

MIFID II PRODUCT GOVERNANCE

Marlborough Far East Growth

Product

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

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years. The Fund aims to outperform the average of the IA Asia Pacific excluding Japan sector over any 5 year period.

At least 80% of the Fund will be invested in the shares of companies listed on stock markets in the Asia Pacific region (excluding Japan).

This may include through funds (including exchange traded funds which typically track an index) and investment trusts which themselves invest in these countries or which gain exposure through financial instruments whose returns are linked to these markets (also known as derivatives), and other securities whose returns are linked to company performance, such as depositary receipts.

The Fund is actively managed which means the Manager decides which investments to buy or sell and when, and will maintain a relatively concentrated portfolio, typically between 50 – 70 holdings in companies of a range of sizes.

The Team approaches construction of the portfolio from three overlapping standpoints:

- economic and market conditions in each country and sector
- a selection of companies which the Team believes to be financially strong or whose valuations appear out of line with expectations
- companies which fit broader themes, which the investment team believes are likely to drive share price returns over the medium term

The Team use the Morningstar OIP Asia Ex Japan Net Return Index as a reference point for portfolio construction and risk management purposes.

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 6 because its investments have experienced high volatility in the past. The Fund's volatility is affected by various risks.

The Fund is therefore compatible with clients who have a high-risk tolerance. They should be willing to accept price fluctuations in exchange for the opportunity of higher returns.

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 moderate to high 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 balanced 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.

