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# MARLBOROUGH EUROPEAN MULTI-CAP FUND

## INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 10 March 2020

## **MARLBOROUGH EUROPEAN MULTI-CAP 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**

Hargreave Hale Limited  
Talisman House  
Boardmans Way  
Blackpool  
Lancashire  
FY4 5FY

#### **Auditor**

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

#### **Directors of Marlborough Fund Managers Ltd**

Andrew Staley	Chairman
Nicholas F J Cooling	Deputy Chairman
Allan Hamer	Joint Managing Director
Wayne D Green	Joint Managing Director
Dom Clarke	Finance Director
Geoffrey Hitchin	Investment Director
Helen Derbyshire	Director – Compliance & Risk
Richard Goodall	Director – Strategy & Business Development
Guy Sears	Non-Executive Director
David Kiddie	Non-Executive Director
Sarah Peaston	Non-Executive Director (appointed 1 October 2019)

## **MARLBOROUGH EUROPEAN MULTI-CAP FUND**

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## MARLBOROUGH EUROPEAN MULTI-CAP FUND

### AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 10 March 2020

#### Percentage change and sector position to 10 March 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Marlborough European Multi-Cap Fund	-4.30%	3.84%	5.04%	86.46%
IA Europe ex. UK Sector	-10.44%	-0.74%	1.23%	30.67%
Quartile Ranking*	1	1	2	1

\* Based on ranking within The Investment Association Europe ex. UK sector.

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



Over the 6 months under review the Fund's P class share fell 4.3% vs drops of 14%, 10.7%, and 8.3% for the MSCI Europe ex UK standard, small cap, and micro-cap indices respectively.

The Fund performed above the index returns thanks to particularly strong share price performances from several significant holdings of which there is more detail below. We also comment below on the large falls in global equity markets after the period of review and the effects of this on the fund.

The best performers for the Fund were Norwegian embedded software group Data Respons (received takeover offer from larger competitor), Finnish used car retailer Kamux (successful expansion based on strong digital offer in Scandinavia and Germany), Norwegian electricity retailer Fjordkraft (strong results thanks to accretive acquisitions of smaller competitors and stable competitive environment), French software group Axway (new range of products gaining traction), Swedish window manufacturer Inwido (cost cutting and reduction in management layers has boosted margins), Norwegian cloud software consultant and reseller Crayon (strong sales growth including in the important US market), Finnish sauna component vendor Harvia (strong growth from market share gains and acquisitions), Swedish industrial personal protection equipment distributor Swedol (received takeover offer from larger competitor), Italian jewellery group FOPE (promising expansion outside Italy), and Swedish foundry technology group Sintercast (further new customer wins driving sales and margin growth).

The worst performers were French sports equipment group Abeo (sales slowdown and weak performance of acquired companies, holding much reduced), Italian telecommunications services group Vetrya (delay in launch of new products), Italian mobile cooling and refrigeration group Indel B (slowdown in target market of new trucks), Swedish residential property developer Bonava (affected by planning delays in Germany and poor project execution in Finland, holding reduced), French construction equipment group SFPI (affected by internal restructuring and slower construction activity in France), Irish company Dalata Hotel Group (Coronavirus, has sufficient financial resources to come through this period), Austrian automotive plastic components group Polytec (significant drop in demand from automotive customers), Italian gas heating boiler component and smart meter supplier SIT (was affected by weak sales to China, has refocused onto European markets), French residential property promoter Adomos (strong results but concern about effect of Coronavirus), Italian consumer electronics retailer Unieuro (significantly affected by Coronavirus, online sales and selected shop re-openings mitigate the impact), and Swedish organic food products group Midsona (affected by loss of agency contract and weaker trading at German acquisition, expected to benefit from recent increase in food retail sales).

The most significant new purchases were large cap Swedish telecom equipment vendor Ericsson (overcoming previous mismanagement issues and expected to profit from 5G roll out and issues in west around Huawei) and French IT consultant Aubay (successfully expanding from France into Italy and Spain, focus on finance and telecommunications sectors). The most significant additions were made to Finnish accountancy services group Talenom (taking share with automated platform from less sophisticated small competitors), Finnish used car retailer Kamux (see above), Danish hearing aid vendor Demant (new product family sales and recovery from cyberattack can drive profit growth), and French care home and rehabilitation centre operator LNA Sante (further market share gains in France expected).

The most significant sales were of Data Respons, Swedol (see above for both, takeover offers received), German medical radiotherapy group Eckert & Ziegler (took profit after strong share price gain), Spanish rice and pasta group Ebro (facing some margin pressure from rising costs), Swedish commercial property group Dios (took profit after strong share price gain), and Dutch food service group Sligro (integration of large acquisition from Heineken taking longer than planned).

Since the end of the period under review there have been very sharp falls in equity markets worldwide due to the spread of the Coronavirus and the economic impact of the measures necessary to fight it. The Fund price has fallen significantly, and it is clear that 2020 is likely to be a very poor year for company profits in sectors reliant on consumer spending which have been most affected by government lockdown measures. We are ensuring that the Fund holds companies with sufficiently strong balance sheets and cashflows which are able to survive a potentially lengthy period of disruption and continue with expansion strategies when the health situation improves. We expect this situation will generate numerous buying opportunities even though the economic outlook has clearly deteriorated and is quite unclear for the time being.

David Walton - Fund Manager / Will Searle - Deputy Fund Manager  
Hargreave Hale Limited  
6 April 2020

## MARLBOROUGH EUROPEAN MULTI-CAP FUND

### AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 10 March 2020

#### Distributions (pence per unit)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>A Income</u>				
Net income paid 10 November	5.8278	3.3264	1.5296	0.9320
<u>B Income</u>				
Net income paid 10 November	8.1258	5.7541	3.6900	2.4132
<u>P Income</u>				
Net income paid 10 November	9.2412	7.0020	4.7939	3.2338

#### Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Aubay	815,305	Data Respons	5,768,507
Kamux	665,259	ENAV	4,244,576
LNA Santé	642,303	Swedol 'B'	4,031,334
Bilendi	613,938	Eckhert & Ziegler	3,859,639
Demant	604,956	Bankinter	3,500,923
Ericsson 'B'	599,949	Cramo	3,274,036
STEF	556,117	Fluidra	3,087,531
Midsona 'B'	542,122	Ebro Foods	2,899,064
Delta Plus Group	470,169	SCOR	2,811,221
Adapteo	463,579	Diös Fastigheter	2,704,925
Other purchases	2,819,201	Other sales	32,523,351
Total purchases for the period	8,792,898	Total sales for the period	68,705,107

## **MARLBOROUGH EUROPEAN MULTI-CAP FUND**

### **AUTHORISED STATUS AND GENERAL INFORMATION**

#### **Authorised status**

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

#### **Investment objective and policy**

The investment objective of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

At least 80% of the Fund will be invested in the shares of companies listed on European stock markets (excluding the UK). Of this, up to 90% will be in smaller companies. The Investment Manager defines smaller companies as companies in the bottom 20% of the market cap, meaning the 20% smallest listed companies by size. The remainder will be in Mid and Large cap companies.

The Fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when.

The Fund may also invest in other types of security which are linked to the performance of a company, such as; investment grade bonds, which are loans typically issued by companies and governments, where the issuer has a higher capacity to repay the debt; bonds which may be converted into shares (known as convertible bonds); and preference shares. A small amount may be held in UK companies to allow for changes which may be made to existing investments, for example following a restructure.

In addition, the Fund may invest in other funds (including investment trusts) which offer exposure to European companies and from time to time, may hold a small amount in investment grade bonds.

The Fund will normally hold an amount of cash to enable ready settlement of liabilities and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in certain circumstances, such as volatile market conditions.

The Fund may also hold money market instruments, a type of short-term loan, and funds that invest in these instruments as an alternative to holding cash.

The Fund's investment policy puts it in the IA Europe Excluding UK 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.

#### **Changes in prospectus**

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 17 April 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 EUROPEAN MULTI-CAP 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**

**G R HITCHIN**  
**INVESTMENT DIRECTOR**

**MARLBOROUGH FUND MANAGERS LTD**  
5 May 2020

**MARLBOROUGH EUROPEAN MULTI-CAP FUND**
**COMPARATIVE TABLE**
**A Income units**

<b>Change in net assets per unit</b>	<b>Period to 10.03.2020 pence</b>	<b>Year to 10.09.2019 pence</b>	<b>Year to 10.09.2018 pence</b>	<b>Year to 10.09.2017 pence</b>
Opening net asset value per unit	456.46	478.81	485.80	365.97
Return before operating charges*	(17.59)	(9.47)	3.93	128.45
Operating charges	(3.76)	(7.05)	(7.59)	(7.09)
Return after operating charges*	(21.35)	(16.52)	(3.66)	121.36
Distributions on income units	-	(5.83)	(3.33)	(1.53)
Closing net asset value per unit	435.11	456.46	478.81	485.80

\* after direct transaction costs of: 0.20 0.26 0.48 1.64

**Performance**

Return after charges -4.68% -3.45% -0.75% 33.16%

**Other information**

Closing net asset value	£46,629,976	£55,167,233	£65,254,567	£41,469,020
Closing number of units	10,716,941	12,085,822	13,628,461	8,536,214
Operating charges	1.58% <sup>A</sup>	1.57%	1.57%	1.61%
Direct transaction costs	0.08% <sup>A</sup>	0.06%	0.10%	0.37%

**Prices**

Highest unit price	513.06p	485.29p	496.77p	494.35p
Lowest unit price	429.50p	411.14p	463.41p	360.41p

**B Income units**

<b>Change in net assets per unit</b>	<b>Period to 10.03.2020 pence</b>	<b>Year to 10.09.2019 pence</b>	<b>Year to 10.09.2018 pence</b>	<b>Year to 10.09.2017 pence</b>
Opening net asset value per unit	457.07	479.50	486.50	366.32
Return before operating charges*	(17.62)	(9.47)	3.94	128.73
Operating charges	(2.58)	(4.83)	(5.19)	(4.86)
Return after operating charges*	(20.20)	(14.30)	(1.25)	123.87
Distributions on income units	-	(8.13)	(5.75)	(3.69)
Closing net asset value per unit	436.87	457.07	479.50	486.50

\* after direct transaction costs of: 0.20 0.26 0.48 1.63

**Performance**

Return after charges -4.42% -2.98% -0.26% 33.81%

**Other information**

Closing net asset value	£425,486	£496,069	£536,145	£692,743
Closing number of units	97,395	108,532	111,813	142,392
Operating charges	1.08% <sup>A</sup>	1.07%	1.07%	1.11%
Direct transaction costs	0.08% <sup>A</sup>	0.06%	0.10%	0.37%

**Prices**

Highest unit price	514.73p	486.07p	499.36p	497.19p
Lowest unit price	431.23p	412.31p	465.39p	360.74p

<sup>A</sup> These figures have been annualised.



## MARLBOROUGH EUROPEAN MULTI-CAP FUND

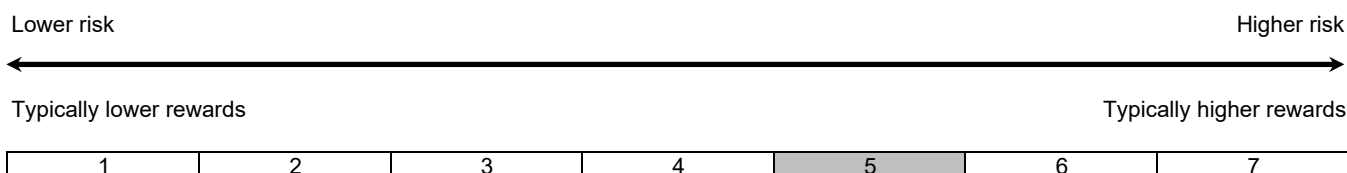
### COMPARATIVE TABLE

<b>P Income units</b>	<b>Period to 10.03.2020</b>	<b>Year to 10.09.2019</b>	<b>Year to 10.09.2018</b>	<b>Year to 10.09.2017</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	457.33	479.69	486.72	366.40
Return before operating charges*	(17.74)	(9.42)	3.95	129.03
Operating charges	(1.98)	(3.70)	(3.98)	(3.92)
Return after operating charges*	(19.72)	(13.12)	(0.03)	125.11
Distributions on income units	-	(9.24)	(7.00)	(4.79)
Closing net asset value per unit	437.61	457.33	479.69	486.72
* after direct transaction costs of:	0.20	0.26	0.48	1.70
<b>Performance</b>				
Return after charges	-4.31%	-2.74%	-0.01%	34.15%
<b>Other information</b>				
Closing net asset value	£192,682,557	£248,198,349	£370,595,875	£237,891,667
Closing number of units	44,031,033	54,270,625	77,256,685	48,876,855
Operating charges	0.83% <sup>A</sup>	0.82%	0.82%	0.86%
Direct transaction costs	0.08% <sup>A</sup>	0.06%	0.10%	0.37%
<b>Prices</b>				
Highest unit price	515.41p	486.42p	500.77p	498.50p
Lowest unit price	431.96p	412.74p	466.24p	360.81p

<sup>A</sup> These figures have been annualised.

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.

### 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, the returns of a representative portfolio are used.

The Fund has been measured as 5 because it has experienced moderate to high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

**MARLBOROUGH EUROPEAN MULTI-CAP FUND**
**PORTFOLIO STATEMENT**

as at 10 March 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AUSTRIA</b> (10 September 2019 - 0.61%)		
42,500 Frequentis	643,190	0.27
159,104 POLYTEC HOLDING	820,642	0.34
Total Austria	<u>1,463,832</u>	<u>0.61</u>
<b>DENMARK</b> (10 September 2019 - 5.14%)		
2,611,132 Columbus	2,247,396	0.94
121,500 Demant	2,756,071	1.15
454,339 H+H International 'B'	6,135,968	2.56
50,425 RTX	1,130,300	0.47
101,397 Solar 'B'	3,127,845	1.30
Total Denmark	<u>15,397,580</u>	<u>6.42</u>
<b>FINLAND</b> (10 September 2019 - 5.42%)		
735,500 Harvia	6,113,387	2.55
320,000 Kamux	2,196,985	0.91
198,804 Talenom	1,143,194	0.48
488,246 Teleste	1,939,788	0.81
Total Finland	<u>11,393,354</u>	<u>4.75</u>
<b>FRANCE</b> (10 September 2019 - 17.07%)		
32,465 ABEO	353,571	0.15
710,000 ADOMOS	346,415	0.14
30,510 Aubay	697,786	0.29
258,536 Axway Software	3,739,211	1.56
87,000 Baikowski	886,862	0.37
280,181 Bilendi	2,060,307	0.86
153,746 Bureau Veritas	2,616,115	1.09
94,060 Delta Plus Group	3,425,564	1.43
141,649 Groupe Guillin	1,742,605	0.73
1,320,700 Groupe SFPI	1,444,105	0.60
90,768 Hexaom	2,479,255	1.03
143,945 Kaufman & Broad	4,183,824	1.75
51,136 LNA Santé	1,893,505	0.79
85,216 Manitou	1,158,235	0.48
153,279 Mersen	3,158,382	1.32
291,582 Microwave Vision	4,801,460	2.00
92,448 Société Pour L'Informatique Industrielle	1,691,483	0.71
72,143 STEF	4,343,332	1.81
135,038 Synergie	2,488,383	1.04
88,358 Thermador Groupe	3,779,881	1.58
Total France	<u>47,290,281</u>	<u>19.73</u>
<b>GERMANY</b> (10 September 2019 - 3.72%)		
23,717 Eckhert & Ziegler	3,012,785	1.25
28,732 Einhell Germany	1,214,111	0.51
Total Germany	<u>4,226,896</u>	<u>1.76</u>
<b>GREECE</b> (10 September 2019 - 1.42%)		
581,854 SARANTIS GROUP	3,802,122	1.59
Total Greece	<u>3,802,122</u>	<u>1.59</u>
<b>GUERNSEY</b> (10 September 2019 - 0.32%)		
Total Guernsey	<u>-</u>	<u>-</u>
<b>ITALY</b> (10 September 2019 - 13.65%)		
396,100 Banca Farmafactoring	1,632,363	0.68
619,076 Credito Emiliano	2,087,400	0.87
20,200 DiaSorin	1,983,472	0.83
75,923 El.En.	1,420,883	0.59
731,329 Esprinet	2,688,909	1.12

**MARLBOROUGH EUROPEAN MULTI-CAP FUND**
**PORTFOLIO STATEMENT**

as at 10 March 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>ITALY (continued)</b>		
132,500 FOPE	1,015,896	0.42
126,236 Indel B	1,572,788	0.66
29,384 Italian Wine Brands	330,257	0.14
447,205 Openjobmetis	2,181,953	0.91
348,152 Sabaf	3,257,797	1.36
191,703 SeSa	6,597,461	2.75
224,080 SIT	960,548	0.40
339,119 Unieuro	2,588,255	1.08
169,785 Vetrya	596,149	0.25
Total Italy	<u>28,914,131</u>	<u>12.06</u>
<b>LUXEMBOURG (10 September 2019 - 0.48%)</b>		
Total Luxembourg	<u>-</u>	<u>-</u>
<b>NETHERLANDS (10 September 2019 - 3.29%)</b>		
35,189 Nedap	1,416,445	0.59
161,222 NN Group	3,777,165	1.57
33,235 Sligro Food Group	616,774	0.26
Total Netherlands	<u>5,810,384</u>	<u>2.42</u>
<b>NORWAY (10 September 2019 - 12.70%)</b>		
1,326,215 Crayon Group Holding	5,096,830	2.13
1,083,793 Fjordkraft Holding	6,379,008	2.66
2,031,915 Infront	3,166,227	1.32
296,356 Medistim	3,565,162	1.49
1,923,074 Self Storage Group	3,772,954	1.57
793,988 Skandiabanken	3,448,859	1.44
1,976,000 StrongPoint	1,994,234	0.83
Total Norway	<u>27,423,274</u>	<u>11.44</u>
<b>PORTUGAL (10 September 2019 - 0.82%)</b>		
365,781 Ibersol SGPS	2,326,456	0.97
Total Portugal	<u>2,326,456</u>	<u>0.97</u>
<b>REPUBLIC OF IRELAND (10 September 2019 - 7.21%)</b>		
697,450 Applegreen	2,649,417	1.11
796,800 CPL Resources	5,553,798	2.32
725,201 Dalata Hotel Group	2,066,127	0.86
589,800 FBD Holdings	4,193,202	1.75
367,900 Ryanair Holdings	3,811,206	1.59
1,888,500 Total Produce	1,948,137	0.81
210,000 TVC Holdings *	10,978	-
Total Republic of Ireland	<u>20,232,865</u>	<u>8.44</u>
<b>SPAIN (10 September 2019 - 5.72%)</b>		
226,338 Alquiber Quality	1,114,184	0.46
164,400 Ebro Foods	2,457,932	1.03
1,864,000 Ercros	3,189,615	1.33
Total Spain	<u>6,761,731</u>	<u>2.82</u>
<b>SWEDEN (10 September 2019 - 21.56%)</b>		
377,020 Adapteo	2,981,319	1.24
385,510 Balco Group	2,850,713	1.19
219,882 Bonava	1,268,384	0.53
252,516 BTS Group 'B'	4,474,090	1.87
251,444 Bulten	1,301,946	0.54
409,344 Diös Fastigheter	2,748,769	1.15
307,365 Elanders 'B'	1,720,807	0.72
527,367 Enea	6,079,943	2.54
95,500 Ericsson 'B'	556,144	0.23

## MARLBOROUGH EUROPEAN MULTI-CAP FUND

### PORTFOLIO STATEMENT

as at 10 March 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>SWEDEN (continued)</b>		
348,485 Internationella Engelska Skolan	1,832,606	0.76
342,709 Inwido	2,132,178	0.89
165,500 JM	3,324,654	1.39
154,322 Loomis 'B'	3,790,542	1.58
446,128 Mekonomen	2,470,612	1.03
661,925 Midsona 'B'	2,230,465	0.93
563,723 Nordic Waterproofing Holding	4,191,341	1.75
263,489 Proact IT Group	2,826,687	1.18
259,665 SinterCast	3,487,331	1.45
840,235 Swedol 'B'	3,137,214	1.31
341,938 VBG Group 'B'	3,914,493	1.63
Total Sweden	<u>57,320,238</u>	<u>23.91</u>
<b>SWITZERLAND (10 September 2019 - 1.90%)</b>		
25,320 Roche Holding	6,354,681	2.65
Total Switzerland	<u>6,354,681</u>	<u>2.65</u>
<b>Portfolio of investments</b>	238,717,825	99.57
<b>Net current assets</b>	1,020,194	0.43
<b>Total net assets</b>	<u>239,738,019</u>	<u>100.00</u>

\* Unquoted Securities.

### PORTFOLIO TRANSACTIONS

for the six month period ended 10 March 2020

	£
Total purchases costs, including transaction charges	8,792,898
Total sales proceeds, net of transaction charges	68,705,107

**MARLBOROUGH EUROPEAN MULTI-CAP FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 10 March 2020

	10 March 2020		10 March 2019	
	£	£	£	£
Income:				
Net capital losses		(8,299,617)		(44,997,109)
Revenue	890,496		1,384,882	
Expenses	<u>(1,377,117)</u>		<u>(1,755,129)</u>	
Net revenue before taxation		<u>(486,621)</u>		<u>(370,247)</u>
Taxation		<u>(12,696)</u>		<u>(86,957)</u>
Net revenue after taxation		<u>(499,317)</u>		<u>(457,204)</u>
Total return before distributions		(8,798,934)		(45,454,313)
Distributions		(518)		(91)
Change in net assets attributable to unitholders from investment activities		<u><u>(8,799,452)</u></u>		<u><u>(45,454,404)</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

for the six month period ended 10 March 2020

	10 March 2020		10 March 2019	
	£	£	£	£
Opening net assets attributable to unitholders		* 303,861,651		436,386,587
Amounts receivable on issue of units	10,462,065		14,976,210	
Amounts payable on cancellation of units	(65,786,231)		(71,317,912)	
Amounts payable on unit class conversions	<u>(14)</u>		<u>721</u>	
		(55,324,180)		(56,340,981)
Change in net assets attributable to unitholders from investment activities		(8,799,452)		(45,454,404)
Unclaimed distributions		-		13
Closing net assets attributable to unitholders		<u><u>239,738,019</u></u>		* <u><u>334,591,215</u></u>

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

## MARLBOROUGH EUROPEAN MULTI-CAP FUND

### BALANCE SHEET

as at 10 March 2020

	10 March 2020 £	10 September 2019 £
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	238,717,825	306,977,209
<b>Current Assets:</b>		
Debtors	1,219,332	905,411
Cash and bank balances	2,145,727	5,820,982
Total assets	<u>242,082,884</u>	<u>313,703,602</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	1,230,616	368,614
Distribution payable	-	5,728,464
Other creditors	1,114,249	3,744,873
Total liabilities	<u>2,344,865</u>	<u>9,841,951</u>
<b>Net assets attributable to unitholders</b>	<u>239,738,019</u>	<u>303,861,651</u>

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 10 March 2020

#### Basis for preparation

The interim financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017.

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

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

#### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 10 September 2019 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 10 March 2020.

#### Post balance sheet events

There has been a significant global market reaction to the ongoing Covid-19 global pandemic.

The impact on global markets going forward will depend on the ongoing scale, duration and individual approach of each country's government in their management of the pandemic, which continues to evolve on a day by day basis.

This economic market 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 Hargreave Hale Ltd as the Investment Manager to the Fund continue to monitor UK government announcements and advice as the situation continues to develop.

Since 10 March 2020 the Net Asset Value per unit of the Fund, expressed in pence per unit, has changed as follows:

	<u>10 March 2020</u> *	<u>1 May 2020</u>	<u>Movement (%)</u>
A Income	436.58	414.87	-4.97%
B Income	438.35	416.84	-4.91%
P Income	439.09	417.70	-4.87%

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

# Marlborough

— Fund Managers —

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