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MARLBOROUGH GLOBAL FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 31 December 2019

MARLBOROUGH GLOBAL FUND

CONTACT INFORMATION

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BL1 4QP

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Trustee

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

Investment Adviser

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Authorised and regulated by the Financial Conduct Authority.

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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 GLOBAL FUND

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MARLBOROUGH GLOBAL FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 December 2019

Percentage change and sector position to 31 December 2019

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>22.02.1999*</u>
Marlborough Global Fund	5.03%	20.81%	22.01%	55.11%	223.61%
IA Global Sector	4.40%	22.02%	31.01%	66.87%	240.24%
Quartile Ranking**	2	3	4	4	3

* Gurjit Soggi appointed investment manager.

** Based on ranking within The Investment Association Global sector.

External Source of Economic Data: Morningstar (Class P Acc - bid to bid).

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

During the period under review, the bid (selling price) of the P Shares (with income re-invested) increased by 5.03%, outperforming the IA Global sector average gain of 4.38% during the reporting period.



In general terms, the investment landscape has been marked by a continued slowdown in global economic data, offset during September by further monetary easing from the US and Europe. An air of caution has remained following May's short, sharp drop across all major equity indices that saw the S&P 500 (US) fall by more than 6%. After a period of consolidation, welcome optimism arrived going into July with markets regaining the lost ground and moving into positive territory. August, however, a typically lack lustre month, gave most of this back with the FTSE 100 (UK) slipping by almost 5%. After the summer months proved to be difficult for risk assets, investors returned from the holiday season in positive mood. Moving into October, headlines continued to be dominated by Brexit with the UK avoiding a no-deal departure by agreeing an extension to the deadline. In addition, Prime Minister Boris Johnson was granted his wish of a December election, the outcome of which provided a majority Conservative government, paving the way to finally move Brexit to a conclusion, albeit with a transitional period. Also, the US Federal Reserve cut interest rates for the third time in the year and financial markets welcomed signs of an easing in geopolitical tensions with the US and China.

With all of this providing a backdrop of uncertainty it is of no surprise that the 6-month period was punctuated with volatility, making medium term asset allocation decisions difficult to call. In the UK, the FTSE 100 finished up just 3.69% for the six-months, compared with a 17.32% return for the calendar year. The US continued to make good ground, posting a 10.92% gain. Despite the gloom that continues to hang over Japan, the Nikkei 225 was up by 12.30%. European equities as a whole gained 7.98% with investors shrugging off the fact that Germany narrowly avoided a technical recession. Far Eastern (ex-Japan) equities regained lost ground up 6.92%, as did Emerging Markets, up by 7.51%. On the face of it, China's market gain of 5.93% for the period under review may appear reasonably modest, when compared to the impressive market gain of 37% for the 2019 calendar year.

In terms of performance of the Fund's underlying exposure, UK equities led the way during the period with Vanguard's FTSE 250 ETF returning +13.94%, Castlefield UK Buffetology +10.12% and Man GLG Income Professional +9.98%. The iShares Automation & Robotics ETF delivered +7.64%, while the M&G Global Listed Infrastructure contributed +6.75%. The performance of the majority of the remaining holdings ranged within a band of between 1% and 6%. In Japan the Man GLG Japan Core Alpha, Baillie Gifford Japan Smaller Companies and JPM Japan funds contributed +3.5%, +1.15% and +6.84% respectively. Finally, the LF Odey Continental European Fund, was the only fund to post a negative -0.41%, underperforming its benchmark by 3.48% as investors continued to shun value stocks.

Numerous interlinked factors with unpredictable outcomes have given the overall global economy an air of uncertainty, resulting in a degree of caution. Although the outcome of the UK election is now known, potentially giving Brexit a clearer pathway, and the US and China appear to be making progress on trade negotiations, there is still plenty to be mindful of. Trade negotiations could quite easily stall, or worse still, turn confrontational, and this combined with the risks posed by the coronavirus and US elections in November 2020 means we continue to proceed with an element of caution. Until there is more clarity, we continue to believe that it makes sense to avoid heavily overweight positions in specific asset classes and geographies, and key to preserving investor's wealth has been finding a balance that avoided being overly exposed during negative times, while being nimble enough to react when the opportunities present themselves.

Gurjit Soggi
Marlborough Investment Management Ltd
20 February 2020

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MARLBOROUGH GLOBAL FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 December 2019

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 on the last day of February	0.0000	0.0000	0.0000	0.0000
Net income paid 31 August		0.0000	0.0000	0.0000
<u>B Accumulation</u>				
Net income paid on the last day of February	0.0000	0.0000	0.0000	0.0000
Net income paid 31 August		0.1766	0.0000	0.0000
<u>P Accumulation</u>				
Net income paid on the last day of February	0.3072	0.1400	0.0409	0.2688
Net income paid 31 August		0.4899	0.0000	0.0000

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
JPM US Equity Income 'C' Net	2,308,700	Fidelity Active Strategy Europe 'W' GBP	2,658,816
Artemis US Select 'I' GBP	2,051,298	Fidelity American Special Situations 'W'	2,241,369
Xtrackers S&P Europe ex. UK UCITS ETF '1D' EUR	1,279,471	Artemis US Extended Alpha 'I' GBP	2,051,298
Xtrackers S&P 500 2x Lev Dly Swp UCITS ETF '1C' USD	1,233,849	iShares Core S&P 500 UCITS ETF USD	1,766,029
iShares Core S&P 500 UCITS ETF USD	1,101,136	iShares Gold Producers UCITS ETF USD	1,629,607
Wells Fargo (Lux) Worldwide US All Cap Growth 'I' USD	1,060,419	Xtrackers S&P 500 2x Leveraged Daily Swap UCITS ETF	1,609,545
Vanguard FTSE 250 UCITS ETF GBP	1,058,372	T Rowe Price US Blue Chip Equity 'Q' GBP	1,331,524
Man GLG Japan CoreAlpha Equity 'I' GBP	1,022,600	iShares Core FTSE 100 UCITS ETF GBP	870,305
iShares Core FTSE 100 UCITS ETF GBP	899,840	WisdomTree Short EUR Long USD 3x Daily	759,805
WisdomTree Short EUR Long USD 3x Daily	800,212	JPM Japan 'C' Net	624,300
Other purchases	7,372,490	Other sales	6,873,086
Total purchases for the period	20,188,387	Total sales for the period	22,415,684

MARLBOROUGH GLOBAL FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Marlborough Global 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.

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 Global sector.

Rights and terms attaching to each unit class

Each 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

No significant changes have been made since the last report.

Up to date key investor information documents, prospectus and manager's reports and accounts for any fund within the manager's range, can be requested by the investor at any time.

Leverage

In accordance with the Alternative Investment Fund Manager's Directive (AIFMD) we are required to disclose the 'leverage' of the Fund. Leverage is defined as any method by which the 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.

Therefore, the total amount of leverage calculated as at 31 December 2019 is as follows:

Gross method: 97.63%

Commitment method: 97.63%

The maximum level of leverage which may be employed on behalf of the Fund when calculated in accordance with the gross method is 160%.

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

MARLBOROUGH GLOBAL 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
26 February 2020

MARLBOROUGH GLOBAL FUND

COMPARATIVE TABLE

Accumulation units were first offered at 50p on 18 May 1992. On 31 December 2012, the existing units were reclassified as A Accumulation units and B Accumulation and P Accumulation units became available for purchase.

A Accumulation units	Period to 31.12.2019	Year to 30.06.2019	Year to 30.06.2018	Year to 30.06.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	251.46	247.17	232.34	192.26
Return before operating charges*	14.59	10.06	20.66	45.67
Operating charges	(2.96)	(5.77)	(5.83)	(5.59)
Return after operating charges*	11.63	4.29	14.83	40.08
Distributions on accumulation units	0.00	0.00	0.00	0.00
Retained distributions on accumulation units	0.00	0.00	0.00	0.00
Closing net asset value per unit	263.09	251.46	247.17	232.34
* after direct transaction costs of:	0.04	0.10	0.11	0.08
Performance				
Return after charges	4.62%	1.74%	6.38%	20.85%
Other information				
Closing net asset value	£21,379,523	£22,522,122	£21,103,968	£11,187,776
Closing number of units	8,126,449	8,956,668	8,538,346	4,815,276
Operating charges	2.30% ^A	2.40%	2.40%	2.52%
Direct transaction costs	0.03% ^A	0.04%	0.05%	0.03%
Prices				
Highest unit price	266.16p	270.85p	268.28p	250.33p
Lowest unit price	248.65p	218.50p	230.62p	194.27p
B Accumulation units				
Change in net assets per unit	Period to 31.12.2019	Year to 30.06.2019	Year to 30.06.2018	Year to 30.06.2017
	pence	pence	pence	pence
Opening net asset value per unit	259.63	253.94	237.53	195.58
Return before operating charges*	15.08	10.40	21.08	46.50
Operating charges	(2.40)	(4.71)	(4.67)	(4.55)
Return after operating charges*	12.68	5.69	16.41	41.95
Distributions on accumulation units	0.00	(0.18)	0.00	0.00
Retained distributions on accumulation units	0.00	0.18	0.00	0.00
Closing net asset value per unit	272.31	259.63	253.94	237.53
* after direct transaction costs of:	0.04	0.11	0.11	0.08
Performance				
Return after charges	4.88%	2.24%	6.91%	21.45%
Other information				
Closing net asset value	£9,972	£9,508	£10,254	£74,719
Closing number of units	3,662	3,662	4,038	31,456
Operating charges	1.80% ^A	1.90%	1.90%	2.02%
Direct transaction costs	0.03% ^A	0.04%	0.05%	0.03%
Prices				
Highest unit price	274.93p	277.85p	274.44p	255.28p
Lowest unit price	257.13p	225.03p	235.80p	197.63p

^A These figures have been annualised.

MARLBOROUGH GLOBAL FUND

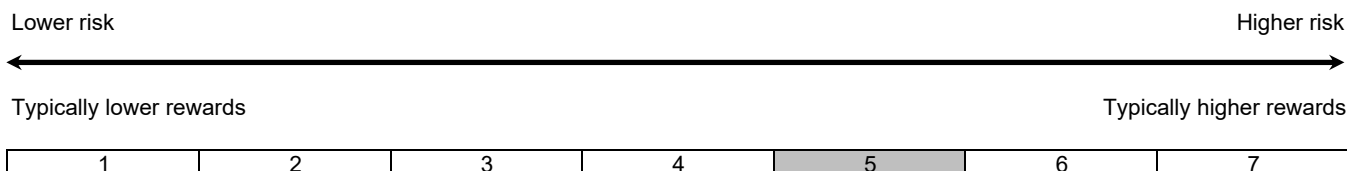
COMPARATIVE TABLE

P Accumulation units	Period to 31.12.2019	Year to 30.06.2019	Year to 30.06.2018	Year to 30.06.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	263.98	257.54	240.29	197.36
Return before operating charges*	15.35	10.60	21.40	46.92
Operating charges	(2.10)	(4.16)	(4.15)	(3.99)
Return after operating charges*	13.25	6.44	17.25	42.93
Distributions on accumulation units	(0.31)	(0.63)	(0.04)	(0.27)
Retained distributions on accumulation units	0.31	0.63	0.04	0.27
Closing net asset value per unit	277.23	263.98	257.54	240.29
* after direct transaction costs of:	0.04	0.11	0.12	0.08
Performance				
Return after charges	5.02%	2.50%	7.18%	21.75%
Other information				
Closing net asset value	£2,902,356	£2,533,412	£3,109,467	£3,500,599
Closing number of units	1,046,896	959,694	1,207,362	1,456,823
Operating charges	1.55% ^A	1.65%	1.65%	1.77%
Direct transaction costs	0.03% ^A	0.04%	0.05%	0.03%
Prices				
Highest unit price	279.71p	271.19p	267.71p	248.39p
Lowest unit price	261.64p	228.51p	238.54p	199.43p

^A 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 for a fund, 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 GLOBAL FUND

PORTFOLIO STATEMENT

as at 31 December 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
EMERGING MARKET EQUITIES (30 June 2019 - 5.88%)		
44,077 Fidelity Emerging Markets Focus 'I' USD	523,540	2.16
13,838 First Trust Emerging Markets AlphaDEX® UCITS ETF 'A' USD *	332,250	1.37
72,065 JPM Emerging Markets 'C' Net	758,849	3.12
Total Emerging Market Equities	<u>1,614,639</u>	<u>6.65</u>
EUROPEAN EQUITIES (30 June 2019 - 15.51%)		
3,187 Fidelity Active Strategy Europe 'I' Euro	760,375	3.13
485,214 LF Odey Continental European 'I'	813,025	3.35
127,387 Man GLG Continental European Growth 'C'	812,599	3.35
26,935 Xtrackers S&P Europe ex. UK UCITS ETF '1D' EUR *	1,299,075	5.35
Total European Equities	<u>3,685,074</u>	<u>15.18</u>
FAR EASTERN (EX JAPAN) EQUITIES (30 June 2019 - 9.48%)		
675,054 Fidelity Asia Pacific Opportunities 'W'	1,509,420	6.21
33,098 Schroder Asian Opportunities 'C' USD	664,223	2.73
Total Far Eastern (Ex Japan) Equities	<u>2,173,643</u>	<u>8.94</u>
GLOBAL EQUITIES (30 June 2019 - Nil)		
400,676 M&G Global Listed Infrastructure 'I' Sterling	532,779	2.19
Total Global Equities	<u>532,779</u>	<u>2.19</u>
JAPANESE EQUITIES (30 June 2019 - 7.32%)		
7,358 Baillie Gifford Japanese Smaller Companies 'B'	365,623	1.51
221,622 JPM Japan 'C' Net	634,281	2.61
5,061 Man GLG Japan CoreAlpha Equity 'I' GBP	1,020,829	4.20
Total Japanese Equities	<u>2,020,733</u>	<u>8.32</u>
NORTH AMERICAN EQUITIES (30 June 2019 - 41.77%)		
883,533 Artemis US Select 'I' GBP	2,095,033	8.62
311,107 Artemis US Smaller Companies 'I' GBP	784,332	3.23
120,510 iShares Core S&P 500 UCITS ETF USD *	2,928,092	12.05
759,441 JPM US Equity Income 'C' Net	2,392,238	9.85
3,584 Wells Fargo (Lux) Worldwide US All Cap Growth 'I' USD	1,072,523	4.42
6,960 Xtrackers S&P 500 2x Leveraged Daily Swap UCITS ETF '1C' USD *	479,052	1.97
Total North American Equities	<u>9,751,270</u>	<u>40.14</u>
UNITED KINGDOM EQUITIES (30 June 2019 - 8.73%)		
804,030 CFP SDL UK Buffettology 'Inst'	1,130,707	4.66
712,427 Man GLG UK Income 'D'	962,489	3.96
33,190 Vanguard FTSE 250 UCITS ETF GBP *	1,150,033	4.73
Total United Kingdom Equities	<u>3,243,229</u>	<u>13.35</u>
ABSOLUTE RETURN (30 June 2019 - 1.95%)		
Total Absolute Return	<u>-</u>	<u>-</u>
SPECIALIST (30 June 2019 - 7.43%)		
88,848 iShares Automation & Robotics UCITS ETF USD *	571,737	2.35
Total Specialist	<u>571,737</u>	<u>2.35</u>
Portfolio of investments	23,593,104	97.12
Net other assets	698,747	2.88
Total net assets	<u>24,291,851</u>	<u>100.00</u>

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

MARLBOROUGH GLOBAL FUND

PORTFOLIO TRANSACTIONS

for the six month period ended 31 December 2019

£

Total purchases costs, including transaction charges

20,188,387

Total sales proceeds, net of transaction charges

22,415,684

MARLBOROUGH GLOBAL FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 December 2019

	31 December 2019		31 December 2018	
	£	£	£	£
Income:				
Net capital gains/(losses)		1,173,736		(2,859,746)
Revenue	128,153		119,005	
Expenses	<u>(187,509)</u>		<u>(189,509)</u>	
Net revenue/(expense) before taxation		<u>(59,356)</u>		<u>(70,504)</u>
Taxation		<u>-</u>		<u>(1,953)</u>
Net revenue/(expense) after taxation		<u>(59,356)</u>		<u>(72,457)</u>
Total return before distributions		1,114,380		(2,932,203)
Distributions		276		2,158
Change in net assets attributable to unitholders from investment activities		<u>1,114,656</u>		<u>(2,930,045)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 31 December 2019

	31 December 2019		31 December 2018	
	£	£	£	£
Opening net assets attributable to unitholders		* 25,065,042		24,223,689
Amounts receivable on issue of units	515,843		3,043,825	
Amounts payable on cancellation of units	(2,406,905)		(2,043,177)	
Amounts payable on unit class conversions	<u>-</u>		<u>(26)</u>	
		(1,891,062)		1,000,622
Change in net assets attributable to unitholders from investment activities		1,114,656		(2,930,045)
Retained distribution on accumulation units		3,215		1,518
Closing net assets attributable to unitholders		<u>24,291,851</u>		* <u>22,295,784</u>

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

MARLBOROUGH GLOBAL FUND

BALANCE SHEET

as at 31 December 2019

	31 December 2019	30 June 2019
	£	£
Assets:		
Fixed Assets:		
Investments	23,593,104	24,580,813
Current Assets:		
Debtors	35,403	1,479,119
Cash and bank balances	737,115	348,193
Total assets	<u>24,365,622</u>	<u>26,408,125</u>
Liabilities:		
Creditors:		
Bank overdrafts	34,218	10,901
Other creditors	39,553	1,332,182
Total liabilities	<u>73,771</u>	<u>1,343,083</u>
Net assets attributable to unitholders	<u>24,291,851</u>	<u>25,065,042</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 December 2019

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.

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 30 June 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 31 December 2019.

Marlborough

— Fund Managers —

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