal SDRT charge. However, where transactions are not handled by the Manager (i.e. a third party transfer where only beneficial ownership of the units change) then the principal SDRT charge on agreements to transfer will still technically apply at 0.5% or at the higher rate (1.5%) if transferred into depositary receipt arrangements or clearance services.

(b). Non-pro rata in specie redemptions

An additional revision was made to the legislation to make non-pro rata in specie redemptions subject to a principal SDRT charge rather than a schedule 19 charge.

There is no charge on a pro rata in specie redemption. A pro rata in specie redemption ensures that an investor redeems an equal and exactly proportionate stake of their investment in the scheme, however a non-pro rata in specie redemption does not and it is therefore deemed by HMRC that the investor is effectively acquiring new interests in chargeable securities and is hence subject to an SDRT charge.

### **18 INDIVIDUAL SAVINGS ACCOUNTS (“ISAs”)**

At the date of publication of this Prospectus the Schemes satisfied the eligibility requirements to be qualifying investments for a stocks and shares component of an ISA

### **19 MONEY LAUNDERING PROCEDURES**

The Manager is subject to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 which implemented the EC Money Laundering Directive. The Manager is also subject to additional requirements imposed by the FCA to deter criminals using its products and services for money laundering purposes.

In certain circumstances Unitholders may be asked to provide some proof of identity when buying or selling Units. The Manager may not be able to pay the proceeds of redemption or income from Units until satisfactory evidence has been received.

The Manager will, where possible, verify identity using information from credit reference agencies. Where this is not possible or where the Manager decides, at its own discretion, that it is appropriate further documentation will be requested.

### **20 GENERAL INFORMATION**

1. Copies of the Trust Deeds, any supplemental deeds, the latest Simplified Prospectus documents and the most recent Manager's annual and half-yearly long reports and accounts for each Scheme may be inspected at and obtained from the Manager at the address given above.
2. The Manager may from time to time communicate with Unitholders. All notices and documents required to be served on Unitholders shall be served by post to the address of such Unitholder as evidenced on the Register.
3. The Manager will upon the written request of a Unitholder provide information supplementary to this Prospectus relating to the methods used to determine the quantitative limits applying in the risk management of the Scheme, the methods used for the purposes of such risk management and any recent development of the risk and yields of the main categories of investment.
4. Any Unitholder wishing to make a complaint should contact the Manager in the first instance and thereafter may complain directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

5. For security, telephone calls to the Unit trust administration area and the sales and marketing area may be recorded.
6. All profits and/or losses which the Manager makes in connection with the sale and repurchase of Units will be retained by the Manager.

The Manager is under no obligation to account to the Trustee or to the Unitholders (or any of them) for any profits made by the Manager on the issue of Units in the Schemes or on the re-issue or cancellation of Units previously redeemed by the Manager.

7. As each Scheme is an 'Alternative Investment Fund' for the purposes of the AIFM Directive, the Manager is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The Manager satisfies its obligations to cover Professional Liability Risks in relation to the Schemes by maintaining an amount of own funds to meet the capital requirements under the AIFM Directive and complying with the qualitative requirements in the AIFM Directive that address professional liability risks.
8. The Schemes, the Trust Deed, this Prospectus and any matters arising out of or in connection with a Unitholder's investment in a Scheme and the establishment, management and administration of the Schemes shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Unitholders and the construction and effect of the provisions of the Trust Deed and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### ***Conflicts of Interest***

The Trustee or any associate of the Trustee, may (subject to COLL) hold money on deposit from, lend money to, or engage in stocklending transactions in relation to the Funds, so long as the services concerned are provided on arm's length terms.

The Trustee, the Manager, or any investment adviser or any associate of any of them may sell or deal in the sale of property to the Funds or purchase property from the Funds provided the applicable provisions of the COLL apply and are observed.

Subject to compliance with COLL the Manager may be party to or interested in any contract, arrangement or transaction to which the Funds are a party or in which it is interested.

The Manager and the Investment Adviser (and other companies within their respective groups) may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to that of the Funds. It is therefore possible that the Manager and/or Investment Adviser may in the course of their business have potential conflicts of interest with the Funds. The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

The Trustee, the Manager, or any investment adviser or any associate of any of them will not be liable to account to the Funds or any other person, including the holders of shares or any of them, for any profit or benefit made or derived from or in connection with:

- (a) their acting as agent for the Funds in the sale or purchase of property to or from the Funds; or
- (b) their part in any transaction or the supply of services permitted by the COLL; or
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Funds.

## **21 RISK WARNINGS**

The following risk factors should be considered before making your investment decision:

1. Past performance is not necessarily a guide to future performance. Investments and the income derived from them can fall as well as rise and the investor may not get back the amount originally invested. This can be as a result of

market movements and also variations in the exchange rates between currencies. There is no certainty that the investment objectives of the Schemes will be achieved.

2. If you have any doubts about the suitability of an investment, please contact an authorised financial adviser. Please note Marlborough Fund Managers Ltd does not provide investment advice.
3. Each Scheme is subject to an initial charge and consequently charges are not made uniformly throughout the period of an investment. The Schemes should therefore be viewed as a long term investment.
4. For Schemes paying out income, the level of income payments may not be constant and may fluctuate.
5. For Schemes where the annual management charge is to be taken from the income generated by the Scheme and there is insufficient income within the Scheme to meet that charge, the balance will be deducted from the Scheme's capital and to that extent may constrain capital growth.
6. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.
7. Changes in exchange rates between currencies may cause the value of both the capital and income of your investment to increase and diminish.
8. Inflation may affect the real value of your savings and investments, which may reduce the buying power of the money you have saved and your investments.
9. Where cancellation rights are applicable, if you choose to exercise your cancellation rights and the value of your investment falls before notice of cancellation is received by us in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.
10. ISA Investments - The favourable tax treatment of ISAs may not be maintained indefinitely. If you are unsure of your tax position you should consult a tax adviser. A tax reclaim of 20% is available on interest distributions until further notice.
11. In certain circumstances, for hedging purposes to reduce or eliminate risk arising from fluctuations in interest or exchange rates and in the price of investments, the Schemes may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain assets of the Schemes. There is also the potential for capital appreciation of such assets. **The Manager does not anticipate that the use of derivatives in this way will have any significant effect on the risk profile of the Schemes.**
12. The summary of the UK tax treatment in Section 17 is based on current law and practice which is subject to change. It does not take into account individual circumstances which may affect the UK tax treatment. In particular the levels of relief from taxation may depend upon individual circumstances.
13. The Funds may incur Leverage through borrowing cash up to 10% of the value of the scheme property, in which case a Fund's exposure may be increased by reinvesting such cash borrowings. In the event that the interest costs associated with the borrowings are greater than any investment income and gains earned on investments made through the use of borrowing, the net asset value of the shares in a Fund may decline more rapidly than would otherwise be the case.
14. The Schemes are classed as NURS for the purposes of the Regulations. Such schemes can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.
15. Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of switching) may be suspended and/or deferred.
16. Investment in smaller companies can be higher risk than investment in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over short time periods.

17. Investment in emerging markets may involve a higher than average risk due to the volatility of currency exchange rates, limited geographic focus, investment in a smaller number of issues, political and economic instability and less liquid markets.
18. Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. The value of a fixed interest security may fall in the event of a default or reduced credit rating of the issuer.
19. The Schemes may invest in other collective investment schemes and as such a Scheme will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Scheme bears directly with its own operations.
20. Subject to COLL, the Schemes may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these schemes may not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.
21. The Schemes' investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the last market price quoted or at a value considered by the Manager to be fair.
22. A unitholder's investment in a Scheme may be subject to Leverage, which may increase risk. Leverage means that the return or loss on an investment is subject to a multiplier increasing exposure to that investment and magnifying the volatility and risk of loss should the value of that investment decline. The use of Leverage creates special risks and may significantly increase a Scheme's investment risk. Leverage may create an opportunity for greater yield and total return but, at the same time, will increase the exposure of a Scheme to capital risk. The Schemes may be subject to Leverage through the use of derivatives for Hedging. The Schemes may be subject to Leverage within the limits disclosed in Appendix 2.
23. Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
24. A Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Funds may enter into transactions in over-the-counter markets which will expose the Funds to the credit of its counterparties and their abilities to satisfy the terms of such contracts.
25. The Funds may invest in property funds. The value of investments held in a property fund are generally determined by the opinion of an independent valuer and is therefore subjective. Investment in such funds should be considered as long term in nature. Property investments can be relatively illiquid compared to bonds and equities and may be subject to significantly wider price spreads which could affect the valuation.
26. The Funds may invest in structured products in accordance with COLL. Structured products are designed to combine the potential upside of market performance with limited downside and typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce risk that may affect the performance of the Funds.
27. Investors should bear in mind that commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary and other policies of governments and other unforeseeable events.
28. Where a Fund invests in other collective investment schemes, these underlying schemes may suspend the issue, cancellation, sale, redemption and exchange of shares in those schemes. This would prevent these underlying schemes being sold during the period of the suspension and may have liquidity implications for the Fund.

# APPENDIX 1

## *Marlborough Balanced Fund*

Date of authorisation by the FCA:	26 February 1993
Investment Objective:	To provide medium to long term capital growth on a medium risk basis.
Current Investment Policy, general nature of portfolio and any intended specialisation:	<p>It is intended that this objective will be achieved by the Scheme investing primarily in a diversified portfolio of units/shares of 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 Scheme is also permitted to invest in money market instruments, government and public securities, cash and near cash, warrants and deposits as permitted for non-UCITS retail Schemes in accordance with COLL.</p> <p>The Scheme may only invest in derivatives and forward transactions for the purposes of hedging.</p> <p>It is intended that the assets of the Scheme will be managed such that it is eligible for quotation within the Investment Association's Mixed Investment 40-85% Shares sector, further details of which may be found via the IA's website at <a href="http://www.theinvestmentassociation.org">www.theinvestmentassociation.org</a>.</p>
Valuation Point	12 noon on each business day excluding the last business day before 25 December and the last business day of the year.
Types of Units currently in issue:	Class A, Class B, Class P and Class I Accumulation Units
Accounting Reference Date:	Last day in February
Annual Management Charge:	Class A Units: 1.50% Class B Units: 1.00% Class P Units: 0.75% Class I Units: 0.00%
	Any increase in the annual management charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.
Preliminary Charge:	Class A Units: 5.25% Class B Units: 5.00% Class P Units: 1.00% Class I Units: 5.00%
	Any increase in the preliminary management charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.
Basis of calculating periodic Charge (Management and Trustee fee):	The periodic charge shall accrue daily and be calculated on the basis of the value of the property of the Scheme on the first or only valuation on each business day.
Interim Accounting Period:	1 March to 31 August
Annual Income Allocation Date:	30 April
Grouping Period:	1 March to the last day in February.



Dates of the publication of the annual and half-yearly long reports: 30 April and 31 October respectively.

The Eligible Derivatives and Securities Markets in which the Scheme may invest are listed in Appendix 3.

## Performance Information

### Marlborough Balanced Fund – Class A Units

**01 Oct 11 – 30 Sept 16, Bid to Bid, UK Basic Rate, Based in UK Sterling**

#### Net Income Reinvested

Name	% Growth 01 Oct 15 to 30 Sept 16	% Growth 01 Oct 14 to 30 Sept 15	% Growth 01 Oct 13 to 30 Sept 14	% Growth 01 Oct 12 to 30 Sept 13	% Growth 01 Oct 11 to 30 Sept 12
Marlborough Balanced Fund Class A	18.05	0.00	4.94	11.37	9.34

Source: Morningstar

The value of your units may go down as well as up. Past performance is not a guide to future performance.

## *Marlborough Cautious Fund*

Date of authorisation by the FCA:	10 January 1992
Investment Objective:	To provide an above average and subsequently increasing level of income with the potential for some capital growth.
Current Investment Policy, general nature of portfolio and any intended specialisation:	<p>It is intended that this objective will be achieved by the Scheme investing primarily in a diversified portfolio of units/shares of 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, equity linked transferable securities and fixed interest securities), on a global basis. From time to time the Scheme may also invest in fixed interest securities, variable rate and index related securities issued by corporate bodies, government and local and regional agencies on a global basis. The Scheme is also permitted to invest in money market instruments, government and public securities, cash and near cash, warrants and deposits as permitted for non-UCITS retail Schemes in accordance with COLL.</p> <p>The Scheme may only invest in derivatives and forward transactions for the purposes of hedging.</p> <p>It is intended that the assets of the Scheme will be managed such that it is eligible for quotation within the Investment Association's Mixed Investment 20-60% Shares sector, further details of which may be found via the IA's website at <a href="http://www.theinvestmentassociation.org">www.theinvestmentassociation.org</a>.</p>
Scheme Characteristics:	The Scheme has been structured to concentrate on the generation of income as a higher priority than in capital growth. This may accordingly constrain capital growth.
Valuation Point:	12 noon on each business day excluding the last business day before 25 December and the last business day of the year.
Types of Units in issue:	Class A, Class B and Class P Income and Accumulation Units
Accounting Reference Date:	30 April
Annual Management Charge:	<p>Class A Units: 1.50% Class B Units: 1.00% Class P Units: 0.75% (charged wholly to the capital account)</p> <p>Any increase in the annual management charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.</p>
Actual Preliminary Charge:	<p>Class A Units: 5.25% Class B Units: 5.00% Class P Units: 1.00%</p> <p>Any increase in the preliminary charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.</p>
Basis of calculating periodic charge (Management and Trustee fee):	The periodic charge shall accrue daily and be calculated on the basis of the value of the property of the Scheme on the first or only valuation point on each business day.

Interim Accounting Period: 1 May to 31 October.

Annual Income Allocation Date: 30 June

Interim Income Allocation Date: 31 December

Grouping Periods: 1 May to 31 October (First Grouping Period) and 1 November to 30 April (Second Grouping Period).

Dates of the publication of the annual and half-yearly long reports: 30 June and 31 December respectively.

The Eligible Securities and Derivatives Markets in which the Scheme may invest are listed in Appendix 3.

**Performance Information**

**Marlborough Cautious Fund Class A Units**

**01 Oct 11 – 30 Sept 16, Bid to Bid, UK Basic Rate, Based in UK Sterling**

**Net Income Reinvested**

<b>Name</b>	<b>% Growth 01 October 15 to 30 September 16</b>	<b>% Growth 01 October 14 to 30 September 15</b>	<b>% Growth 01 October 13 to 30 September 14</b>	<b>% Growth 01 October 12 to 30 September 13</b>	<b>% Growth 01 October 11 to 30 September 12</b>
Marlborough Cautious Fund Class A	12.34	0.20	6.13	11.11	6.85

Source: Morningstar

The value of your units may go down as well as up. Past performance is not a guide to future performance.

## *Marlborough Global Fund*

Date of authorisation by the FCA:	25 March 1992
Investment Objective:	To provide medium to long term capital growth.
Current Investment Policy, general nature of portfolio and any intended specialisation:	<p>It is intended that this objective will be achieved by the Scheme investing primarily in a diversified portfolio of units/shares of 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 Scheme is also permitted to invest in money market instruments, government and public securities, cash and near cash, warrants and deposits as permitted for non-UCITS retail Schemes in accordance with COLL.</p> <p>The Scheme may only invest in derivatives and forward transactions for the purposes of hedging</p> <p>It is intended that the assets of the Scheme will be managed such that it is eligible for quotation within the Investment Association's Global sector, further details of which may be found via the IA's website at <a href="http://www.theinvestmentassociation.org">www.theinvestmentassociation.org</a>.</p>
Valuation Point:	12 noon on each business day excluding the last business day before 25 December and the last business day of the year.
Types of Units in issue:	Class A, Class B and Class P Accumulation Units
Accounting Reference Date:	30 June
Annual Management Charge:	Class A Units: 1.50% Class B Units: 1.00% Class P Units: 0.75%
	Any increase in the annual management charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.
Preliminary Charge:	Class A Units 5.25% Class B Units 5.00% Class P Units: 1.00%
	Any increase in the preliminary charge is subject to 60 days' prior written notice to unitholders in accordance with COLL.
Basis of calculating periodic charge (Management and Trustee fee):	The periodic charge shall accrue daily and be calculated on the basis of the value of the property of the Scheme on the first or only valuation point on each business day.
Interim Accounting Period:	1 July to 31 December
Annual Income Allocation Date:	31 August
Interim Income Allocation Date:	The last day in February
Grouping Periods:	1 July to 31 December (First Grouping Period) and 1 January to 30 June (Second Grouping Period).
Dates of the Publication of the Annual and half-yearly long reports:	31 August and the last day in February respectively.

The Eligible Securities and Derivatives Markets in which the Scheme may invest are listed in Appendix 3.

Performance Information

Marlborough Global Fund Class A Units

**01 Oct 11 – 30 Sept 16, Bid to Bid, UK Basic Rate, Based in UK Sterling**

**Net Income Reinvested**

<b>Name</b>	<b>% Growth 01 October 15 to 30 September 16</b>	<b>% Growth 01 October 14 to 30 September 15</b>	<b>% Growth 01 October 13 to 30 September 14</b>	<b>% Growth 01 October 12 to 30 September 13</b>	<b>% Growth 01 October 11 to 30 September 12</b>
Marlborough Global Fund Class A	26.73	(0.59)	8.18	16.25	(10.06)

Source: Morningstar

The value of your units may go down as well as up. Past performance is not a guide to future performance.



## APPENDIX 2

### Investment and Borrowing Powers

The Schemes may exercise the full authority and powers permitted by COLL applicable to Non-UCITS Retail Schemes. However, this is subject to the investment objective and policy of each Scheme, the applicable investment limits and restrictions as set out in the relevant Trust Deeds and as stated in this Prospectus.

Save for any investment acquired for the purposes of hedging (referred to in more detail below), the property of the Schemes may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of the Scheme in question.

In accordance with the Schemes' investment policies, the Schemes shall primarily invest in a diversified portfolio of Units and shares of collective investment Schemes and transferable securities. The capital property attributable to the Schemes is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as such rules apply to Non-UCITS Retail Schemes and as summarised below. Therefore, the capital property may at any time consist of all Units or shares of collective investment Schemes and transferable securities or a mixture of such assets as well as investments of other asset classes as set out below.

The Manager shall ensure that, taking into account the investment objective, the Scheme property of the Schemes aims to provide a prudent spread of risk.

#### *Collective investment Schemes*

Up to 100% of the property of the Schemes may consist of Units and/or shares in collective investment Schemes established in the United Kingdom, other jurisdictions in the European Union, the Channel Islands, Switzerland and the U.S. Not more than 35% in value of the property of the Schemes may consist of Units or shares in any one collective investment Scheme.

The Schemes must not invest in Units or shares of a collective investment Scheme (the "**second Scheme**") unless the second Scheme satisfies all of the requirements referred to in (a) to (d) below:

- (a) the second Scheme:
  - (i) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (ii) is a non-UCITS retail Scheme; or
  - (iii) is a recognised Scheme; or
  - (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail Scheme; or
  - (v) is a Scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the Scheme (including any transferable securities which are not approved securities) is invested.
- (b) the second Scheme must operate on the principle of the prudent spread of risk;
- (c) the second Scheme must have terms which prohibit more than 15% in value of the Scheme property consisting of Units and/or shares in collective investment Schemes;
- (d) the participants in the second Scheme must be entitled to have their Units redeemed in accordance with the Scheme at a price:
  - (i) to the net value of the property to which the Units relate; and
  - (ii) which are determined in accordance with the Scheme.

The Schemes may invest in shares or Units of collective investment Schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the Manager or an associate of the Manager. However, if the Schemes invest in Units or shares in another collective investment Scheme managed or operated by the Manager or by an associate of the Manager, the Manager must pay into the property of the Scheme before the close of the business on the fourth business day after the agreement to invest or dispose of Units:

- (a) on investment – if the Manager pays more for the Units issued to it than the then prevailing issue price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the Units; and
- (b) on a disposal – any amount charged by the issuer on the redemption of such Units.

### ***Transferable Securities***

The Scheme property of the Schemes may consist of transferable securities (as defined in COLL) which are admitted to or dealt in on an eligible market (as set out in Appendix 3). Not more than 20% in value of the Scheme property may consist of transferable securities which are not admitted to or dealt in an eligible market and/or money market instruments which do not fall within the criteria set out under the section entitled "Money Market Instruments" below.

Not more than 10% in value of the Scheme property may consist of transferable securities or money market instrument (referred to below) issued by any single body (however this rule does not apply in respect of government and public securities).

Not more than 5% in value of the Scheme property may consist of warrants. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene COLL. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Scheme at any time when the payment is required without contravening COLL.

### ***Eligibility of Transferable Securities and Money Market Instruments***

Transferable securities held by the Schemes must be admitted to or dealt in on an eligible market as listed in Appendix 3 and subject to the limit in Transferable Securities above. The Schemes may also hold recently issued transferable securities which satisfy the requirements in COLL 5.2.8R3(e).

Transferable securities must also satisfy the criteria in COLL 5.2.7AR being that;

- the potential loss which may be incurred by holding each security must be limited to the amount paid for it,
- each security's liquidity does not compromise the Manager's ability to meet redemptions from the Schemes,
- reliable valuation is available for the security,
- appropriate information is available for the security
- each security is negotiable; and
- each security's risks are adequately captured by the risk management process of the Manager

### ***Closed end funds constituting transferable securities***

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Schemes, provided it fulfils the criteria for transferable securities set out above, and either:

- where the closed end fund is constituted as an investment company or a unit trust:
  - (a) it is subject to corporate governance mechanisms applied to companies; and

(b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

• where the closed end fund is constituted under the law of contract:

(a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

(b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

### ***Transferable Securities Linked to Other Assets***

(1) The Schemes may invest in any other investment which shall be taken to be a transferable security for the purposes of investment provided the investment:

(a) fulfils the criteria for transferable securities set out in COLL and above; and

(b) is backed by or linked to the performance of other assets, which may differ from those in which the Schemes can invest.

(2) Where an investment in (1) contains an embedded derivative component the requirements of COLL with respect to derivatives and forwards will apply to that component.

### ***Cash and near cash***

The Scheme property may consist of cash or near cash to enable:

(a) the pursuit of the Schemes' investment objectives; or

(b) the redemption of Units; or

(c) the efficient management of the Schemes in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the relevant Scheme.

The Manager does not anticipate the property of each Scheme consisting of more than 50% of cash or near cash at any one time. Liquidity may be at the upper end of, or even exceed this range under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or a Scheme is in receipt of large cash sums upon the issue of Units or realisation of investments.

Cash forming part of the property of a Scheme be placed in any current or deposit account with the Trustee, the Manager or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the relevant Scheme as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### ***Money Market Instruments***

The Scheme property may consist of money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, provided such money market instrument is:

(a) issued or guaranteed by a central, regional or local authority or central bank of an EEA state, the European Central Bank, the European Union or the European Investment Bank, a non-EEA state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA states belongs; or

(b) an establishment subject to prudential supervision in accordance with criteria defined by Community Law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by Community Law; or

- (c) issued by a body, any securities of which are dealt in on an eligible market.

As mentioned above, not more than 20% in value of the Scheme property attributable to the Scheme may consist of transferable securities which are not admitted to or dealt in an eligible market (see the section entitled "Transferable Securities" above) and/or money market instruments which do not fall within the above criteria.

### *Derivatives*

**The Scheme property of the Scheme's may consist of derivatives or forward transactions for the purposes of "hedging".** This is set out in more detail in the paragraph headed "Risk Management".

Derivatives transactions must either be in an approved derivative (being a derivative which is dealt in on an eligible derivatives market as set out in Appendix 3) or an over the counter derivative with an approved counterparty as defined in the glossary to the FCA Handbook.

A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (as published in the FCA register), or whose home state authorisation, permits it to enter into such transactions as principal off exchange.

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (including any requirements or limitations) as published in the FCA register, or whose home state authorisation, permits it to enter into such transactions as principal off exchange;
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the Manager:
  - (i) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care demonstrates that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the Manager and the Trustees have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
  - (ii) a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

For the purposes of paragraph (b) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction.

The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with (a) to (d) above.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- (a) transferable security;
- (b) money market instruments;
- (c) deposits;
- (d) derivatives;
- (e) collective investment Schemes;
- (f) financial indices;
- (g) interest rates;
- (h) foreign exchange rates; and
- (i) currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, Units or shares in collective investment Schemes or derivatives.

Any forward transaction must be made with an eligible institution or an approved bank in accordance with COLL.

### ***Deposits***

The Scheme property of the Schemes may consist of deposits (as defined in COLL) but only if it:

- is with an approved bank;
- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

### ***Immovable and movable property***

It is not currently intended that the Schemes should have any interest in any immovable property or tangible movable property.

### ***Gold***

It is not currently intended that the Schemes will invest in gold.

### ***Spread – general***

In applying any of the restrictions referred to above:

- Not more than 10% in value of the Scheme property is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R). In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.
- The exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the Scheme property.
- Not more than 20% in value of the Scheme property is to consist of deposits with a single body.

The rules relating to the spread of investments will not apply during any period in which it is not reasonably practical to comply, provided that at all times the Scheme property of the Schemes aims to provide a prudent spread of risk.

The above restrictions do not apply to in respect of government and public securities.

### ***Spread - Government and public securities***

The Scheme property may consist of government and public securities provided no more than 35% in value of the Scheme property is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.

### ***Borrowing***

Subject to the Trust Deed and the Regulations (as such rules relate to Non-UCITS Retail Schemes), the Schemes may borrow money for the purposes of achieving their objectives on terms that such borrowings are to be repaid out of the Scheme property. The Manager does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL). The borrowing of a Scheme must not, on any business day, exceed 10% of the value of the property of the Scheme.

The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Trustee, the Manager, or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the relevant Scheme as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### ***Leverage***

The Manager will not employ Leverage in respect of its management of the Schemes save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Appendix 2 and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

### ***Types and sources of Leverage and circumstances in which Leverage may be used***

The Schemes may incur Leverage (whether through borrowing of cash or transferable securities, or embedded in derivative positions) in the circumstances, and subject to the provisions, which are set out in this Prospectus.

The Schemes will not enter into any collateral and asset reuse arrangements.

### ***Calculation of Leverage***

The AIFM Directive prescribes two methodologies for calculating overall exposure of a Scheme: the "commitment method" and the "gross method". These are described briefly below.

The commitment method takes account of the hedging and netting arrangements employed by a Scheme at any given time. This calculation includes exposure through the use of derivatives, reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted pursuant to that Scheme's investment objectives and policies as set out in this Prospectus. This calculation also includes cash and cash equivalents in the Scheme currency.

The gross method calculates exposure in a very similar way to the commitment method but by contrast, it does not take account of the netting or hedging arrangements employed by a Scheme. It also excludes from the calculation, cash and cash equivalents in the Scheme currency.

### ***Maximum level of Leverage***

The Marlborough Balanced Fund and the Marlborough Cautious Fund are subject to a maximum level of incremental leverage of 10 per cent (or 1:10) under the commitment method and 60 per cent (or 0.6:1) under the gross method.

For clarification, under AIFMD this means the maximum level of Leverage is 110 per cent (or 1.1:1) under the commitment approach and 160 per cent (or 1.6:1) under the gross method.

The Marlborough Global Fund is subject to a maximum level of incremental leverage of 20 per cent (or 1:5) under the commitment method and 60 per cent (or 0.6:1) under the gross method.

For clarification, under AIFMD this means the maximum level of Leverage is 120 per cent (or 1.2:1) under the commitment approach and 160 per cent (or 1.6:1) under the gross method.

A leverage ratio of 1 or below indicates a fund is unleveraged whereas a leverage ratio of above 1 means the fund is leveraged.

### ***Risk Management***

The Schemes may enter into derivative and forward transactions for hedging purposes provided the following requirements are satisfied:

- the transaction is economically appropriate,
- the exposure on the transaction is fully covered, and,
- the transaction is entered into for either of the following specific aims:
  - (i) the reduction of risk;
  - (ii) the reduction of costs; or
  - (iii) the generation of additional income or capital with an acceptably low level of risk.

A transaction which is regarded as speculative will not be permitted. A list of the current eligible derivatives markets is set out in Appendix 3. Further derivatives markets may be added to the list following consultation with the Trustee in accordance with COLL.

A derivatives or forward transaction which would or could lead to delivery of property to the Trustee may be entered into only if such property can be held by the Schemes and the Manager has taken reasonable care to determine that delivery of the property pursuant to the transaction will not lead to a breach of the relevant provisions in COLL.

Where a transaction is entered into for hedging purposes and relates to the actual or potential acquisition of transferable securities, the Manager must intend that the Scheme should invest in such transferable securities within a reasonable time and the Manager must ensure that, unless the position has itself been closed out, that intention is realised within such time.

The Manager uses a risk management process which enables it to monitor and measure on a daily basis the risk of the relevant Scheme derivatives and forwards position and their impact on the overall risk profile of the relevant Scheme. **The Manager does not anticipate the intended use of derivatives and forwards transactions as set out above to have any detrimental effect on the overall risk profile of the Scheme.**

### ***Stock lending***

The Scheme or the Trustee may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Scheme are in a form which is acceptable to the Trustee and are in accordance with good market practice;
- (b) the counterparty is an authorised person or a person authorised by a home state regulator; and
- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above.

## APPENDIX 3

### Eligible Markets

Set out below are the securities markets through which the Scheme's may invest or deal in approved securities (subject to the investment objective and policy of each Scheme):

- (d) a "regulated market" as defined in COLL;
- (e) a securities market established in any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and Slovenia) which is regulated, operates regularly and is open to the public; or
- (f) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
The United States	NYSE Amex NYSE Euronext NASDAQ Stock Exchange NYSE Arca NASDAQ OMX BX Chicago Stock Exchange

The alternative investment market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited is also an eligible securities market for the purposes of the Schemes.

### Eligible Derivatives Markets

Set out below are the derivatives markets through which the Schemes may deal (subject to the investment objective and policy of each Scheme):

Country	Market
The United States of America	Chicago Mercantile Exchange
Europe	EURONEXT Amsterdam
UK	London International Financial Futures and Options Exchange



## APPENDIX 4

### Valuation of the Property of the Schemes

The property of a Scheme is valued on the following basis and is in two parts (the issue basis and the cancellation basis):

- 1 All valuations are made in the base currency and are based on the most recent prices that can be reasonably obtained after the valuation point with a view to giving an accurate valuation at that point.
- 2 To convert to the Scheme's base currency the value of the Fund's property which would otherwise be valued in another currency the Manager must either:
  - (a) select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such a conversion, or
  - (b) invite the Trustee to agree that it is in the interests of the Unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.
- 3 All Scheme property as at the valuation point is included in the valuation, subject to any adjustments.
- 4 If the Trustee has been instructed to issue or cancel Units it will be assumed (unless the contrary is shown) that:
  - (a) it has been done so;
  - (b) it has paid or been paid for them; and
  - (c) all consequential action required has been taken.
- 5 If the Trustee has issued or cancelled Units but consequential action at 4(c) above is outstanding, assume that it has been taken.
- 6 Any agreement for the unconditional sale or purchase of property will be treated as having been completed and all necessary consequential actions having been taken. This is to include any agreement the existence of which is, or could reasonably be expected to be, known to the person valuing the property, assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement. However, this does not include any future or contract for differences which is not yet due to be performed or any unexpired option which has been written or purchased for the Scheme and has not yet been exercised.
- 7 An estimated amount will be deducted for anticipated tax liabilities on the following:
  - (a) unrealised capital gains where the liabilities have accrued and are payable out of the Scheme property of the Fund;
  - (b) realised capital gains in respect of previously completed and current accounting periods;

- (c) income where the liabilities have accrued;

including any other fiscal charge not set out here.

**8** The following will also be deducted:

- (a) an estimated amount for any liabilities payable out of the property attributable to the Scheme and any tax on it (treating any periodic items as accruing from day to day);
- (b) the principal amount of any outstanding borrowings whenever payable;
- (c) any accrued but unpaid interest on borrowings;
- (d) the value of any option written (if the premium for writing the option has become part of the Scheme property of the Scheme); and
- (e) in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).

**9** An estimated amount will be added for accrued claims for repayment of taxation levied:

- (a) on capital (including capital gains); or
- (b) on income.

**10** The following will be added:

- (a) any other credit due to be paid into the Scheme property;
- (b) in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point);

### ***Fair value pricing***

Where the Manager has reasonable grounds to believe that no reasonable price exists for a security at a valuation point; or the most recent price available does not reflect the Manager's best estimate of the value of a security at a valuation point, it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes: where there has been no recent trade in the security concerned; due to the suspension of dealings in an underlying collective investment scheme; or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

## Issue Basis

The valuation of the Property of the Scheme for that part of the valuation which is on an issue basis is as follows:

Property	To be valued at
(a) Cash	Nominal value
(b) Amounts held in current and deposit accounts	Nominal value
(c) Property which is not within (a), (b) or (d):	
If Units in an authorised Unit trust which is dual priced	Except where <b>Note 1</b> applies, the most recent maximum sale price less any expected discount (plus dealing costs) <b>[Note 2]</b> .
If Units or shares in either an investment company with variable capital or authorised Unit trust which is single priced	The most recent price (plus dealing costs) <b>[Notes 2 and 3]</b>
If any other investment	Best available market dealing offer price on the most appropriate market in a standard size (plus dealing costs) <b>[Note 2]</b>
If other property, or no price exists under (i), (ii) or (iii)	Manager's reasonable estimate of a buyer's price (plus dealing costs) <b>[Notes 2 and 4]</b>
(d) Property which is a derivative under the terms of which there may be a liability to make, for the account of the Fund, further payments (other than charges and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.	
If a written option under para 8d above	To be deducted at a net valuation of premium <b>[Notes 5 and 8]</b>
If an off-exchange future	Net value on closing out <b>[Notes 6 and 8]</b>
If any other such property	Net value of margin of closing out (whether as a positive or negative figure) <b>[Notes 7 and 8]</b>

## Notes

1. The issue price is taken, instead of the maximum sale price if the Manager of the authorised Unit trust whose Scheme property is being valued is also the Manager, or an associate of the Manager, of the authorised Unit trust whose Units form part of that property.
2. "Dealing costs" means any fiscal charges, commission or other charges payable in the event of the authorised Unit trust carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the authorised Unit trust are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of Units in an authorised Unit trust.

3. Dealing costs under Note 2. Include any dilution levy which would be added in the event of a purchase by the Scheme of the Units in question but, if the Manager of the authorised Unit trust being valued, or an associate of the Manager is also the Manager of the authorised Unit trust or the ACD of the ICVC whose Units are held by the Scheme, must not include the preliminary charge which would be payable in the event of a purchase by the Scheme of those Units.
4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.
6. Estimate the amount of margin (whether receivable or payable by the authorised Unit trust on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.
7. Estimate the amount of margin (whether receivable or payable by the Scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded. If that amount is receivable deduct minimum dealing costs. If however, that amount is payable then add minimum dealing costs to the margin and the value is that figure as a negative sum.
8. If the property is an over-the counter transaction in derivatives, use the relevant valuation referred to in the Regulations.

### ***Cancellation Basis***

The valuation of the property for that part of the valuation which is on a cancellation basis is as follows:

<b>Property</b>	<b>To be valued at</b>
(a) Cash	Nominal value
(b) Amounts held in current and deposit accounts	Nominal value
(c) Property which is not within (a), (b) or (d):	
(i) If Units in an authorised Unit trust which is dual priced	Except where <b>Note 1</b> applies, the most recent minimum redemption price (less dealing costs) <b>[Note 2]</b> .
If Units or shares in either an investment company with variable capital or authorised Unit trust which is single priced	The most recent price (less dealing costs) <b>[Notes 2 and 3]</b>
If any other investment	Best available market dealing bid price on the most appropriate market in a standard size (less dealing costs) <b>[Note 2]</b>
If other property, or no price exists under (i), (ii) or (iii)	Manager's reasonable estimate of a seller's price (less dealing costs) <b>[Notes 2 and 4]</b>
(d) Property of the type described in 8d	
(ii) If a written option under para Issue Basis d above	To be deducted at a net valuation of premium <b>[Notes 5 and 8]</b>
If an off-exchange future	Net value on closing out <b>[Notes 6 and 8]</b>
If any other such property	Net value of margin on closing out (whether as a positive or negative figure) <b>[Notes 6 and 8]</b>

## Notes

1. The cancellation price is taken, instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal.
2. For "dealing costs" see Note 2 for the valuation on the issue basis. Dealing costs include any charge payable on redemption of Units in an authorised Unit trust (taking account of any expected discount), except where the Manager of the Scheme is also the Manager or the associate of the Manager of the authorised Unit trust whose Units form part of that property.
3. Dealing costs under Note 2. Include any dilution levy which would be deducted in the event of a sale by the Scheme of the Units in question and, except when the Manager of the Scheme, or an associate of the Manager is also the Manager of the authorised Unit trust or the ACD of the ICVC whose Units are held by the Scheme, must not include any charge payable on the redemption of those Units (taking account of any expected discount).
4. The seller's price is the consideration which would be received by a seller for an immediate transfer or assignment (or, in Scotland, assignation) from him at arm's length, less dealing costs.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; and add dealing costs.
6. For off-exchange futures, see note 6 in the issue basis valuation provisions (above).
7. For net value of margin see note 7 in the issue basis valuation provisions (above).
8. For over-the counter transactions in derivatives see note 8 in the issue basis valuation provisions (above).

## APPENDIX 5

### Further Information

**The Manager acts as Authorised Corporate Director in relation to the following OEIC's:**

Marlborough No2 OEIC:  
Marlborough Far East Growth Fund  
Marlborough Multi-Cap Income Fund  
Marlborough Nano-Cap Growth Fund

Marlborough ETF OEIC:  
Marlborough ETF Commodity Fund  
Marlborough ETF Global Growth Fund

Marlborough OEIC:  
Marlborough Defensive Fund

MFM UK Primary Opportunities Fund

MFM Maze OEIC:  
MFM Haldex Managed Fund

Junior Gold

MFM Techinvest Technology Fund

MFM Techinvest Special Situations Fund

MFM Slater OEIC:  
MFM Slater Income Fund

MFM Slater No 2 OEIC:  
MFM Artorius Fund

**The Manager is Authorised and regulated by the FCA. The Manager acts as Authorised Fund Manager in relation to the following authorised unit trusts:**

Marlborough Extra Income Fund  
Marlborough Balanced Fund  
Marlborough Bond Income Fund  
Marlborough Cautious Fund  
Marlborough Global Fund  
Marlborough Global Bond Fund  
Marlborough Special Situations Fund  
Marlborough UK Micro-Cap Growth Fund  
Marlborough High Yield Fixed Interest Fund  
Marlborough UK Multi-Cap Growth Fund  
Marlborough Cash Trust  
Marlborough Emerging Markets Trust  
Marlborough US Multi-Cap Income Fund  
Marlborough European Multi-Cap Fund  
MFM Bowland Fund  
MFM Hathaway Fund  
MFM Slater Growth Fund  
MFM Slater Recovery Fund  
Junior Oils Trust

**The directors of Marlborough Fund Managers Limited are:**

**Andrew Staley**

In addition to his role as director of the Manager, Mr Staley also acts as managing director of Marlborough Investment Management Limited and is a director of Investment Fund Services Limited, MFM Unit Trust Managers Ltd, Marlborough Tiger Fund Limited, Marlborough North American Fund Limited, Marlborough Multi-Asset Balanced Growth Fund Limited and UFC Fund Management PLC.

**Nicholas FJ Cooling**

In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Investment Fund Services Limited, MFM Unit Trust Managers Limited, Marlborough International Investment Management Limited and UFC Fund Management PLC.

**John R Heap**

Also a director of Investment Fund Services Limited, Marlborough International Investment Management Limited, MFM Unit Trust Managers Ltd and UFC Fund Management PLC.

**Bernard J Leyland**

Also a director of Investment Fund Services Limited, MFM Unit Trust Managers Ltd and UFC Fund Management PLC.

**Keith Ounsworth**

**Geoffrey R Hitchin**

**Allan Hamer**

Also a director of Investment Fund Services Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Philotas Limited.

**Wayne D Green**

Also a director of Investment Fund Services Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited and IFSL Administration Limited.

**Dominique Clarke**

Also a director of Investment Fund Services Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Philotas Limited.

**Helen Derbyshire**

Also a director of Investment Fund Services Limited and IFSL Administration Limited.