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MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 30 June 2020

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

CONTACT INFORMATION

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Bolton
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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.

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Authorised and regulated by the Financial Conduct Authority.

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MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

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MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 30 June 2020

Percentage change and sector position to 30 June 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>01/12/2004*</u>
Marlborough High Yield Fixed Interest Fund	-4.98%	-1.29%	3.55%	20.93%	159.35%
IA Sterling High Yield	-5.65%	-2.41%	3.46%	16.85%	120.24%
Quartile Ranking**	2	1	2	1	2

* Since end of launch period.

** Based on ranking within The Investment Association Sterling High Yield Sector.

External Source of Economic Data: Morningstar (P - bid to bid, gross 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.

Market review

The first half of 2020 brought one of the most remarkable periods, not just from a financial market perspective, in living memory. The outbreak of Covid19, first in China late last year, and then Europe, the Middle East and Africa and more latterly the Americas saw an unprecedented government reaction. Initially, lockdowns were initiated across the globe restricting travel and bringing the shuttering of businesses across a wide range of service and industrial sectors. The economic damage caused by lockdowns was unimaginable and the knock on effects will be felt for many years. To the surprise of many, however, risk assets began a swift ascent from the end of March. Where European High Yield fell more than twenty percent from peak to trough in little more than a month, the rebound has been nearly as astonishing. The market returned close to eighteen percent from the 23 March low to the end of June. The reversal in sentiment was caused by a combination of fiscal and monetary support on a scale never seen before. Grants and loans were made available to corporates large and small and individuals in a format akin to "helicopter money". Simultaneously, Central Banks led by the Federal Reserve unleashed vast and swift liquidity initiatives, including bond buying programmes, that dwarfed those of the 2008 Financial Crisis. The clear intention of governments the world over was to buy enough time to bridge the arrival of a vaccine, or other medical advancements, or at the very least a place of much better preparedness from a health standpoint. The market reaction has been unequivocally positive contrary to the expectations of many investors and economists. There is an increasing perception that asset prices are divorcing from economic reality though the data has regularly surprised to the upside in the last month of the period. The risks are numerous whether they be related to the pandemic, geopolitics or the prospect of a "fiscal cliff" as support is withdrawn and a degree of caution is warranted as we move through the year and into next.

Portfolio review

The performance of the Fund relative the index and peer group has been pleasing . The Fund outperformed in the first quarter due to a defensive sector positioning, even though the overweight to lower rated credit was a drag, and then did well to capture the rebound in markets. We added significant exposure to fallen angels such as Pemex and Ford whilst also ramping up exposure to more beaten up sectors. Automotives were the most obvious example of this where we added nearly five percent of relative exposure to the Fund taking it from an underweight position to neutral. It should be noted that many of the additions were made at the highest quality end of sector, most of which were previously investment grade rated while we continued to avoid those subject to a genuine risk of default. The Fund also added exposure to basic industrials, retail and services while continuing to trim our underweight position in leisure and transportation sectors where we continue to be extremely cautious.

Outlook

High yield valuations are telling us that default rates may be lower than expected because of the amount of liquidity and support governments are providing to cushion the economic shock of Covid19. In the short term, momentum suggests there are further gains to be made from investing in the asset class but the risk reward is looking a little vulnerable on a longer term basis as the risks potentially build again later in the year. It is important to remain highly disciplined when scouring the market for capital return opportunities. Lofty yields can be alluring but as the American Airlines new issue late in the period demonstrated one can also lose a lot of capital in short order if investors become too narrow in their investment horizons. Investing for the medium to long term remains at the core of our process and finding sustainable businesses that are not subject to structural pressures is paramount.

Steven Logan / Ben Pakenham
Aberdeen Asset Managers Limited
27 July 2020

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 30 June 2020

Distributions (pence per unit)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Income</u>				
Net income paid last day of February	0.637591	0.806893	0.827424	0.781862
Net income paid 31 May	0.691536	0.743758	0.785722	1.057297
Net income paid 31 August	0.694941	0.753201	0.790043	0.953254
Net income paid 30 November		0.647313	0.776575	0.896011
<u>B Income</u>				
Net income paid last day of February	0.695226	0.864852	0.886718	0.842579
Net income paid 31 May	0.749076	0.799534	0.842973	1.115241
Net income paid 31 August	0.750384	0.810796	0.847543	1.010799
Net income paid 30 November		0.704560	0.834817	0.955265
<u>P Income</u>				
Net income paid last day of February	0.724968	0.894457	0.916394	0.852007
Net income paid 31 May	0.778392	0.827947	0.872187	1.144759
Net income paid 31 August	0.778063	0.840365	0.877545	1.041431
Net income paid 30 November		0.733936	0.864582	0.985449

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Ziggo Bond Company 3.375% 28.02.30	1,506,399	Ziggo Bond Co 4.625% 15.01.25	1,494,607
Techem Verwaltungsgesellschaft 674 2% 15.07.25	917,039	Virgin Media Finance 5.75% 15.01.25	1,251,120
Petróleos Mexicanos 5.125% 15.03.23	900,563	Phoenix Group Holdings 6.625% 18.12.25	1,132,253
Altice France 8% 15.05.27	876,801	Mizzen Bondco 7% 01.05.21	1,127,380
Stichting AK Rabobank Certificaten 6.5% Perp	800,018	UPCB Finance VII 3.625% 15.06.29	954,196
SoftBank Group 5% 15.04.28	776,633	InterXion Holding 4.75% 15.06.25	933,742
Virgin Media Secured Finance 4.875% 15.01.27	762,750	CPUK Finance 4.25% 28.08.22	852,600
TalkTalk Telecom Group 3.875% 20.02.25	743,000	Ei Group 7.5% 15.03.24	803,436
RCI Banque 2.625% 18.02.30	709,756	Virgin Media Secured Finance 4.875% 15.01.27	768,750
Virgin Media Vendor Financing Notes III 4.875% 15.07.28	661,675	Entertainment One 4.625% 15.07.26	761,623
Other purchases	14,139,735	Other sales	22,424,530
Total purchases for the period	22,794,369	Total sales for the period	32,504,237

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Marlborough High Yield Fixed Interest 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 investors with income, that is, money paid out of your investment as interest, as well as the opportunity for some growth over a period of five or more years, however, there is no certainty this will be achieved.

At least 80% of the Fund will be invested in high yield bonds issued by companies and institutions. These will be sub-investment grade or unrated bonds, which are loans issued by entities which can be more vulnerable to changing market conditions that typically pay higher rates of interest than investment grade bonds.

The Fund may also invest in investment grade bonds, bonds issued by governments, bonds which may be converted into shares (known as convertible bonds), preference shares, permanent interest bearing shares and money market instruments (which are shorter term loans). Whilst the Fund will not buy shares in companies there may be times where the Fund holds shares following a restructuring of an existing holding.

The Fund is actively managed which means the investment team decides which investments to buy or sell and when. Investment decisions are taken based on individual company research in addition to the team's view on global economic and market conditions.

The investment manager uses the ICE Bank of America Merrill Lynch European Currency High Yield Constrained (hedged to sterling) Index as a reference point when constructing the portfolio and for risk management purposes.

The Fund uses derivatives (instruments whose returns are linked to another asset, market or other variable factor) and forward transactions linked to exchange rates, for the purposes of efficient portfolio management in order to reduce currency risk in the Fund, also known as hedging.

The Fund will typically hold less than 5% in cash to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives although may occasionally exceed this figure.

The Fund will be in the IA Sterling High Yield 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

No significant changes have been made since the last report.

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 HIGH YIELD FIXED INTEREST 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.

A handwritten signature in black ink, appearing to read 'Allan Hamer', with a long horizontal stroke extending to the left.

**ALLAN HAMER
JOINT MANAGING DIRECTOR**

A handwritten signature in black ink, appearing to read 'Wayne D Green', with a long horizontal stroke extending to the right.

**WAYNE D GREEN
JOINT MANAGING DIRECTOR**

MARLBOROUGH FUND MANAGERS LTD
18 August 2020

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

COMPARATIVE TABLE

A Income units	Period to 30.06.2020	Year to 31.12.2019	Year to 31.12.2018	Year to 31.12.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	72.46	68.41	75.02	73.50
Return before operating charges*	(3.14)	7.96	(2.29)	6.46
Operating charges	(0.55)	(1.13)	(1.16)	(1.21)
Return after operating charges*	(3.69)	6.83	(3.45)	5.25
Distributions on income units	(1.39)	(2.78)	(3.16)	(3.73)
Closing net asset value per unit	67.38	72.46	68.41	75.02

* after direct transaction costs of: - - - -

Performance

Return after charges -5.09% 9.98% -4.60% 7.14%

Other information

Closing net asset value	£26,163,713	£34,994,748	£35,419,152	£29,828,659
Closing number of units	38,828,944	48,296,581	51,776,644	39,760,083
Operating charges	1.61% ^A	1.58%	1.58%	1.59%
Direct transaction costs	0.00% ^A	0.00%	0.00%	0.00%

Prices

Highest unit price	73.60p	75.49p	80.03p	80.99p
Lowest unit price	58.63p	68.06p	68.99p	73.66p

B Income units

Change in net assets per unit	Period to 30.06.2020	Year to 31.12.2019	Year to 31.12.2018	Year to 31.12.2017
	pence	pence	pence	pence
Opening net asset value per unit	73.76	69.46	75.99	74.25
Return before operating charges*	(3.01)	8.10	(2.33)	6.55
Operating charges	(0.38)	(0.79)	(0.81)	(0.84)
Return after operating charges*	(3.39)	7.31	(3.14)	5.71
Distributions on income units	(1.50)	(3.01)	(3.39)	(3.97)
Closing net asset value per unit	68.87	73.76	69.46	75.99

* after direct transaction costs of: - - - -

Performance

Return after charges -4.60% 10.52% -4.13% 7.69%

Other information

Closing net asset value	£10,608	£98,458	£114,906	£233,361
Closing number of units	15,403	133,482	165,422	307,097
Operating charges	1.11% ^A	1.08%	1.08%	1.09%
Direct transaction costs	0.00% ^A	0.00%	0.00%	0.00%

Prices

Highest unit price	74.96p	76.54p	80.87p	81.80p
Lowest unit price	59.74p	69.11p	70.07p	74.41p

^A These figures have been annualised

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

COMPARATIVE TABLE

P Income units	Period to 30.06.2020	Year to 31.12.2019	Year to 31.12.2018	Year to 31.12.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	74.40	69.98	76.46	74.62
Return before operating charges*	(3.23)	8.16	(2.34)	6.58
Operating charges	(0.30)	(0.61)	(0.63)	(0.65)
Return after operating charges*	(3.53)	7.55	(2.97)	5.93
Distributions on income units	(1.56)	(3.13)	(3.51)	(4.09)
Closing net asset value per unit	69.31	74.40	69.98	76.46

* after direct transaction costs of: - - - -

Performance

Return after charges -4.74% 10.79% -3.88% 7.95%

Other information

Closing net asset value	£30,471,702	£35,853,332	£38,281,435	£46,487,459
Closing number of units	43,962,459	48,188,860	54,706,658	60,803,005
Operating charges	0.86% ^A	0.83%	0.83%	0.84%
Direct transaction costs	0.00% ^A	0.00%	0.00%	0.00%

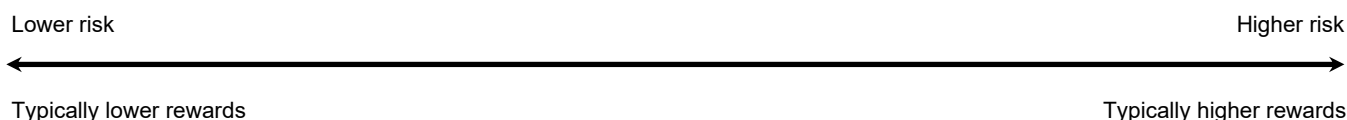
Prices

Highest unit price	75.65p	75.39p	78.26p	79.18p
Lowest unit price	60.30p	69.93p	70.86p	74.79p

^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



1	2	3	4	5	6	7
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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 changed from 3 to 4.

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
STERLING (31 December 2019 - 33.81%)		
384,000 Ardagh Packaging Finance 4.75% 15.07.27	371,843	0.66
911,000 Arqiva Broadcast Finance 6.75% 30.09.23	942,548	1.66
835,000 Arrow Global Finance 5.125% 15.09.24	758,289	1.34
760,000 Aviva 5.9021% Perp	760,000	1.34
200,000 Barclays 7.875% Perp	199,762	0.35
289,000 BP Capital Markets 4.25% Perp	290,445	0.51
500,000 Cabot Financial (Luxembourg) 7.5% 01.10.23	498,710	0.88
516,000 Co-operative Group 5.125% 17.05.24	546,392	0.96
530,000 Co-operative Group 5.625% 08.07.20	527,726	0.93
348,000 CPUK Finance 4.25% 28.08.22	332,096	0.59
248,400 EnQuest 7% 15.04.22	156,214	0.28
493,000 Heathrow Finance 4.125% 01.09.29	459,308	0.81
100,000 Jaguar Land Rover Automotive 3.875% 01.03.23	87,118	0.15
450,000 Lloyds Bank 13% Step-Up Perp	768,947	1.36
724,000 Moto Finance 4.5% 01.10.22	692,730	1.22
386,000 Nemean BondCo 7.375% 01.02.24	337,078	0.60
325,000 Petróleos Mexicanos 8.25% 02.06.22	330,418	0.58
273,000 Pinnacle Bidco 6.375% 15.02.25	230,183	0.41
1,080,000 RAC Bond Co 5% 06.11.22	1,006,225	1.78
222,000 RL Finance Bonds No. 4 4.875% 07.10.49	220,395	0.39
660,000 Shop Direct Funding 7.75% 15.11.22	600,428	1.06
743,000 TalkTalk Telecom Group 3.875% 20.02.25	713,577	1.26
291,000 Virgin Media Secured Finance 4.25% 15.01.30	286,839	0.51
200,000 Virgin Media Secured Finance 5% 15.04.27	207,500	0.37
100,000 Virgin Media Secured Finance 6% 15.01.25	107,230	0.19
665,000 Virgin Media Vendor Financing Notes III 4.875% 15.07.28	667,361	1.18
1,180,000 Virgin Money UK 8% Perp	1,025,727	1.81
160,000 Voyage Care Bondco 10% 01.11.23	138,478	0.24
382,000 Voyage Care Bondco 5.875% 01.05.23	350,114	0.62
Total Sterling	13,613,681	24.04
EURO (31 December 2019 - 59.44%)		
575,000 Adient Global Holdings 3.5% 15.08.24	465,131	0.82
860,000 Altice Finco 4.75% 15.01.28	711,059	1.26
850,000 Altice France 8% 15.05.27	815,711	1.44
300,000 ARD Finance 5% 30.06.27	262,433	0.46
186,000 Ardagh Packaging Finance 2.125% 15.08.26	162,996	0.29
111,000 Arena Luxembourg Finance 1.875% 01.02.28	92,605	0.16
300,000 Ashland Services 2% 30.01.28	253,383	0.45
347,000 Autostrade per l'Italia 1.625% 12.06.23	299,052	0.53
796,000 Avantor 4.75% 01.10.24	749,046	1.32
629,000 Banca Monte dei Paschi di Siena 8% 22.01.30	560,596	0.99
620,000 Banff Merger Sub 8.375% 01.09.26	564,266	1.00
700,000 Bausch Health 4.5% 15.05.23	631,740	1.12
100,000 Bayer 2.375% 12.11.79	88,688	0.16
172,000 British Telecommunications FRN 18.08.80	144,372	0.25
1,000,000 Casino Guichard-Perrachon 4.498% 07.03.24	820,728	1.45
200,000 Casino Guichard-Perrachon 4.561% 25.01.23	174,648	0.31
476,000 Cirsa Finance International 6.25% 20.12.23	395,959	0.70
162,000 Cirsa Finance International FRN 30.09.25	121,941	0.22
386,000 Cogent Communications 4.375% 30.06.24	352,652	0.62
713,000 Constantin Investissement 3 5.375% 15.04.25	653,328	1.15
670,000 Consus Real Estate 9.625% 15.05.24	663,821	1.17
735,000 Cott Finance 5.5% 01.07.24	666,631	1.18
630,000 Diocle FRN 30.06.26	566,938	1.00
300,000 EG Global Finance 4.375% 07.02.25	252,185	0.45
318,000 Energizer Gamma Acquisition 4.625% 15.07.26	295,523	0.52
216,000 Europcar Mobility Group 4% 30.04.26	147,017	0.26
220,000 Europcar Mobility Group 4.125% 15.11.24	152,755	0.27
267,011 Explorer II 3.375% 24.02.25	200,762	0.35

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
EURO (continued)		
165,000 Faurecia 2.375% 15.06.27	140,648	0.25
160,000 Faurecia 3.125% 15.06.26	142,522	0.25
126,000 Firmenich International 3.75% Perp	117,969	0.21
231,000 Ford Motor Credit Company FRN 14.05.21	203,173	0.36
195,000 HT Troplast 9.25% 15.07.25	161,803	0.29
175,000 IHO Verwaltungs 3.625% 15.05.25	159,022	0.28
175,000 IHO Verwaltungs 3.875% 15.05.27	156,853	0.28
535,000 INEOS Group Holdings 5.375% 01.08.24	477,586	0.84
499,000 INEOS Styrolution 2.25% 16.01.27	416,637	0.74
280,000 International Game Technology 3.5% 15.07.24	247,370	0.44
891,000 International Game Technology 4.75% 15.02.23	819,916	1.45
182,000 Intertrust Group 3.375% 15.11.25	165,922	0.29
587,000 Intrum 3% 15.09.27	447,692	0.79
605,000 Intrum 3.5% 15.07.26	489,167	0.86
100,000 Invesco Euro Clo Iv FRN 15.04.33	80,998	0.14
368,000 IQVIA 2.25% 15.01.28	322,459	0.57
350,000 IQVIA 2.875% 15.06.28	317,715	0.56
245,000 Jaguar Land Rover Automotive 6.875% 15.11.26	190,084	0.34
650,511 Kleopatra Holdings 1 8.5% 30.06.23	469,505	0.83
130,000 La Financière Atalian 4% 15.05.24	87,889	0.16
237,000 LHC3 4.125% 15.08.24	215,492	0.38
301,255 LHMC Finco 2 7.25% 02.10.25	184,920	0.33
1,133,000 Lincoln Financing 3.625% 01.04.24	941,954	1.66
226,000 Lincoln Financing FRN 01.04.24	189,441	0.33
1,205,000 Matterhorn Telecom Holding 3.125% 15.09.26	1,056,968	1.87
375,000 Monitchem Holdco 3 5.25% 15.03.25	347,158	0.61
400,000 Motion Bondco 4.5% 15.11.27	321,589	0.57
220,000 Motion Finco 7% 15.05.25	206,593	0.36
1,397,000 Nassa Topco 2.875% 06.04.24	1,169,250	2.06
680,000 Netflix 3.625% 15.05.27	649,102	1.15
150,000 Netflix 3.875% 15.11.29	143,893	0.25
607,462 NewCo GB 8% 15.12.22	498,311	0.88
109,000 Nidda BondCo 5% 30.09.25	97,840	0.17
488,000 Nidda Healthcare Holding 3.5% 30.09.24	437,975	0.77
407,000 Novafives 5% 15.06.25	254,708	0.45
802,000 OCI 3.125% 01.11.24	713,756	1.26
139,000 OCI 5% 15.04.23	127,670	0.23
272,000 OI European Group 2.875% 15.02.25	238,871	0.42
250,000 Panther BF Aggregator 2 4.375% 15.05.26	225,261	0.40
523,000 Petróleos Mexicanos 3.75% 21.02.24	438,257	0.77
1,180,000 Petróleos Mexicanos 5.125% 15.03.23	1,055,275	1.86
180,000 Petróleos Mexicanos 5.5% 24.02.25	162,762	0.29
204,000 PPF Arena 1 2.125% 31.01.25	180,393	0.32
744,000 PrestigeBidCo 6.25% 15.12.23	684,976	1.21
526,000 Quatrim 5.875% 15.01.24	490,768	0.87
900,000 RCI Banque 2.625% 18.02.30	748,843	1.32
250,000 Samsonite Finco 3.5% 15.05.26	197,060	0.35
200,000 Samvardhana Motherson Automotive Systems Group 1.8% 06.07.24	156,607	0.28
100,000 SAZKA Group 4.125% 20.11.24	88,044	0.16
350,000 Sigma Holdco 5.75% 15.05.26	310,354	0.55
134,000 SoftBank Group 4.75% 30.07.25	126,533	0.22
896,000 SoftBank Group 5% 15.04.28	849,132	1.50
350,000 SoftBank Group 5.25% 30.07.27	333,607	0.59
700,000 Stichting AK Rabobank Certificaten 6.5% Perp	675,497	1.19
241,212 Summer BidCo 9% 15.11.25	206,674	0.36
360,000 Synlab Unsecured Bondco 8.25% 01.07.23	336,222	0.59
142,000 Synthomer 3.875% 01.07.25	130,770	0.23
414,000 Techem Verwaltungsgesellschaft 674 2% 15.07.25	360,493	0.64
936,000 Techem Verwaltungsgesellschaft 674 6% 30.07.26	872,237	1.54
974,000 Tele Columbus 3.875% 02.05.25	826,449	1.46

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
EURO (continued)		
684,000 Telecom Italia Finance 7.75% 24.01.33	866,951	1.53
200,000 Telefónica Europe 3% Perp	177,925	0.31
400,000 Telefónica Europe 4.375% Perp	376,405	0.66
865,000 Teva Pharmaceutical Finance Netherlands II 4.5% 01.03.25	783,511	1.38
575,000 The House of Finance 4.375% 15.07.26	455,718	0.80
403,000 UGI International 3.25% 01.11.25	357,951	0.63
680,000 Unilabs Subholding 5.75% 15.05.25	612,479	1.08
320,000 United Group 4.875% 01.07.24	289,430	0.51
209,000 Verisure Holding 3.5% 15.05.23	191,448	0.34
280,000 Verisure Midholding 5.75% 01.12.23	256,055	0.45
350,000 Volvo Car 2.125% 02.04.24	312,733	0.55
300,000 ZF Europe Finance 2% 23.02.26	253,292	0.45
300,000 ZF Europe Finance 2.5% 23.10.27	250,047	0.44
513,900 Ziggo 4.25% 15.01.27	484,807	0.86
1,785,000 Ziggo Bond Company 3.375% 28.02.30	1,531,959	2.70
Total Euro	<u>41,333,312</u>	<u>72.97</u>
US DOLLAR (31 December 2019 - 2.27%)		
758,000 Ford Motor Company 8.5% 21.04.23	652,103	1.15
245,000 Ford Motor Company 9% 22.04.25	217,159	0.38
49,000 Ford Motor Company 9.625% 22.04.30	47,266	0.08
378,000 General Motors Financial Company 5.75% Perp	266,329	0.47
550,000 JBS Investments 7% 15.01.26	468,457	0.83
Total US Dollar	<u>1,651,314</u>	<u>2.91</u>
UNLISTED/UNQUOTED (31 December 2019 - 0.00%)		
9,768 BrightHouse Topco	-	-
492,000 Galapagos 5.375% 15.06.21	-	-
353,137 Hellas Telecommunications Luxembourg III 8.5% 15.10.13	-	-
624,641 SAZKA Group 9% 12.07.21	-	-
Total Unlisted/Unquoted	<u>-</u>	<u>-</u>
Portfolio of stock investments	56,598,307	99.92
Counterparty	Foreign Currency Hedges	
Goldman Sachs	Sell EUR 47,781,000 for GBP 43,177,683 - 30 July 2020	(496,690) (0.88)
UBS	Sell GBP 475,238 for EUR 525,000 - 30 July 2020	4,640
Citibank	Sell GBP 181,332 for EUR 200,000 - 30 July 2020	1,479 -
State Street	Sell GBP 90,599 for EUR 100,000 - 30 July 2020	806 -
Barclays	Sell USD 1,904,000 for GBP 1,533,919 - 30 July 2020	(17,676) (0.03)
	Net value of all derivative positions	<u>(507,441) (0.91)</u>
	Portfolio of investments (including derivative positions)	56,090,866 99.02
	Net other assets (excluding derivative positions)	555,157 0.98
	Total net assets	<u>56,646,023 100.00</u>

BrightHouse Topco is unlisted and being priced by the fund manager at the last available quoted price.

Galapagos 5.375% was exchanged for shares in Mangrove Lux 7.775%, which was subsequently sold, and the Gallapagos holding is defaulted and considered to be valueless by the fund manager.

Hellas Telecom and Saska 9% are considered to be valueless by the fund manager.

Portfolio split by investment grade

Investments of investment grade	3,257,552	5.75
Investments below investment grade	52,056,534	91.90
Unrated	1,284,221	2.27
	<u>56,598,307</u>	<u>99.92</u>
	Net value of all derivative positions	(507,441) (0.90)
	Net other assets (excluding derivative positions)	555,157 0.98
	<u>56,646,023</u>	<u>100.00</u>

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

PORTFOLIO TRANSACTIONS

for the six month period ended 30 June 2020

£

Total purchases costs, including transaction charges

22,794,369

Total sales proceeds, net of transaction charges

32,504,237

MARLBOROUGH HIGH YIELD FIXED INTEREST FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 30 June 2020

	30 June 2020		30 June 2019	
	£	£	£	£
Income:				
Net capital (losses)/gains		(4,746,147)		3,291,969
Revenue	1,539,434		1,882,082	
Expenses	<u>(376,231)</u>		<u>(439,760)</u>	
Net revenue before taxation	1,163,203		1,442,322	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,163,203</u>		<u>1,442,322</u>
Total return before distributions		(3,582,944)		4,734,291
Distributions		(1,339,267)		(1,649,077)
Change in net assets attributable to unitholders from investment activities		<u><u>(4,922,211)</u></u>		<u><u>3,085,214</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 30 June 2020

	30 June 2020		30 June 2019	
	£	£	£	£
Opening net assets attributable to unitholders		* 70,946,538		73,815,493
Amounts receivable on issue of units	1,503,851		2,194,724	
Amounts payable on cancellation of units	(10,881,005)		(5,319,948)	
Amounts payable on unit class conversions	<u>(1,150)</u>		<u>(105)</u>	
		(9,378,304)		(3,125,329)
Change in net assets attributable to unitholders from investment activities		(4,922,211)		3,085,214
Unclaimed distributions		-		8
Closing net assets attributable to unitholders		<u><u>56,646,023</u></u>		* <u><u>73,775,386</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 HIGH YIELD FIXED INTEREST FUND

BALANCE SHEET

as at 30 June 2020

	30 June 2020	31 December 2019
	£	£
Assets:		
Fixed Assets:		
Investment assets	56,598,307	67,781,767
Current Assets:		
Debtors	2,155,791	966,981
Cash and bank balances	868,131	3,439,304
Total assets	<u>59,622,229</u>	<u>72,188,052</u>
Liabilities:		
Investment liabilities	507,441	152,474
Creditors:		
Bank overdrafts	112,031	220,391
Distribution payable	612,010	658,217
Other creditors	1,744,724	210,432
Total liabilities	<u>2,976,206</u>	<u>1,241,514</u>
Net assets attributable to unitholders	<u>56,646,023</u>	<u>70,946,538</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 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 31 December 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 30 June 2020.

Marlborough

— Fund Managers —

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