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MARLBOROUGH BALANCED FUND

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

for the year ended 29 February 2020

MARLBOROUGH BALANCED FUND

CONTACT INFORMATION

Authorised Fund Manager and Registrar

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

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

Directors of Marlborough Fund Managers Ltd

Andrew Staley
Nicholas F J Cooling
Allan Hamer
Wayne D Green
Dom Clarke
Geoffrey Hitchin
Helen Derbyshire
Richard Goodall
Guy Sears*
David Kiddie*
Sarah Peaston* (appointed 1 October 2019)

* Non-executive director.

MARLBOROUGH BALANCED FUND

CONTENTS	PAGE
AUTHORISED INVESTMENT ADVISER'S REPORT	1
AUTHORISED STATUS AND GENERAL INFORMATION	3
DIRECTORS' STATEMENT	5
STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES	5
STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY	6
INDEPENDENT AUDITOR'S REPORT	7
COMPARATIVE TABLE	9
SYNTHETIC RISK AND REWARD INDICATOR	11
PORTFOLIO STATEMENT	12
FINANCIAL STATEMENTS	
STATEMENT OF TOTAL RETURN	13
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	13
BALANCE SHEET	14
NOTES TO THE FINANCIAL STATEMENTS	15
DISTRIBUTION TABLE	22

MARLBOROUGH BALANCED FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 29 February 2020

Percentage change and sector position to 29 February 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>02.03.1993*</u>
Marlborough Balanced Fund	-0.86%	7.98%	11.95%	35.98%	350.31%
IA Mixed Investment 40-85% Shares	-1.83%	5.17%	10.80%	27.10%	402.86%
Quartile Ranking**	2	1	2	1	2

* Since end of launch period.

** Based on ranking within the Investment Association Mixed Investment 40-85% Shares sector.

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

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



Over the past six months the P series accumulative unit bid price of the Marlborough Balanced Fund has decreased by 0.86%. This compares to a fall of 1.83% by the IA 40-85% Shares Sector and places the Marlborough Balanced Fund in the second quartile relative to its peers.

Over the past year the P series accumulation unit bid price of the Marlborough Balanced Fund has increased by 7.98%. This compares to an increase of 5.17% by the IA 40-85% Shares Sector and places the Marlborough Balanced Fund in the top quartile over the past twelve months.

For the majority of the year in question we saw broadly positive equity markets accompanied by a general slowdown in the world's economy, the ongoing trade dispute between the US and China, and various other parties, broader geopolitical tensions, and of course the ongoing Brexit struggle in the UK. Against this backdrop there was a growing expectation of reducing interest rates and other forms of stimulus in an effort to engineer a renewed take-off for the world's economy, and at the very least a softer landing. Right at the conclusion of the reporting year we were presented with the beginnings of what has become the global pandemic COVID – 19 which has to all intents and purposes created an entirely new environment for the future development of world economies and world markets about which much further will clearly be discussed in the future. From the perspective of the Balanced Fund however, we have spent the year removing leveraged positions and reducing the overweight positions in the US, UK and Japan and bringing the asset allocation to a more neutral position relative to the sector. From this positioning we began a process of skewing the portfolio towards passive vehicles in those areas where it is demonstrably the case that these types of assets have performed relatively well and at the same time reducing the overall cost of the portfolio. This is likely to be a continuing theme going forward. In addition, and fortunately, once the COVID-19 crisis began to appear we took the decision to significantly increase our cash balances and reduce equity exposure such that at the time of the significant falls which took place in the last two weeks of the reporting year the fund was 16% in cash and this will have acted to mitigate to some extent the impact of these falls.

Nicholas F J Cooling BA (Hons)
Marlborough Investment Management Limited
19 June 2020

Distributions (pence per unit)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Accumulation</u>				
Net income paid 30 April	0.8832	0.5188	0.7213	1.5428
<u>B Accumulation</u>				
Net income paid 30 April	1.9796	1.5579	1.8622	2.4719
<u>P Accumulation</u>				
Net income paid 30 April	2.5412	2.0664	2.2437	2.8891
<u>I Accumulation</u>				
Net income paid 30 April	4.2840	3.7091	3.8559	4.2110

MARLBOROUGH BALANCED FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 29 February 2020

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
iShares Core FTSE 100 UCITS ETF GBP	4,354,118	LF Lindsell Train UK Equity	6,129,900
Marlborough Global Bond 'P'	3,732,500	Marlborough Bond Income 'P'	4,322,200
Xtrackers S&P Eur ex. UK UCITS ETF '1D' EUR	3,406,731	Xtrackers S&P Eur ex. UK UCITS ETF '1D' EUR	2,741,269
iShares Core £ Corp Bond UCITS ETF GBP	3,348,728	Marlborough UK Multi-Cap Growth 'P'	2,462,600
WisdomTree Physical Gold GBP	3,302,010	Schroder European Alpha Income 'Z' GBP	2,256,040
Vanguard FTSE 250 UCITS ETF GBP	3,169,345	iShares Core S&P 500 UCITS ETF USD	2,119,033
Vanguard FTSE UK Equity Income Index 'A' GBP	3,108,000	Man GLG UK Income 'C'	2,110,415
iShares Core S&P 500 UCITS ETF USD	2,217,196	Vanguard FTSE 250 UCITS ETF GBP	2,008,236
Fidelity Index Japan 'P'	1,507,100	JPM Natural Resources 'C' Net	1,834,909
SPDR FTSE UK All Share UCITS ETF	1,348,575	iShares Core FTSE 100 UCITS ETF GBP	1,807,810
Other purchases	2,184,100	Other sales	15,304,085
Total purchases for the year	31,678,403	Total sales for the year	43,096,497

MARLBOROUGH BALANCED FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Marlborough Balanced Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a non-UCITS scheme operating under the Collective Investment Schemes Sourcebook (COLL) and the Investment Fund Sourcebook (FUND) as issued by the Financial Conduct Authority.

Investment objective and policy

The investment objective of the Fund is to provide medium to long term capital growth on a medium risk basis.

It is intended that this objective will be achieved by the Fund 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 Fund 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.

The Fund may only invest in derivatives and forward transactions for the purposes of hedging.

The Fund will be managed so it is eligible for inclusion in the IA Mixed Investment 40-85% Shares sector.

Rights and terms attaching to each unit class

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

Assessment of value

The Manager is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The Manager should publish the report in the annual report of the Fund, except where the assessment and report are provided as a composite, that is, with other funds that may have a different year end date. Marlborough Balanced Fund will be assessed and reported on, in a composite report which the Manager will publish by 31 August 2020 on the website. www.marlboroughfunds.com

Changes in prospectus

With effect from 1 April 2019 the Fund has changed from a dual priced unit trust to a single priced unit trust and is operating a 'swinging' single price mechanism.

Also, on that date, the initial service charge that applied to P units was removed. An initial service charge will still be applied to A and B units.

Since the last report, the investment objective and policy has been updated, and there has been a change of auditor from Barlow Andrews LLP to Ernst & Young LLP. Details of these changes can be found in the latest Prospectus dated 26 March 2020.

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

MARLBOROUGH BALANCED FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Leverage

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

The total amount of leverage calculated is as follows:

Date	Gross Method	Commitment Method
29 February 2020	83.83%	83.83%
28 February 2019	92.28%	92.28%

The maximum level of leverage which may be employed on behalf of the Fund when calculated in accordance with the gross method is 210%.

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

Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2019 (the Alternative Investment Fund Manager's (AIFM's) year-end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the AIF				
Senior management	9	741,229	551,303	189,926
Risk takers and other identified staff	3	199,548	167,886	31,572
Allocation of total remuneration of the employees of the AIFM to the AIF				
Senior management	0.06	8,531	6,345	2,186
Risk takers and other identified staff	2	132,902	111,865	21,037

The total number of staff employed by the AIFM was 172 at 30 September 2019. The total remuneration paid to those staff was £7,294,016, of which £3,590,957 is attributable to the AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIFM is based on Assets Under Management (AUM), as staff work for two AIFMs. The allocation of remuneration to the AIF is based on AUM where staff are not directly allocated to the AIF. The way these disclosures are calculated may change in the future.

MARLBOROUGH BALANCED FUND

DIRECTORS' STATEMENT

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



ALLAN HAMER
JOINT MANAGING DIRECTOR



WAYNE D GREEN
JOINT MANAGING DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
26 June 2020

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing the financial statements the AFM is required to:

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

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

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

MARLBOROUGH BALANCED FUND

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of Marlborough Balanced Fund ("the Trust") for the period ended 29 February 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC BANK PLC

LONDON

26 June 2020

MARLBOROUGH BALANCED FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MARLBOROUGH BALANCED FUND

Opinion

We have audited the financial statements of Marlborough Balanced Fund ("the Fund") for the year ended 29 February 2020 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Unitholders together with the Balance Sheet, the accounting, distribution and risk management policies and related notes for the Fund and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 29 February 2020 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis for opinion

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

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

Emphasis of matter

We draw attention to Notes 1 and 18 of the financial statements, which describe the economic consequences the Fund is facing as a result of COVID-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for the period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

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

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

We have nothing to report in this regard.

MARLBOROUGH BALANCED FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MARLBOROUGH BALANCED FUND

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

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

26 June 2020

Notes:

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

MARLBOROUGH BALANCED FUND

COMPARATIVE TABLE

A Accumulation units

Change in net assets per unit

	Year to 29.02.2020	Year to 28.02.2019	Year to 28.02.2018
	pence	pence	pence
Opening net asset value per unit	190.36	197.32	186.40
Return before operating charges*	17.97	(2.30)	15.52
Operating charges	(4.33)	(4.66)	(4.60)
Return after operating charges*	13.64	(6.96)	10.92
Distributions on accumulation units	(0.88)	(0.52)	(0.72)
Retained distributions on accumulation units	0.88	0.52	0.72
Closing net asset value per unit	204.00	190.36	197.32

* after direct transaction costs of:

0.02 0.01 0.01

Performance

Return after charges 7.17% -3.53% 5.86%

Other information

Closing net asset value	£58,756,430	£59,529,237	£72,365,671
Closing number of units	28,802,150	31,271,259	36,674,381
Operating charges	2.11%	2.38%	2.38%
Direct transaction costs	0.01%	0.01%	0.00%

Prices

Highest unit price	216.78p	214.74p	213.26p
Lowest unit price	190.77p	182.66p	184.90p

B Accumulation units

Change in net assets per unit

	Year to 29.02.2020	Year to 28.02.2019	Year to 28.02.2018
	pence	pence	pence
Opening net asset value per unit	196.54	202.68	190.38
Return before operating charges*	18.57	(2.42)	16.02
Operating charges	(3.43)	(3.72)	(3.72)
Return after operating charges*	15.14	(6.14)	12.30
Distributions on accumulation units	(1.98)	(1.56)	(1.86)
Retained distributions on accumulation units	1.98	1.56	1.86
Closing net asset value per unit	211.68	196.54	202.68

* after direct transaction costs of:

0.03 0.01 0.01

Performance

Return after charges 7.70% -3.03% 6.46%

Other information

Closing net asset value	£133,016	£91,665	£2,339
Closing number of units	62,839	46,640	1,154
Operating charges	1.61%	1.88%	1.88%
Direct transaction costs	0.01%	0.01%	0.00%

Prices

Highest unit price	224.81p	220.60p	218.37p
Lowest unit price	196.99p	188.43p	189.00p

MARLBOROUGH BALANCED FUND

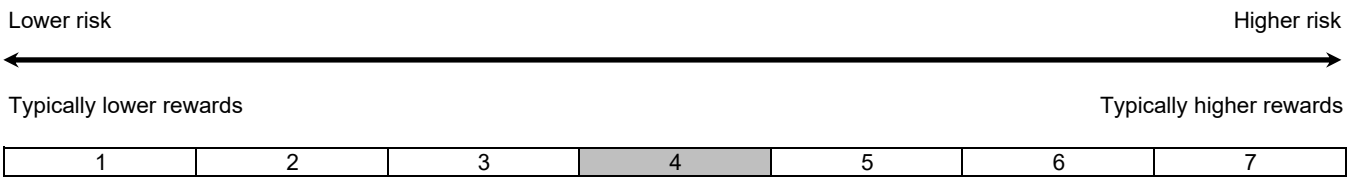
COMPARATIVE TABLE

<u>P Accumulation units</u>	Year to 29.02.2020	Year to 28.02.2019	Year to 28.02.2018
Change in net assets per unit	pence	pence	pence
Opening net asset value per unit	198.95	204.67	191.90
Return before operating charges*	18.79	(2.40)	16.03
Operating charges	(2.93)	(3.32)	(3.26)
Return after operating charges*	15.86	(5.72)	12.77
Distributions on accumulation units	(2.54)	(2.07)	(2.24)
Retained distributions on accumulation units	2.54	2.07	2.24
Closing net asset value per unit	214.81	198.95	204.67
* after direct transaction costs of:	0.03	0.01	0.01
Performance			
Return after charges	7.97%	-2.79%	6.65%
Other information			
Closing net asset value	£5,842,724	£5,938,523	£3,928,485
Closing number of units	2,719,977	2,984,921	1,919,384
Operating charges	1.36%	1.63%	1.63%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest unit price	228.08p	214.54p	212.07p
Lowest unit price	199.42p	190.66p	190.57p
<u>I Accumulation units</u>	Year to 29.02.2020	Year to 28.02.2019	Year to 28.02.2018
Change in net assets per unit	pence	pence	pence
Opening net asset value per unit	203.72	207.95	193.42
Return before operating charges*	18.65	(2.40)	16.30
Operating charges	(1.37)	(1.83)	(1.77)
Return after operating charges*	17.28	(4.23)	14.53
Distributions on accumulation units	(4.28)	(3.71)	(3.86)
Retained distributions on accumulation units	4.28	3.71	3.86
Closing net asset value per unit	221.00	203.72	207.95
* after direct transaction costs of:	0.03	0.01	0.01
Performance			
Return after charges	8.48%	-2.03%	7.51%
Other information			
Closing net asset value	£2,210	£993	£984
Closing number of units	1,000	487	473
Operating charges	0.61%	0.88%	0.88%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest unit price	234.35p	227.43p	223.77p
Lowest unit price	204.25p	194.98p	192.30p

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

MARLBOROUGH BALANCED FUND

SYNTHETIC RISK AND REWARD INDICATOR



The synthetic risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

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

MARLBOROUGH BALANCED FUND

PORTFOLIO STATEMENT

as at 29 February 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
UK FIXED INTEREST (28 February 2019 - 8.80%)		
21,630 iShares Core £ Corp Bond UCITS ETF GBP *	3,320,205	5.13
3,104,386 Marlborough Bond Income 'P'	1,669,849	2.58
Total UK Fixed Interest	<u>4,990,054</u>	<u>7.71</u>
INTERNATIONAL FIXED INTEREST (28 February 2019 - 4.83%)		
1,795,332 Marlborough Global Bond 'P'	3,738,061	5.77
2,512,407 Marlborough High Yield Fixed Interest 'P'	1,879,280	2.90
Total International Fixed Interest	<u>5,617,341</u>	<u>8.67</u>
UNITED KINGDOM (28 February 2019 - 27.24%)		
1,331,861 Franklin UK Equity Income 'W'	2,827,141	4.37
331,468 iShares Core FTSE 100 UCITS ETF GBP *	2,166,143	3.35
301,103 LF Lindsell Train UK Equity	1,361,465	2.10
1,140,032 Marlborough Multi Cap Income 'P'	2,533,036	3.91
376,938 Marlborough UK Multi-Cap Growth 'P'	1,295,686	2.00
33,576 Vanguard FTSE 250 UCITS ETF GBP *	1,018,024	1.57
17,935 Vanguard FTSE UK Equity Income Index 'A' GBP	2,805,787	4.34
Total United Kingdom	<u>14,007,282</u>	<u>21.64</u>
UNITED STATES (28 February 2019 - 18.87%)		
1,811,633 Marlborough US Multi-Cap Income 'P'	11,108,029	17.16
Total United States	<u>11,108,029</u>	<u>17.16</u>
JAPAN (28 February 2019 - 5.69%)		
861,692 Fidelity Index Japan 'P'	1,400,423	2.16
542,604 JPM Japan 'C' Net	1,413,484	2.18
Total Japan	<u>2,813,907</u>	<u>4.34</u>
EUROPE (28 February 2019 - 10.28%)		
284,634 Man GLG Continental European Growth 'C'	1,728,013	2.67
361,251 Marlborough European Multi-Cap 'P'	1,727,288	2.67
10,357 Xtrackers S&P Europe ex. UK UCITS ETF '1D' EUR *	459,799	0.71
Total Europe	<u>3,915,100</u>	<u>6.05</u>
FAR EAST (28 February 2019 - 5.51%)		
1,400,943 Marlborough Far East Growth 'P'	3,687,143	5.70
Total Far East	<u>3,687,143</u>	<u>5.70</u>
EMERGING MARKETS (28 February 2019 - 6.76%)		
1,335,755 Marlborough Emerging Markets 'P'	4,110,651	6.35
Total Emerging Markets	<u>4,110,651</u>	<u>6.35</u>
SPECIALIST (28 February 2019 - 4.30%)		
10,535 EEA Life Settlements Sterling Run-Off Cell **	736,360	1.14
27,401 WisdomTree Physical Gold GBP *	3,295,518	5.09
Total Specialist	<u>4,031,878</u>	<u>6.23</u>
Portfolio of investments	54,281,385	83.85
Net current assets	10,452,995	16.15
Total net assets	<u>64,734,380</u>	<u>100.00</u>

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

MARLBOROUGH BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 29 February 2020

	Notes	29 February 2020		28 February 2019	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		4,465,287		(2,666,749)
Revenue	6	1,360,776		1,302,058	
Expenses	7	(1,019,345)		(1,067,828)	
Net revenue/(expense) before taxation		<u>341,431</u>		<u>234,230</u>	
Taxation	8	<u>-</u>		<u>3</u>	
Net revenue/(expense) after taxation			<u>341,431</u>		<u>234,233</u>
Total return before distributions			4,806,718		(2,432,516)
Distributions	9		(341,431)		(234,233)
Change in net assets attributable to unitholders from investment activities			<u>4,465,287</u>		<u>(2,666,749)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 29 February 2020

	29 February 2020		28 February 2019	
	£	£	£	£
Opening net assets attributable to unitholders		65,560,418		76,297,479
Amounts receivable on issue of units	1,127,198		2,857,054	
Amounts payable on cancellation of units	(6,742,838)		(11,148,735)	
Amounts payable on unit class conversions	<u>(480)</u>		<u>(3,310)</u>	
		(5,616,120)		(8,294,991)
Change in net assets attributable to unitholders from investment activities		4,465,287		(2,666,749)
Retained distribution on accumulation units		324,795		224,679
Closing net assets attributable to unitholders		<u>64,734,380</u>		<u>65,560,418</u>

MARLBOROUGH BALANCED FUND

BALANCE SHEET

as at 29 February 2020

	Notes	29 February 2020 £	28 February 2019 £
Assets:			
Fixed Assets:			
Investments	17	54,281,385	60,496,264
Current Assets:			
Debtors	10	2,792,426	18,916
Cash and bank balances		9,465,528	5,397,494
Total assets		<u>66,539,339</u>	<u>65,912,674</u>
Liabilities:			
Creditors:			
Other creditors	11	1,804,959	352,256
Total liabilities		<u>1,804,959</u>	<u>352,256</u>
Net assets attributable to unitholders		<u>64,734,380</u>	<u>65,560,418</u>

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

1 ACCOUNTING POLICIES

Basis of preparation

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

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

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

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The authorised fund manager believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and, following the consideration of the impact of COVID-19 as set out in note 18, they continue to adopt the going concern basis in preparing the financial statements.

Revenue

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

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

Bank interest is accounted for on an accruals basis.

Allocation of revenue

Revenue, attributable after expenses to multiple unit classes, with the exception of the authorised fund manager's periodic charge, which is directly attributable to individual unit classes, is allocated to unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the revenue is incurred.

Expenses

All expenses, other than those relating to purchase and sale of investments, are charged against revenue on an accruals basis.

Distributions from collective investment schemes

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

Valuation

The valuation point was 12:00 on 28 February 2020 being the last valuation point of the accounting year.

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

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

Taxation

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

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 28 February 2020 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

2 DISTRIBUTION POLICIES

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

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

DISTRIBUTION POLICIES

Equalisation

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

3 RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 3, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities held in accordance with the investment objectives and policies together with cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued income.

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

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

Market price risk

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

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

Foreign currency risk

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

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

Credit and counterparty risk

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

Interest rate risk

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

Liquidity risk

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

Concentration risk

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

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

4 NET CAPITAL GAINS/(LOSSES)

The net gains/(losses) on investments during the year comprise:

	29 February 2020 £	28 February 2019 £
Realised gains on investments	3,679,847	2,875,072
Unrealised gains/(losses) on investments	788,940	(5,539,465)
Currency losses	(2,198)	(265)
Transaction charges	(1,302)	(2,091)
Net capital gains/(losses)	<u>4,465,287</u>	<u>(2,666,749)</u>

5 PURCHASES, SALES AND TRANSACTION COSTS

	29 February 2020 £	28 February 2019 £
Purchases excluding transaction costs		
Collective Investment Schemes	10,531,700	12,417,297
Exchange Traded Funds	21,141,418	8,488,277
	<u>31,673,118</u>	<u>20,905,574</u>
Commissions - Exchange Traded Funds	5,285	2,406
Total purchase transaction costs	5,285	2,406
Purchases including transaction costs	<u>31,678,403</u>	<u>20,907,980</u>

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

Commissions - Exchange Traded Funds	0.02%	0.03%
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Sales excluding transaction costs

Collective Investment Schemes	32,269,380	19,376,942
Exchange Traded Funds	10,829,824	9,000,702
	<u>43,099,204</u>	<u>28,377,644</u>

Commissions - Exchange Traded Funds

	(2,707)	(2,576)
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Total sales transaction costs

	(2,707)	(2,576)
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Sales net of transaction costs

	<u>43,096,497</u>	<u>28,375,068</u>
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Sale transaction costs expressed as a percentage of the principal amount:

Commissions - Exchange Traded Funds	0.02%	0.03%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions - Exchange Traded Funds	0.01%	0.01%
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Transaction handling charges

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

	<u>£1,302</u>	<u>£2,091</u>
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Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date

	<u>0.03%</u>	<u>0.15%</u>
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6 REVENUE

	29 February 2020 £	28 February 2019 £
UK dividends	1,001,350	924,587
Overseas dividends	15,780	23,627
Interest distributions - unfranked	330,438	335,008
Renewal commission received	3,371	7,270
Bank interest	9,837	11,566
Total revenue	<u>1,360,776</u>	<u>1,302,058</u>

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

7 EXPENSES

	29 February 2020 £	28 February 2019 £
Payable to the authorised fund manager or associate:		
Manager's periodic charge	973,964	1,022,475
Registration fees	7,563	8,177
	<u>981,527</u>	<u>1,030,652</u>
Other expenses:		
Trustee's fees	24,561	25,544
Safe Custody fees	5,611	5,763
Interest	-	1,270
Financial Conduct Authority fee	124	158
Audit fee	7,522	4,441
	<u>37,818</u>	<u>37,176</u>
Total expenses	<u><u>1,019,345</u></u>	<u><u>1,067,828</u></u>

8 TAXATION

	29 February 2020 £	28 February 2019 £
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
Recoverable UK Income Tax	-	(3)
Total tax charge (see note 8(b))	<u><u>-</u></u>	<u><u>(3)</u></u>

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.

Net revenue before taxation	341,431	234,230
Corporation tax at 20% (2019: 20%)	68,286	46,846
Effects of:		
Revenue not subject to taxation	(203,426)	(189,643)
Unrelieved excess management expenses	135,140	142,797
Recoverable UK Income Tax	-	(3)
Total tax charge (see note 8(a))	<u><u>-</u></u>	<u><u>(3)</u></u>

At 29 February 2020 the Fund has deferred tax assets of £2,667,937 (2019: £2,532,797) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

9 DISTRIBUTIONS

	29 February 2020 £	28 February 2019 £
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Final	324,815	224,681
Amounts deducted on cancellation of units	26,422	20,745
Amounts received on issue of units	(9,306)	(7,881)
Equalisation on conversions	(480)	(3,310)
Revenue brought forward	(20)	(2)
Distributions	<u><u>341,431</u></u>	<u><u>234,233</u></u>

10 DEBTORS

	29 February 2020 £	28 February 2019 £
Amounts receivable for issue of units	12,700	202
Sales awaiting settlement	2,746,789	-
Accrued income	32,836	16,332
Taxation recoverable	101	2,382
Total debtors	<u><u>2,792,426</u></u>	<u><u>18,916</u></u>

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

11 OTHER CREDITORS

	29 February 2020 £	28 February 2019 £
Amounts payable for cancellation of units	116,775	268,578
Purchases awaiting settlement	1,594,172	-
Manager's periodic charge and registration fees	78,839	73,475
Accrued expenses	15,173	10,203
Total other creditors	<u>1,804,959</u>	<u>352,256</u>

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 29 February 2020 (2019: nil).

13 RELATED PARTIES

The authorised fund manager is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders on page 16 and note 9. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7. Amounts due to the authorised fund manager at the year end are £182,914 (2019: £341,851).

In addition to the above, some shares in the Fund are owned by directors of Marlborough Fund Managers Ltd as set out below:

Proportion of shares owned by directors of Marlborough Fund Managers Ltd	-	0.01%
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Distributions were payable on the above holdings at the rates applicable to other unitholders.

14 UNIT CLASSES

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

A Accumulation	1.50%
B Accumulation	1.00%
P Accumulation	0.75%
I Accumulation	0.00%

15 UNITHOLDERS' FUNDS RECONCILIATION

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

	A Accumulation	B Accumulation	P Accumulation
Opening units in issue at 1 March 2019	31,271,259	46,640	2,984,921
Units issues	270,004	16,703	254,242
Units cancellations	(2,482,900)	(504)	(764,109)
Units conversions	(256,213)	-	244,923
Closing units in issue at 29 February 2020	<u>28,802,150</u>	<u>62,839</u>	<u>2,719,977</u>

	I Accumulation
Opening units in issue at 1 March 2019	487
Units issues	990
Units cancellations	(477)
Units conversions	-
Closing units in issue at 29 February 2020	<u>1,000</u>

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £2,714,069 (2019: £3,024,813). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

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

Foreign currency exposure at 29 February 2020:

	Investments £	Net current assets £	Total £
US dollar	736,360	-	736,360
	<u>736,360</u>	<u>-</u>	<u>736,360</u>

Foreign currency exposure at 28 February 2019:

	Investments £	Net current assets £	Total £
US dollar	1,653,039	-	1,653,039
	<u>1,653,039</u>	<u>-</u>	<u>1,653,039</u>

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £36,818 (2019: £60,694). A five per cent increase would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 29 February 2020 consists of the following:

	29 February 2020 £	28 February 2019 £
Financial assets floating rate	20,072,923	14,336,196
Financial assets non-interest bearing instruments	46,466,416	51,576,478
Financial liabilities non-interest bearing instruments	(1,804,959)	(352,256)
	<u>64,734,380</u>	<u>65,560,418</u>

As most of the Fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

Liquidity risk

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

	29 February 2020 £	28 February 2019 £
Within one year:		
Other creditors	1,804,959	352,256
	<u>1,804,959</u>	<u>352,256</u>

MARLBOROUGH BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2020

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	29 February 2020		28 February 2019	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	13,065,476	-	731,122	-
Level 2 - Observable market data	40,479,549	-	58,843,225	-
Level 3 - Unobservable data	736,360	-	921,917	-
	<u>54,281,385</u>	<u>-</u>	<u>60,496,264</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

* EEA Life Settlements is an illiquid stock and is priced using information supplied by the company on a monthly basis.

18 POST BALANCE SHEET EVENTS

Since the year end there has been a significant global market reaction to the to the ongoing Covid-19 global pandemic. The impact on global markets going forwards will depend on the ongoing scale, duration and individual approach to each countries government in their management of the pandemic, which continues to evolve on a day by day basis. This economic uncertainty could have a significant adverse impact on the Fund, including on the fair value of its investments. MFM as the Authorised Fund Manager and the Investment Manager to the Fund continue to monitor UK government announcements and advice as the situation continues to develop.

The Authorised Fund Manager considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event.

Since 29 February 2020, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	29 February 2020*	25 June 2020	Movement (%)
A Accumulation	204.04	203.42	-0.30%
B Accumulation	211.70	211.40	-0.14%
P Accumulation	214.84	214.70	-0.07%
I Accumulation	220.93	221.33	0.18%

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

MARLBOROUGH BALANCED FUND

DISTRIBUTION TABLE

Final distribution for the period from 1 March 2019 to 29 February 2020

Group 1: units purchased prior to 1 March 2019

Group 2: units purchased on or after 1 March 2019

		Net revenue 29 February 2020 pence per unit	Equalisation 29 February 2020 pence per unit	Distribution paid 30 April 2020 pence per unit	Distribution paid 30 April 2019 pence per unit
A Accumulation	Group 1	0.8832p	-	0.8832p	0.5188p
	Group 2	-	0.8832p	0.8832p	0.5188p
B Accumulation	Group 1	1.9796p	-	1.9796p	1.5579p
	Group 2	1.0623p	0.9173p	1.9796p	1.5579p
P Accumulation	Group 1	2.5412p	-	2.5412p	2.0664p
	Group 2	0.5132p	2.0280p	2.5412p	2.0664p
I Accumulation	Group 1	4.2840p	-	4.2840p	3.7091p
	Group 2	4.2840p	-	4.2840p	3.7091p

Marlborough

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