

## MIFID II PRODUCT GOVERNANCE

Marlborough Bond Income

### Product

The product is a non-complex, FCA authorised UCITs fund. The Fund is actively managed.

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

At least 80% of the Fund will be invested in bonds issued by companies and institutions. These will be investment grade bonds which are loans issued by entities that have a high capacity to repay the debt.

The Fund may also invest in sub-investment grade bonds which can be more vulnerable to changing economic conditions, bonds issued by governments, shares (including preference shares and permanent interest bearing shares), bonds which may be converted into shares (known as convertible bonds) and money market instruments (which are shorter term loans).

The Manager's principal aim is to buy bonds and hold them to maturity in order to maximise the income generated, although some investments may be sold prior to maturity. The Fund invests in a diversified portfolio of securities and has no constraints in relation to industry.

### Target Market

#### **The type of client to whom the product is targeted**

As a non-complex fund it is targeted at retail investors, professional investors and eligible counterparties.

#### **Clients' knowledge and experience**

This fund is suitable for the basic investor. Investment experience is not a necessity however a basic understanding of the kind of underlying investments of the scheme is important. It has no complex features or guarantees in place that would require more than a basic understanding of investment markets or instruments.

Investors should read the Key Investor Information document which is intended to help investors understand the nature and risk of investing in this fund.

Investors are also advised to read the fund's prospectus which contains details on the objectives, investment strategies, risk, distribution policy, fees, expenses and Fund Management.

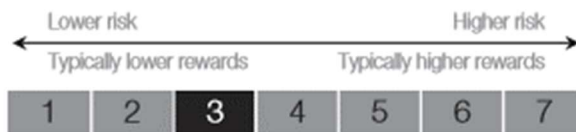
#### **Clients' financial situation, with a focus on the ability to bear losses**

Clients should be prepared to commit to their investment for the long term or risk losing part

of their investment in the short to medium term. The minimum investment horizon should be greater than five years.

Investors will have no risk of loss greater than their invested amount. As a fund with exposure to financial instruments investors should be aware that the potential exists for a total loss of assets and should therefore be able to bear such losses. However, the fund will be managed in such a way to reduce this risk considerably.

### **Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market**



This Fund has been measured as 3 because its investments have experienced low to moderate volatility in the past. The Fund's volatility is affected by various risks.

The Fund is therefore compatible with clients who have a lower than medium risk tolerance.

Perceptions of risk will vary from person to person. The risk tolerance identified here refers to a fund which invests in such a way as to maintain a lower than moderate volatility. It will not take significant positions in single markets or asset classes or invest in highly speculative assets.

### **Clients' objectives and needs**

The client's objectives should be in line with the Fund's investment objective, which is to generate capital growth over the longer term (5 years +) by gaining exposure to a defensive mix of asset classes.

### **Clients who should not invest (the 'negative-target market')**

The Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Fund. The Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

### **Distribution channel**

The Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions.