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THE MARLBOROUGH NO 2 OEIC

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 31 January 2020

THE MARLBOROUGH NO 2 OEIC

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director 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.

Depository

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 Advisers

Marlborough Far East Growth Fund

Marlborough Fund Managers Ltd
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Marlborough Multi Cap Income Fund and Marlborough Nano-Cap Growth Fund

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

Barlow Andrews LLP
Carlyle House
78 Chorley New Road
Bolton
BL1 4BY

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)

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The statements for each of the above sub-funds are set out in the following order:

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THE MARLBOROUGH NO 2 OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

The Marlborough No 2 OEIC (the Company) is an investment company with variable capital incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000415 and is authorised and regulated by the Financial Conduct Authority with effect from 21 October 2005. The shareholders are not liable for the debts of the Company.

The Company currently has three sub-Funds: Marlborough Far East Growth Fund; Marlborough Multi Cap Income Fund; and Marlborough Nano-Cap Growth Fund.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub-fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle these liabilities.

Investment objectives and policies

Marlborough Far East Growth Fund

The investment objective of Marlborough Far East Growth Fund is to provide long term capital growth from an actively managed portfolio of securities.

The sub-fund will invest primarily in securities in the Pacific Basin region, excluding Japan, in order to achieve long term capital growth.

The asset classes in which the sub-fund is permitted to invest includes transferable securities, units in collective investment schemes, money market instruments and deposits as permitted for UCITS schemes and in accordance with the Company's investment powers as summarised in the Prospectus. The sub-fund may invest in derivative instruments and forward transactions for the purposes of efficient portfolio management or hedging, as explained further in section 28 of the Prospectus.

The sub-fund will be managed so it is eligible for inclusion in the IA Asia Pacific excluding Japan sector.

Alternatively, you may wish to compare the sub-fund with the performance of the Morningstar OIP Asia Ex Japan Net Return Index, which is used by the investment manager as a reference point for portfolio construction and risk management purposes.

Marlborough Multi Cap Income Fund

The investment objective of Marlborough Multi Cap Income Fund is to seek to generate an attractive and growing level of dividend income in addition to long term capital growth by investing in a diversified portfolio of equities predominantly listed in the UK.

The sub-fund will aim to achieve its objective by investing primarily in the shares of small to medium capitalisation companies where both capital and dividend growth are anticipated. From time to time the sub-fund may also hold the shares of large capitalisation companies as well as cash and money market instruments.

The sub-fund may also invest in other transferable securities including, but not limited to, warrants and government and public securities, and units in collective investment schemes, near cash and deposits. The sub-fund may enter into derivatives and forward transactions for the purposes of efficient portfolio management (including hedging), and may borrow and enter into stock lending arrangements.

The sub-fund will be managed so it is eligible for inclusion in the IA UK Equity Income sector.

Marlborough Nano-Cap Growth Fund

The investment objective of Marlborough Nano-Cap Growth Fund is to seek to provide capital growth in excess of that achieved by the FTSE SmallCap Index (excluding investment companies) over the long term.

The sub-fund will aim to achieve its investment objective by investing primarily in the shares of small, UK listed equities having a market capitalisation of £100 million or less at the time of investment. The sub-fund will be actively managed.

The sub-fund may also invest in other transferable securities including, but not limited to, warrants and government and public securities, money market instruments, units/shares in collective investment schemes, cash and near cash, and deposits. The sub-fund is permitted to invest in derivatives and forward transactions for the purposes of efficient portfolio management (including hedging), and may borrow and enter into stock lending arrangements in accordance with the Regulations.

The sub-fund will invest in very small companies which will have wider bid/offer spreads and may be more volatile than larger companies. This may impact on short term performance. Any investment in this sub-fund should be considered as long term (i.e. over 10 years).

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AUTHORISED STATUS AND GENERAL INFORMATION

Investment objectives and policies

Marlborough Nano-Cap Growth Fund (continued)

The sub-fund will be managed so it is eligible for inclusion in the IA UK Smaller Companies sector.

Rights and terms attached to each share class

A share of each class represents a proportional entitlement to the assets of each sub-fund. The allocation of income and taxation and the rights of each share in the event that a sub-fund is wound up are on the same proportional basis.

Changes in prospectus

The investment objective and policy has been updated on the Marlborough Far East Growth Fund. Details of the changes can be found in the latest Prospectus dated 21 October 2019.

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.

Cross Holdings

The sub-funds of the Company do not hold shares in other sub-funds of the Company.

Post balance sheet events

Since the period end 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 sub-funds, including on the fair value of their investments.

MFM as the ACD, and the Investment Manager to each of the sub-funds continue to monitor UK government announcements and advice as the situation continues to develop.

Since 31 January 2020 the Net Asset Value per share of each sub-fund, expressed in pence per share, has changed as follows:

<u>Marlborough Far East Growth Fund</u>	<u>31 January 2020 *</u>	<u>27 March 2020</u>	<u>Movement (%)</u>
A Income	223.60	194.84	-12.86%
A Accumulation	272.98	237.99	-12.82%
B Income	231.88	201.69	-13.02%
B Accumulation	277.95	242.51	-12.75%
P Income	224.83	195.37	-13.10%
P Accumulation	264.04	230.46	-12.72%

<u>Marlborough Multi Cap Income Fund</u>	<u>31 January 2020 *</u>	<u>27 March 2020</u>	<u>Movement (%)</u>
A Income	161.72	109.04	-32.57%
A Accumulation	234.47	161.51	-31.12%
B Income	168.14	113.46	-32.52%
B Accumulation	232.54	160.31	-31.06%
P Income	170.38	115.02	-32.49%
P Accumulation	235.34	162.30	-31.04%

<u>Marlborough Nano-Cap Growth Fund</u>	<u>31 January 2020 *</u>	<u>27 March 2020</u>	<u>Movement (%)</u>
A Accumulation	184.16	127.02	-31.03%
B Accumulation	191.62	130.88	-31.70%
P Accumulation	193.08	133.32	-30.95%

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

THE MARLBOROUGH NO 2 OEIC

AUTHORISED CORPORATE 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
31 March 2020

NOTES TO THE INTERIM FINANCIAL STATEMENTS for the six month period ended 31 January 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.

The interim financial statements are prepared in sterling, which is the functional currency of the sub-funds. 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 July 2019 and are described in those annual financial statements.

The investments of the sub-funds have been valued at their fair value at 12 noon on 31 January 2020.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

AUTHORISED INVESTMENT ADVISER'S REPORT
for the six month period ended 31 January 2020

Percentage change and sector position to 31 January 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Marlborough Far East Growth Fund	-4.54%	2.46%	11.07%	49.06%
IA Asia Pacific excluding Japan	-4.31%	7.92%	21.21%	47.29%
Quartile Ranking*	2	4	4	2

* Based on ranking within The Investment Association's Asia Pacific excluding Japan sector.

Launched 31 October 2005.

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



After initial very sharp falls at the start of August 2019, with the exception of the US, global market indices traded sideways until mid-December, as poor economic data and continual political noise about the Sino-US trade war kept investor sentiment subdued. Then, as China started to show a mild improvement to its data and trade noises softened somewhat, markets rallied strongly over the year end, only to be beaten down again by the emergence of a novel respiratory virus in Mid-January to finish the period down 3.68% in Sterling terms. Investors started to flee, but the Chinese government delayed the re-opening of its stock markets after Chinese New Year until after month-end, leaving the major falls to be reflected in every other country regionally than China, whose domestic Chinese markets then only began to

fall after the period end. After three years of worry, Sterling also climbed very strongly in the period under review, increasing by 8.7%. As the Fund does not hedge its currency, this was a major headwind and it finished the period under review down 4.54%.

The best-performing market over this period was Taiwan. With an index dominated by tech companies paying relatively high dividends, Taiwan has been well-placed to benefit from the shift towards the Internet of things (IoT) and the ever-continuing search for yield. Our best performing stock there, TSMC, rose by over 19% in Sterling terms during the period.

At the start of 2019, few would have expected pro-Taiwanese Independence President Tsai Ing-Wen to win a second term of office in the elections which took place in January this year, because she has presided over such a strained relationship with Mainland China. However, as the size and violence of the anti-government protests in Hong Kong grew, so too did hostility to China in Taiwan. China responded by accelerating the marginalisation of Taiwan in as many global fora as possible, which only widened the rift. In January, to Beijing's deep displeasure, President Tsai won the election by a landslide after video footage of mass arrests in Hong Kong convinced domestic population that the "One China, Two Systems" method of integration with the mainland was unworkable. Our holding in Taiwan Semiconductor rose by 19.1% during the period, but it was not the best position in the portfolio over this period. That accolade goes to Manappuram Finance, an Indian financier which lends to individuals and small businesses against collateral of gold. Its share price rose by more than 47%, assisted by the weakening of the traditional channels. Our Indian portfolio performed well over this period, with software developer NITEC rising by 44.6% in Sterling terms and both Manappuram and ICICI Bank (+10.5%) benefiting from the turmoil which seized the Indian non-bank financing sector. As a result of which, Manappuram now holds over 73 tonnes of gold in collateral.

Having won an unexpected landslide in the 2019 elections, Prime Minister Modi has continued with his radical programme of reform in India, which has created further headwinds for an economy already struggling with the slowing of global trade and the aftermath of his earlier reforms. Despite this, there were signs throughout the final months of 2019 that consumer confidence and demand in the rural areas were returning on the back of a better monsoon (bringing better volume of food, albeit with lower prices). At the start of 2020, however, Mr Modi's confidence seems to be verging on hubris, with the introduction of the new Citizenship Law, which seeks to limit Indian citizenship by religion. The proposed legislation is quite rightly causing uproar and at the time of writing, violent protests have spread throughout the country, with particularly large ones in Delhi.

Protest has been the order of the day in Hong Kong in the period under review. Following an ill-judged attempt to iron out inconsistencies in extradition law which would have seen HK citizens become extraditable to Mainland China, a very large percentage of the HK population took to the streets to protest. The police reacted with what appeared to be excessive force and the protesters pushed back harder, halting public transport and the airport and damaging buildings and infrastructure. At the time of writing the only one of the protesters' five key demands to have been met is the withdrawal of the disastrous bill. With the city also reeling from the impact of the Sino-US trade wars, tourism had been one of the remaining pillars of the HK economy still performing well until the protests began, long before the arrival of the new coronavirus which is causing such distress globally. Hong Kong's Q1 GDP is likely to look grim, but there are still pockets of opportunity even so. Our position in AAC Acoustic rose by 22.9% in the period. The company manufactures smart speakers for companies such as Amazon and Apple and will be a major beneficiary of the growth in IoT associated with the move to the next layer of mobile connectivity, 5G, over the coming year. Stocks on the Mainland underperformed the rest of the region throughout the period until the 5th December, whereupon they rallied sharply until Chinese New Year. Celebrations to mark the 70th anniversary of the founding of the country on October 1st prompted Beijing to close many polluting industries to clear the skies ahead of the celebrations, despite the already fragile state of the economy and to clamp down on freedom of speech and movement in unprecedented ways. As a result, data on corporate and economic performance for Q4 2019 is highly distorted and hard to reconcile with what may have been happening then.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2020

Markets rallied hard in the first two weeks of the new Year until the emergence of the new virus. Since then, the Chinese economy has been in a state of confusion, which has spread globally and has also resulted in strongly erratic stock market moves whenever the "National Team" of chosen financial institutions are instructed to buy certain sections of the stock market. Our holding in Sunny Optical (one of the few optoelectronics companies with plant outside the Wuhan valley) has jumped 28% in Sterling terms, but gas transporter CIMC Enric has fallen back by 34%, after the oil majors called "force majeure" to allow them to forego payments for imports of gas.

Tourism has, of course, been hit very hard by the current situation and this has taken its toll particularly heavily in Thailand. The country had been seeing nascent signs of recovery after three years of political disruption and had started to get very substantial relocations of companies from China. Wages have been rising for a long time in China and the increasingly authoritarian regime had already left many unhappy, so the Sino-US trade wars proved the final straw for many and catalysed a move abroad. Vietnam, Thailand, Malaysia and Indonesia have been the principal beneficiaries of this trend, which has spread out across ASEAN and, to a lesser extent, India. Our position in industrial estate developer Amata Thailand had been doing particularly well prior to the virus discoveries, but since then has been hurt by fears of the impending downturn on the auto market and of the virus on tourism, which comprises some 11% of Thai GDP. Thailand had the strongest currency in the region in 2019, which has made the country less attractive to tourists and inward investment generally. Our holdings in Hana Micro Electronics roughly cancelled each other out this period, rising 14% and falling 38% respectively.

The impact of the political reactions to the virus has spread worldwide, catalysing dramatic falls in global stock markets. Meanwhile, in North Asia, the response has been significantly calmer. Taiwan and Korea in particular, where testing has been rigorous and government reaction calm and controlled, stand out. The fund has maintained a high cash position throughout this crisis, adding to holdings like Pacific Hospital Supply and HK Broadband and scouring every company to check for any long-forgotten obligations they may have. It is not our style to hold significantly indebted companies ordinarily, so the fund is well-protected on that front. Looking forward, the virus currently afflicting much of the world will go – possibly when the weather gets warmer – and investors will return to fundamentals. At that time, demand for the Internet of Things (IoT) looks likely to return too.

A desire to cable up one's home and be able to work remotely at a moment's notice looks likely to boost demand for 5G stocks, which are principally found in the North of the region, so we have added a new position in Eugene Technology in Korea, which makes highly specialised chemicals used in the manufacture of the chips which run datacentres and cloud computing. With dependably strong growth and 30% of its balance sheet in cash, it is typical of the types of company we are adding to the fund when opportunities arise. Political stability in countries which mis-handle the disease looks fragile at present, but this risk is not confined to or characteristic of Asia, which in our opinion, now looks a safer place to invest than the West, where lockdowns are only just starting. The depths of a crisis such as this have historically been good times to add to positions. We may not have reached the bottom yet, but we regard this as a great time to start kicking the tyres and as we do so, we are unearthing a host of strong long-term opportunities.

Sally Macdonald / Jing Liang
Marlborough Fund Managers Ltd
27 March 2020

Distributions (pence per share)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Income</u>				
Income paid 31 March	0.2135	0.8407	0.6772	-
Income paid 30 September	-	2.3885	2.1885	2.3910
<u>A Accumulation</u>				
Accumulation paid 31 March	0.2588	1.0115	0.8120	-
Accumulation paid 30 September	-	2.8864	2.6120	2.8216
<u>B Income</u>				
Income paid 31 March	0.8190	1.4182	1.2658	0.4622
Income paid 30 September	-	3.7660	2.8357	2.9999
<u>B Accumulation</u>				
Accumulation paid 31 March	0.9834	1.6976	1.5482	0.5056
Accumulation paid 30 September	-	3.6191	3.3642	3.5244
<u>P Income</u>				
Income paid 31 March	1.0890	1.6762	1.6105	0.7043
Income paid 30 September	-	3.2461	3.1114	3.2589
<u>P Accumulation</u>				
Accumulation paid 31 March	1.2766	1.9271	1.8172	0.7791
Accumulation paid 30 September	-	3.7640	3.5305	3.6230

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT
for the six month period ended 31 January 2020

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Escorts Ltd	861,772	NagaCorp Ltd	1,141,234
Inari Amertron Bhd	856,803	Infosys Ltd - SP ADR	725,329
Sunny Optical Technology (Group) Co Ltd	613,794	Keppel Corp	627,232
Ayala Land Inc	474,578	PetroChina Co Ltd 'H'	592,672
HIWIN Technologies Corp	472,994	China Life Insurance Co Ltd 'H'	565,869
GuocoLand Ltd	460,322	Chow Sang Sang Holdings International Ltd	537,823
Hon Hai Precision Industry Co Ltd	456,207	MODETOUR Network Inc	520,101
COSMAX Inc	444,421	Bank of China Ltd 'H'	454,845
Gunkul Engineering Public Co Ltd - NVDR	443,658	Pacific Hospital Supply Co Ltd	450,618
China Railway Signal & Communication Corp Ltd '	357,678	Hon Hai Precision Industry Co Ltd	406,408
Other purchases	1,289,277	Other sales	2,747,457
Total purchases for the period	6,731,504	Total sales for the period	8,769,588

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

COMPARATIVE TABLE

<u>A Income shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	235.72	234.20	237.97	181.11
Return before operating charges*	(10.44)	8.47	3.29	63.00
Operating charges	(1.95)	(3.72)	(4.19)	(3.75)
Return after operating charges*	(12.39)	4.75	(0.90)	59.25
Distributions on income shares	(0.21)	(3.23)	(2.87)	(2.39)
Closing net asset value per share	223.12	235.72	234.20	237.97
* after direct transaction costs of:	0.15	0.22	0.46	0.53
Performance				
Return after charges	-5.26%	2.03%	-0.38%	32.71%
Other information				
Closing net asset value	£5,172,836	£5,641,258	£4,448,433	£3,483,967
Closing number of shares	2,318,405	2,393,187	1,899,432	1,464,058
Operating charges	1.67% ^A	1.66%	1.70%	1.74%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	245.30p	240.64p	262.20p	243.35p
Lowest share price	220.43p	203.19p	230.01p	179.60p
<u>A Accumulation shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	287.78	282.01	283.13	213.48
Return before operating charges*	(12.75)	10.26	3.87	74.13
Operating charges	(2.38)	(4.49)	(4.99)	(4.48)
Return after operating charges*	(15.13)	5.77	(1.12)	69.65
Distributions on accumulation shares	(0.26)	(3.90)	(3.42)	(2.82)
Retained distributions on accumulation shares	0.26	3.90	3.42	2.82
Closing net asset value per share	272.65	287.78	282.01	283.13
* after direct transaction costs of:	0.19	0.26	0.55	0.63
Performance				
Return after charges	-5.26%	2.05%	-0.40%	32.63%
Other information				
Closing net asset value	£24,171,798	£27,406,228	£24,169,156	£11,093,070
Closing number of shares	8,865,427	9,523,378	8,570,241	3,917,961
Operating charges	1.67% ^A	1.66%	1.70%	1.74%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	299.47p	290.83p	311.98p	286.66p
Lowest share price	269.11p	244.66p	274.40p	211.65p

^A These figures have been annualised.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

COMPARATIVE TABLE

<u>B Income shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	243.84	241.63	245.38	186.80
Return before operating charges*	(10.82)	10.08	3.41	64.78
Operating charges	(1.42)	(2.69)	(3.06)	(2.74)
Return after operating charges*	(12.24)	7.39	0.35	62.04
Distributions on income shares	(0.82)	(5.18)	(4.10)	(3.46)
Closing net asset value per share	230.78	243.84	241.63	245.38
* after direct transaction costs of:	0.16	0.22	0.48	0.54
Performance				
Return after charges	-5.02%	3.06%	0.14%	33.21%
Other information				
Closing net asset value	£2,308	£2,438	£1,008	£1,002
Closing number of shares	1,000	1,000	417	408
Operating charges	1.17% ^A	1.16%	1.20%	1.24%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	254.34p	250.23p	271.07p	251.50p
Lowest share price	228.04p	209.81p	237.75p	185.22p
<u>B Accumulation shares</u>				
Change in net assets per share	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
	pence	pence	pence	pence
Opening net asset value per share	292.28	285.00	284.72	213.52
Return before operating charges*	(12.96)	10.46	3.84	74.59
Operating charges	(1.70)	(3.18)	(3.56)	(3.39)
Return after operating charges*	(14.66)	7.28	0.28	71.20
Distributions on accumulation shares	(0.98)	(5.32)	(4.91)	(4.03)
Retained distributions on accumulation shares	0.98	5.32	4.91	4.03
Closing net asset value per share	277.62	292.28	285.00	284.72
* after direct transaction costs of:	0.19	0.26	0.56	0.67
Performance				
Return after charges	-5.02%	2.55%	0.10%	33.35%
Other information				
Closing net asset value	£32,675	£34,401	£34,536	£54,343
Closing number of shares	11,770	11,770	12,118	19,086
Operating charges	1.17% ^A	1.16%	1.20%	1.24%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	304.87p	295.38p	314.51p	288.21p
Lowest share price	273.34p	247.50p	277.22p	211.78p

^A These figures have been annualised.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

COMPARATIVE TABLE

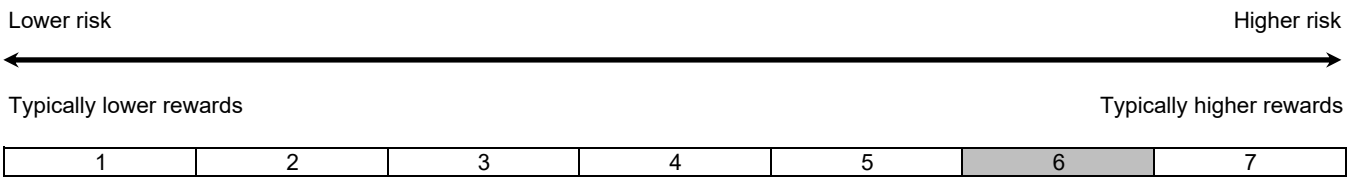
<u>P Income shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	236.12	234.54	238.32	181.31
Return before operating charges*	(10.48)	8.55	3.29	63.12
Operating charges	(1.08)	(2.05)	(2.35)	(2.15)
Return after operating charges*	(11.56)	6.50	0.94	60.97
Distributions on income shares	(1.09)	(4.92)	(4.72)	(3.96)
Closing net asset value per share	223.47	236.12	234.54	238.32
* after direct transaction costs of:	0.15	0.22	0.47	0.53
Performance				
Return after charges	-4.90%	2.77%	0.39%	33.63%
Other information				
Closing net asset value	£4,827,727	£5,241,092	£5,851,638	£6,199,934
Closing number of shares	2,160,331	2,219,645	2,494,978	2,601,527
Operating charges	0.92% ^A	0.91%	0.95%	0.99%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	246.59p	241.90p	263.57p	244.53p
Lowest share price	220.83p	203.79p	231.11p	179.82p
<u>P Accumulation shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	277.30	269.71	268.77	201.14
Return before operating charges*	(12.31)	9.96	3.61	69.99
Operating charges	(1.27)	(2.37)	(2.67)	(2.36)
Return after operating charges*	(13.58)	7.59	0.94	67.63
Distributions on accumulation shares	(1.28)	(5.69)	(5.35)	(4.40)
Retained distributions on accumulation shares	1.28	5.69	5.35	4.40
Closing net asset value per share	263.72	277.30	269.71	268.77
* after direct transaction costs of:	0.18	0.25	0.53	0.58
Performance				
Return after charges	-4.90%	2.81%	0.35%	33.62%
Other information				
Closing net asset value	£8,695,152	£9,526,929	£8,619,642	£7,802,713
Closing number of shares	3,297,094	3,435,559	3,195,904	2,903,141
Operating charges	0.92% ^A	0.91%	0.95%	0.99%
Direct transaction costs	0.13% ^A	0.10%	0.19%	0.24%
Prices				
Highest share price	289.59p	280.24p	297.25p	272.05p
Lowest share price	259.34p	234.33p	262.29p	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 share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

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 sub-fund. It is calculated based on the volatility of the sub-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 sub-fund has been measured as 6 because it has experienced high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
CHINA/HONG KONG (31 July 2019 - 45.81%)		
10,700 51job Inc	616,028	1.44
152,000 AAC Technologies Holdings Inc	831,045	1.94
12,500 Alibaba Group Holding Ltd - SP ADR	1,985,849	4.63
97,000 ASM Pacific Technology Ltd	1,009,307	2.35
2,235,000 Bank of China Ltd 'H'	664,135	1.55
803,000 China Construction Bank Corp 'H'	468,564	1.09
1,151,111 China Everbright International Ltd	626,537	1.46
491,000 China Overseas Land & Investment Ltd	1,215,848	2.83
2,747,000 China Railway Signal & Communication Corp Ltd 'H'	1,012,938	2.36
2,016,000 CIMC Enric Holdings Ltd	796,768	1.86
1,232,000 Industrial and Commercial Bank of China Ltd 'H'	629,484	1.47
279,000 Longfor Group Holdings Ltd	904,299	2.11
6,667,000 Pacific Basin Shipping Ltd	915,366	2.13
893,255 PICC Property & Casualty Co Ltd 'H'	734,977	1.71
108,900 Sunny Optical Technology (Group) Co Ltd	1,353,134	3.15
27,400 Tencent Holdings Ltd	1,002,295	2.34
1,396,000 Want Want China Holdings Ltd	883,042	2.06
756,000 Xinyi Glass Holdings Ltd	726,581	1.69
74,105 Xtrackers Harvest CSI300 UCITS ETF '1D' USD	592,795	1.38
Total China/Hong Kong	<u>16,968,992</u>	<u>39.55</u>
INDIA (31 July 2019 - 10.81%)		
129,000 Escorts Ltd	1,101,230	2.57
29,000 Godrej Consumer Products Ltd	207,953	0.49
410,000 Gujarat State Petronet Ltd	1,106,885	2.58
105,520 ICICI Bank Ltd - SPON ADR	1,183,342	2.76
225,000 India Capital Growth Fund Ltd	165,150	0.38
502,000 Manappuram Finance Ltd	1,005,731	2.34
31,510 NIIT Technologies Ltd	651,730	1.52
380,000 Power Grid Corporation of India Ltd	758,269	1.77
Total India	<u>6,180,290</u>	<u>14.41</u>
INDONESIA (31 July 2019 - 3.39%)		
1,540,000 AKR Corporindo Tbk	283,538	0.66
1,215,000 Bank Mandiri (Persero) Tbk	510,104	1.19
8,118,000 Kalbe Farma Tbk	647,681	1.51
Total Indonesia	<u>1,441,323</u>	<u>3.36</u>
MALAYSIA (31 July 2019 - 1.46%)		
2,600,000 Inari Amertron Bhd	845,877	1.97
Total Malaysia	<u>845,877</u>	<u>1.97</u>
PHILIPPINES (31 July 2019 - 0.82%)		
690,000 Ayala Land Inc	428,388	1.00
2,356,000 D&L Industries Inc	309,795	0.72
Total Philippines	<u>738,183</u>	<u>1.72</u>
SINGAPORE (31 July 2019 - 3.33%)		
316,000 ComfortDelGro Corp	382,553	0.89
412,500 GuocoLand Ltd	421,133	0.98
63,351 Oversea-Chinese Banking Corp	382,760	0.89
Total Singapore	<u>1,186,446</u>	<u>2.76</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
SOUTH KOREA (31 July 2019 - 12.92%)		
8,500 COSMAX Inc	369,910	0.86
24,320 Hyundai Engineering & Construction Co Ltd	591,947	1.38
8,615 Hyundai Motor Co Ltd - 2nd Pref	440,785	1.03
81,177 Industrial Bank of Korea	556,029	1.30
4,840 POSCO	681,544	1.59
22,100 Samsung Electronics Co Ltd	794,196	1.85
44,470 Samsung Electronics Co Ltd - Pref	1,345,913	3.14
14,470 SK hynix Inc	862,058	2.01
17,000 YMT Co Ltd	284,338	0.66
Total South Korea	<u>5,926,720</u>	<u>13.82</u>
TAIWAN (31 July 2019 - 13.91%)		
856,000 CTCI Corp	806,652	1.88
68,000 HIWIN Technologies Corp	522,892	1.22
400,000 Hon Hai Precision Industry Co Ltd	836,305	1.95
1,034,000 King Yuan Electronics Co Ltd	848,370	1.98
281,000 Pacific Hospital Supply Co Ltd	540,193	1.26
626,000 Taiwan Hon Chuan Enterprise Co Ltd	948,578	2.21
131,000 Taiwan Semiconductor Manufacturing Co Ltd	1,053,423	2.46
910,980 WT Microelectronics Co Ltd	875,632	2.04
Total Taiwan	<u>6,432,045</u>	<u>15.00</u>
THAILAND (31 July 2019 - 3.30%)		
1,586,000 AMATA Corp NVDR	627,683	1.46
5,855,000 Gunkul Engineering Public Co Ltd - NVDR	374,757	0.87
752,000 Hana Microelectronics NVDR	647,588	1.51
Total Thailand	<u>1,650,028</u>	<u>3.84</u>
Portfolio of investments	41,369,904	96.43
Net current assets	<u>1,532,592</u>	<u>3.57</u>
Total net assets	<u>42,902,496</u>	<u>100.00</u>

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2020

	£
Total purchases costs, including transaction charges	6,731,504
Total sales proceeds, net of transaction charges	8,769,588

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Income:				
Net capital losses		(2,488,876)		(2,071,001)
Revenue	461,143		556,332	
Expenses	<u>(321,388)</u>		<u>(301,698)</u>	
Net revenue before taxation	139,755		254,634	
Taxation	<u>(41,387)</u>		<u>(53,500)</u>	
Net revenue after taxation		<u>98,368</u>		<u>201,134</u>
Total return before distributions		(2,390,508)		(1,869,867)
Distributions		(98,368)		(201,134)
Change in net assets attributable to shareholders from investment activities		<u><u>(2,488,876)</u></u>		<u><u>(2,071,001)</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Opening net assets attributable to shareholders		* 47,852,346		43,124,413
Amounts receivable on issue of shares	1,336,105		4,325,641	
Amounts payable on cancellation of shares	(3,862,178)		(3,196,314)	
Amounts payable on share class conversions	<u>(77)</u>		<u>618</u>	
		(2,526,150)		1,129,945
Change in net assets attributable to shareholders from investment activities		(2,488,876)		(2,071,001)
Retained distribution on accumulation shares		65,154		145,794
Unclaimed distributions		22		31
Closing net assets attributable to shareholders		<u><u>42,902,496</u></u>		* <u><u>42,329,182</u></u>

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

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH FAR EAST GROWTH FUND**

BALANCE SHEET
as at 31 January 2020

	31 January 2020	31 July 2019
	£	£
Assets:		
Fixed Assets:		
Investments	41,369,904	45,818,810
Current Assets:		
Debtors	200,555	288,201
Cash and bank balances	1,517,013	1,994,621
Total assets	<u>43,087,472</u>	<u>48,101,632</u>
Liabilities:		
Creditors:		
Bank overdrafts	20,093	-
Distribution payable on income shares	28,485	129,251
Other creditors	136,398	120,035
Total liabilities	<u>184,976</u>	<u>249,286</u>
Net assets attributable to shareholders	<u>42,902,496</u>	<u>47,852,346</u>

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2020

Percentage change and sector position to 31 January 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>* 01.07.2011</u>
Marlborough Multi Cap Income Fund	9.44%	15.66%	26.83%	39.36%	146.89%
IA UK Equity Income	4.19%	11.45%	16.73%	30.26%	88.13%
Quartile Ranking**	1	1	1	1	1

* Launch period ended 30 June 2011.

** Based on ranking within The Investment Association's UK Equity Income sector.

External Source of Economic Data: Morningstar (Class P Acc - mid to mid). Class P shares first priced on 2 January 2013. In the period to that date, past performance information for the Class A shares has been used.

The price of the Fund at the end of July 2019 was 215.04p (Class P accumulation shares). The FTSE All Share Index was 4134.03 at that time. Since then, the FTSE All Share Index has fallen to 4057.47 (31 January 2020); a decrease of 1.8%. In comparison, the Fund price increased to 235.34p (Class P accumulation shares), up 9.4% over the same period. The FTSE All Share Total Return Index is up 0.1% over the period, from 7579.35 to 7583.58.



Since launch to 31 January 2020, the Fund is up 146.9% (based on the Class P accumulation shares) compared with the FTSE All Share Index, up 31.0% (3096.72 to 4057.47). The FTSE All Share Total Return Index is up 79.1% (4233.69 to 7583.58).

The Fund went ex-div on 31st January. The dividend per share for the P income share class is 3.5987p, with payment due at the end of March 2020. This represents growth of 5.5% compared to the payment made at the end of March 2019 (for ex-div 31st January 19). There are slight variations in income distribution across the different shares for our range of share classes (as shown in the table below) but we focus here on the P income share class given this is the class most commonly held by investors.

The Fund value (based on bid value of investments) at end of July 2019 was £1.5bn. As of the end of January 2020, the Fund value was £1.6bn. The fund experienced net outflows to total £19.2m.

The general election in December resulted in a significant Conservative majority. With Corbyn risk diminished, there was a subsequent rally in equity markets. This was led by sectors more exposed to the UK economy. The Fund's performance received a boost from its property exposure (15.7% of the Fund at the time of writing), which is diversified across a range of sub segments such as self-storage, warehouse and last-mile logistics, regional and national housebuilders, estate agents, supermarkets and student housing amongst others. In line with our investment process, none of our holdings expose us massively to any one company. The largest positions are typically 2.5%-3.0% of the Fund and relatively small percentages of respective company free floats. Although suggestions of a 'no deal Brexit' have resurfaced, it does not sound credible and is, in our view, more of a negotiating tactic to secure the best terms possible with the EU. Failing this, we have the World Trade Organisation (WTO) terms next year, which is not all bad. Whilst there may be some market volatility, we believe this could present buying opportunities. For now, interest rates have been held at 0.75% but there is scope for rate cuts if required to stimulate the economy.

Following two months of strong gains, it was not surprising to see a tapering of market returns in January. The emergence of the contagious coronavirus out of mainland China has dampened market sentiment as investors try to weigh up the potential effects on global growth. We expect to see profit warnings from companies with exposure to Chinese supply chains and consumer spending. However, any substantial share price weakness could present useful entry points for new ideas. Notwithstanding a worse than expected impact from the coronavirus, we remain confident in the stock specific fundamentals of our portfolio holdings.

Where we are seeing our companies report results, generally they have been positive with solid underlying dividend growth. Intermediate Capital saw its AUM up 11% in the 6 months to 30 September 2019, leading to a 32% increase in Fund Management profits and a 50% increase in the interim dividend. Hollywood Bowl delivered strong full year results with I-f-I revenue growth of 5.5% and a 14% increase in operating profits. The final dividend was raised 22% and they also declared a special dividend. Oxford Metrics reported an increase in net cash on the balance sheet, as a result of strong cash flows, and a 20% dividend increase. Telecom Plus, a long term holding, saw an acceleration of growth in H1 with revenues up 13.6%. The interim dividend per share was up 8.0%. One of our overseas holdings, NN Group, raised its final dividend 13% and has a strong Solvency II position at 218%. Other examples of businesses with forecasted double-digit dividend growth are Anpario, Berkeley Group, Brickability, DWF, Lundin Petroleum, Quilter, Unite and Watkins Jones amongst others. A number of these are relatively new holdings, so we are still finding attractive ideas.

We have continued to see some corporate activity throughout the period. Sanderson accepted a cash offer from a private equity bidder at a 10% premium. In November, we received our cash from the purchase of BCA Marketplace by TDR Capital. More recently it has been reported that Pennon hopes to sell Viridor, its waste management business. It could fetch up to \$5bn for this alone, a significant premium to analysts' previous estimations of its value.

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MARLBOROUGH MULTI CAP INCOME FUND**

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for the six month period ended 31 January 2020

Following the strong performance in 2019, a number of our holdings now trade at higher valuations. As always, we will look to book profits where appropriate and recycle the capital into lower valuation (higher yielding) ideas. At the time of writing, the Fund is ranked top quartile amongst its IA UK Equity Income peer group for total return over 1, 3 and 5 years.

Siddarth Chand Lall
Hargreave Hale Ltd
13 February 2020

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Post period end

Post period end and since writing the above commentary, the Covid-19 pandemic has accelerated throughout the world and caused sharp falls in global equity markets.

The speed and magnitude of the declines in equity indices has made history. The Covid-19 pandemic has shifted from being a supply led issue to a demand led issue, with the attendant liquidity ramifications for those businesses who cannot weather the storm. We tend to avoid high fixed cost, low-margin and financially geared businesses as a matter of course; these are the businesses that will be under the most pressure but the majority of firms will feel at least a short-term impact. The key from here is finding the stocks where the market has overreacted, and we think there are many, and where the market has underreacted, where again there are many. For companies with strong competitive positions, operating models and balance sheets this presents a significant opportunity to take market share and potentially acquire cheaply whilst also capitalising on trends such as working from home, the de-risking of supply chains and healthcare. For stock market investors, lower valuations decreases risk and increases total return expectations in the right companies.

Distributions (pence per share)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Income</u>				
Income paid 31 March	3.4230	3.2610	3.1684	3.1746
Income paid 30 September		4.2001	3.9837	3.9179
<u>A Accumulation</u>				
Accumulation paid 31 March	4.9620	4.4914	4.1782	3.9975
Accumulation paid 30 September		5.9203	5.3558	5.0401
<u>B Income</u>				
Income paid 31 March	3.5540	3.3682	3.2572	3.2476
Income paid 30 September		4.3506	4.1061	4.0188
<u>B Accumulation</u>				
Accumulation paid 31 March	4.9144	4.4302	4.0974	3.9012
Accumulation paid 30 September		5.8510	5.2665	4.9317
<u>P Income</u>				
Income paid 31 March	3.5987	3.4102	3.2819	3.2645
Income paid 30 September		4.4006	4.1429	4.0450
<u>P Accumulation</u>				
Accumulation paid 31 March	4.9702	4.4763	4.1239	3.9173
Accumulation paid 30 September		5.9099	5.3071	4.9587

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MARLBOROUGH MULTI CAP INCOME FUND**

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for the six month period ended 31 January 2020

Portfolio changes

	Cost (£)	Largest sales	Proceeds (£)
Largest purchases			
Go-Ahead Group	23,044,870	BCA Marketplace	33,954,667
Greggs	22,330,058	Bodycote	20,451,999
Dunelm Group	19,679,184	OneSavings Bank	20,168,226
3i Group	14,176,376	Boot (Henry)	19,319,347
Secure Income REIT	14,095,460	John Laing Group	18,759,086
Watkin Jones	12,145,533	Forterra	17,666,731
IG Group Holdings	11,885,683	St. James's Place	17,058,548
WHSmith	10,249,992	Next	16,332,917
Rio Tinto	8,955,700	Lloyds Banking Group	14,044,240
Vistry Group	8,918,913	Vesuvius	13,872,099
Other purchases	200,819,066	Other sales	193,573,783
Total purchases for the period	346,300,835	Total sales for the period	385,201,643

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

COMPARATIVE TABLE

<u>A Income shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	147.88	160.16	155.20	140.83
Return before operating charges*	14.46	(2.53)	14.57	23.79
Operating charges	(1.16)	(2.29)	(2.46)	(2.33)
Return after operating charges*	13.30	(4.82)	12.11	21.46
Distributions on income shares	(3.42)	(7.46)	(7.15)	(7.09)
Closing net asset value per share	157.76	147.88	160.16	155.20
* after direct transaction costs of:	0.23	0.39	0.45	0.44
Performance				
Return after charges	8.99%	-3.01%	7.80%	15.24%
Other information				
Closing net asset value	£76,051,792	£76,332,292	£93,625,531	£85,685,802
Closing number of shares	48,206,791	51,619,184	58,456,957	55,208,903
Operating charges	1.53% ^A	1.53%	1.53%	1.54%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%
Prices				
Highest share price	164.94p	159.22p	168.41p	163.55p
Lowest share price	139.20p	136.31p	151.44p	141.16p
<u>A Accumulation shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	214.36	220.72	204.70	177.36
Return before operating charges*	21.00	(3.16)	19.29	30.31
Operating charges	(1.68)	(3.20)	(3.27)	(2.97)
Return after operating charges*	19.32	(6.36)	16.02	27.34
Distributions on accumulation shares	(4.96)	(10.41)	(9.53)	(9.04)
Retained distributions on accumulation shares	4.96	10.41	9.53	9.04
Closing net asset value per share	233.68	214.36	220.72	204.70
* after direct transaction costs of:	0.33	0.55	0.60	0.55
Performance				
Return after charges	9.01%	-2.88%	7.83%	15.41%
Other information				
Closing net asset value	£92,512,342	£90,657,641	£115,407,411	£114,295,821
Closing number of shares	39,589,255	42,292,461	52,286,680	55,835,741
Operating charges	1.53% ^A	1.53%	1.53%	1.54%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%
Prices				
Highest share price	239.12p	219.81p	223.10p	210.40p
Lowest share price	201.81p	187.88p	203.63p	177.76p

^A These figures have been annualised.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

COMPARATIVE TABLE

B Income shares

Change in net assets per share	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
	pence	pence	pence	pence
Opening net asset value per share	153.36	165.26	159.36	143.88
Return before operating charges*	15.02	(2.58)	14.96	24.36
Operating charges	(0.81)	(1.60)	(1.70)	(1.61)
Return after operating charges*	14.21	(4.18)	13.26	22.75
Distributions on income shares	(3.55)	(7.72)	(7.36)	(7.27)
Closing net asset value per share	164.02	153.36	165.26	159.36

* after direct transaction costs of: 0.24 0.41 0.47 0.45

Performance

Return after charges 9.27% -2.53% 8.32% 15.81%

Other information

Closing net asset value	£1,186,725	£1,334,822	£5,325,982	£5,016,382
Closing number of shares	723,510	870,401	3,222,731	3,147,763
Operating charges	1.03% ^A	1.03%	1.03%	1.04%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%

Prices

Highest share price	171.46p	164.29p	173.29p	167.79p
Lowest share price	144.39p	140.94p	156.00p	144.23p

B Accumulation shares

Change in net assets per share	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
	pence	pence	pence	pence
Opening net asset value per share	212.06	217.27	200.50	172.87
Return before operating charges*	20.82	(3.08)	18.93	29.59
Operating charges	(1.12)	(2.13)	(2.16)	(1.96)
Return after operating charges*	19.70	(5.21)	16.77	27.63
Distributions on accumulation shares	(4.91)	(10.28)	(9.36)	(8.83)
Retained distributions on accumulation shares	4.91	10.28	9.36	8.83
Closing net asset value per share	231.76	212.06	217.27	200.50

* after direct transaction costs of: 0.33 0.54 0.59 0.54

Performance

Return after charges 9.29% -2.40% 8.36% 15.98%

Other information

Closing net asset value	£1,415,639	£1,285,980	£1,508,426	£1,683,260
Closing number of shares	610,828	606,417	694,272	839,546
Operating charges	1.03% ^A	1.03%	1.03%	1.04%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%

Prices

Highest share price	237.13p	217.18p	219.41p	205.90p
Lowest share price	199.69p	185.32p	200.11p	173.27p

^A These figures have been annualised.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

COMPARATIVE TABLE

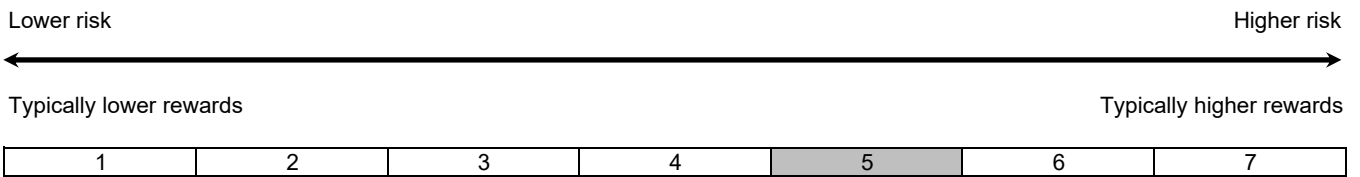
<u>P Income shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	155.20	166.83	160.48	144.54
Return before operating charges*	15.23	(2.60)	15.07	24.48
Operating charges	(0.62)	(1.22)	(1.30)	(1.23)
Return after operating charges*	14.61	(3.82)	13.77	23.25
Distributions on income shares	(3.60)	(7.81)	(7.42)	(7.31)
Closing net asset value per share	166.21	155.20	166.83	160.48
* after direct transaction costs of:	0.24	0.41	0.47	0.45
Performance				
Return after charges	9.41%	-2.29%	8.58%	16.09%
Other information				
Closing net asset value	£919,129,955	£865,161,140	£938,658,040	£844,341,182
Closing number of shares	552,993,787	557,435,211	562,628,007	526,128,859
Operating charges	0.78% ^A	0.78%	0.78%	0.79%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%
Prices				
Highest share price	173.74p	165.85p	174.70p	168.89p
Lowest share price	146.14p	142.43p	157.35p	144.90p
<u>P Accumulation shares</u>				
Change in net assets per share	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
	pence	pence	pence	pence
Opening net asset value per share	214.35	219.06	201.69	173.47
Return before operating charges*	21.06	(3.09)	19.02	29.71
Operating charges	(0.86)	(1.62)	(1.65)	(1.49)
Return after operating charges*	20.20	(4.71)	17.37	28.22
Distributions on accumulation shares	(4.97)	(10.39)	(9.43)	(8.88)
Retained distributions on accumulation shares	4.97	10.39	9.43	8.88
Closing net asset value per share	234.55	214.35	219.06	201.69
* after direct transaction costs of:	0.33	0.55	0.60	0.54
Performance				
Return after charges	9.42%	-2.15%	8.61%	16.27%
Other information				
Closing net asset value	£509,388,320	£468,424,296	£502,250,925	£455,896,899
Closing number of shares	217,173,884	218,532,505	229,271,918	226,036,922
Operating charges	0.78% ^A	0.78%	0.78%	0.79%
Direct transaction costs	0.30% ^A	0.26%	0.28%	0.29%
Prices				
Highest share price	239.98p	219.38p	221.12p	207.04p
Lowest share price	201.87p	187.05p	201.50p	173.88p

^A These figures have been annualised.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

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 sub-fund. It is calculated based on the volatility of the sub-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 sub-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.

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
BANKS (31 July 2019 - 2.24%)		
1,170,000 Close Brothers Group	16,707,600	1.04
Total Banks	<u>16,707,600</u>	<u>1.04</u>
BEVERAGES (31 July 2019 - 0.25%)		
287,500 Shepherd Neame	3,450,000	0.22
Total Beverages	<u>3,450,000</u>	<u>0.22</u>
CLOSED END INVESTMENTS (31 July 2019 - 1.13%)		
1,428,571 Gresham House Energy Storage Fund	1,557,142	0.10
900,000 Honeycomb Investment Trust	8,415,000	0.53
1,250,000 Pollen Street Secured Lending	10,425,000	0.65
Total Closed End Investments	<u>20,397,142</u>	<u>1.28</u>
CONSTRUCTION AND MATERIALS (31 July 2019 - 5.36%)		
1,275,000 Brickability Group	930,750	0.06
6,000,000 Ibstock	17,436,000	1.09
1,800,000 Marshalls	14,274,000	0.89
5,477,614 Norcros	15,611,200	0.98
1,000,000 Polypipe Group	5,415,000	0.34
2,850,000 Ricardo	21,831,000	1.36
Total Construction and Materials	<u>75,497,950</u>	<u>4.72</u>
CONSUMER SERVICES (31 July 2019 - 3.06%)		
4,900,000 RM	13,965,000	0.87
Total Consumer Services	<u>13,965,000</u>	<u>0.87</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2019 - 1.06%)		
400,000 IMI	4,504,000	0.28
237,755 Solid State	1,450,305	0.09
8,200,000 Strix Group	15,038,800	0.94
Total Electronic and Electrical Equipment	<u>20,993,105</u>	<u>1.31</u>
FINANCE AND CREDIT SERVICES (31 July 2019 - 3.31%)		
6,750,000 Paragon Banking Group	33,783,750	2.11
950,000 Ramsdens Holdings	2,242,000	0.14
Total Finance and Credit Services	<u>36,025,750</u>	<u>2.25</u>
FOOD PRODUCERS (31 July 2019 - 2.24%)		
373,000 Hilton Food Group	3,886,660	0.24
4,000,000 Tate & Lyle	31,856,000	1.99
Total Food Producers	<u>35,742,660</u>	<u>2.23</u>
GAS, WATER AND MULTI-UTILITIES (31 July 2019 - 2.77%)		
100,000 National Grid	1,006,200	0.06
3,650,000 Pennon Group	40,588,000	2.54
850,000 Severn Trent	21,930,000	1.37
Total Gas, Water and Multi-utilities	<u>63,524,200</u>	<u>3.97</u>
GENERAL INDUSTRIALS (31 July 2019 - 3.10%)		
10,800,000 Macfarlane Group	11,826,000	0.74
8,000,000 Smith (DS)	27,560,000	1.72
Total General Industrials	<u>39,386,000</u>	<u>2.46</u>
HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2019 - 4.63%)		
1,237,889 Barratt Developments	9,942,724	0.62
901,560 Churchill China	17,670,576	1.10
600,000 Countryside Properties	2,931,600	0.18
668,196 Portmeirion Group	4,744,192	0.30
12,250,000 Taylor Wimpey	26,288,500	1.64
130,000 The Berkeley Group Holdings	6,747,000	0.42

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
HOUSEHOLD GOODS AND HOME CONSTRUCTION (continued)		
2,100,000 Vistry Group	28,959,000	1.81
5,500,000 Watkin Jones	13,640,000	0.85
Total Household Goods and Home Construction	<u>110,923,592</u>	<u>6.92</u>
INDUSTRIAL ENGINEERING (31 July 2019 - 1.03%)		
1,000,000 The Vitec Group	10,250,000	0.64
Total Industrial Engineering	<u>10,250,000</u>	<u>0.64</u>
INDUSTRIAL MATERIALS (31 July 2019 - 1.95%)		
1,800,000 Mondi	28,143,000	1.76
Total Industrial Materials	<u>28,143,000</u>	<u>1.76</u>
INDUSTRIAL METALS AND MINING (31 July 2019 - 5.26%)		
7,201,110 Anglo Pacific Group	12,601,942	0.79
547,865 Bodycote	4,749,990	0.30
5,462,376 Central Asia Metals	11,197,871	0.70
860,000 Hill & Smith Holdings	12,461,400	0.78
200,000 Rio Tinto	8,190,000	0.51
Total Industrial Metals and Mining	<u>49,201,203</u>	<u>3.08</u>
INDUSTRIAL SUPPORT SERVICES (31 July 2019 - 5.52%)		
125,000 DCC	7,742,500	0.48
2,880,625 DWF Group	3,779,380	0.24
1,500,000 Electrocomponents	10,155,000	0.63
700,000 Essentra	2,920,400	0.18
9,500,000 Hays	14,848,500	0.93
600,000 Keystone Law Group	3,420,000	0.21
3,800,000 Midwich Group	19,532,000	1.22
3,840,000 STthree	13,977,600	0.87
Total Industrial Support Services	<u>76,375,380</u>	<u>4.76</u>
INDUSTRIAL TRANSPORTATION (31 July 2019 - 0.21%)		
Total Industrial Transportation	<u>-</u>	<u>-</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2019 - 10.29%)		
1,500,000 3i Group	16,672,500	1.04
4,000,000 Ashmore Group	22,060,000	1.38
5,500,000 Cenkos Securities	2,805,000	0.18
4,905,000 Finncap Group	1,128,150	0.07
1,700,000 IG Group Holdings	11,277,800	0.71
2,400,000 Intermediate Capital Group	41,784,000	2.61
250,000 Liontrust Asset Management	3,337,500	0.21
555,000 Mattioli Woods	4,551,000	0.28
1,855,845 MJ Hudson Group	1,020,715	0.06
7,600,000 Polar Capital Holdings	44,232,000	2.77
6,375,000 Premier Miton Group	10,518,750	0.66
3,000,000 Quilter	5,098,500	0.32
1,400,000 Standard Life Aberdeen	4,281,200	0.27
1,150,000 TP ICAP	4,559,750	0.29
Total Investment Banking and Brokerage Services	<u>173,326,865</u>	<u>10.85</u>
LEISURE GOODS (31 July 2019 - 0.32%)		
145,000 Games Workshop Group	9,686,000	0.61
Total Leisure Goods	<u>9,686,000</u>	<u>0.61</u>
LIFE INSURANCE (31 July 2019 - 5.34%)		
7,936,537 Chesnara	25,952,476	1.62
5,000,000 Phoenix Group Holdings	37,700,000	2.36
Total Life Insurance	<u>63,652,476</u>	<u>3.98</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
MEDIA (31 July 2019 - 1.73%)		
100,000 4imprint Group	3,300,000	0.21
4,313,776 Bloomsbury Publishing	12,251,124	0.77
8,523,904 Hyve Group	8,387,522	0.52
600,000 Informa	4,675,200	0.29
2,300,000 STV Group	9,545,000	0.60
Total Media	<u>38,158,846</u>	<u>2.39</u>
NON-LIFE INSURANCE (31 July 2019 - 0.75%)		
350,000 Admiral Group	7,920,500	0.50
4,500,000 Sabre Insurance Group	13,860,000	0.87
Total Non-life Insurance	<u>21,780,500</u>	<u>1.37</u>
OIL, GAS AND COAL (31 July 2019 - 4.62%)		
3,900,000 BP	17,916,600	1.12
19,250,000 Diversified Gas & Oil	17,787,000	1.11
900,000 Royal Dutch Shell 'B'	18,135,000	1.13
Total Oil, Gas and Coal	<u>53,838,600</u>	<u>3.36</u>
PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2019 - 0.58%)		
1,115,000 Greggs	25,221,300	1.58
150,000 Unilever	6,780,750	0.42
Total Personal Care, Drug and Grocery Stores	<u>32,002,050</u>	<u>2.00</u>
PERSONAL GOODS (31 July 2019 - Nil)		
300,000 Burberry Group	5,905,500	0.37
Total Personal Goods	<u>5,905,500</u>	<u>0.37</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2019 - 2.43%)		
380,000 Anpario	1,216,000	0.08
259,113 Bioventix	10,027,673	0.63
1,400,000 GlaxoSmithKline	25,118,800	1.57
Total Pharmaceuticals and Biotechnology	<u>36,362,473</u>	<u>2.28</u>
REAL ESTATE INVESTMENT AND SERVICES (31 July 2019 - 1.50%)		
1,637,000 Belvoir Group	2,619,200	0.16
1,167,500 M Winkworth	1,751,250	0.11
Total Real Estate Investment and Services	<u>4,370,450</u>	<u>0.27</u>
REAL ESTATE INVESTMENT TRUSTS (31 July 2019 - 7.75%)		
3,800,000 Big Yellow Group	44,612,000	2.79
10,967,500 LondonMetric Property	24,962,030	1.56
1,000,000 Regional REIT	1,164,000	0.07
4,000,000 Safestore Holdings	32,020,000	2.00
4,191,351 Secure Income REIT	19,657,436	1.23
17,500,000 Supermarket Income REIT	18,725,000	1.17
700,000 Unite Group	8,932,000	0.56
3,162,621 Warehouse REIT	3,652,827	0.23
Total Real Estate Investment Trusts	<u>153,725,293</u>	<u>9.61</u>
RETAILERS (31 July 2019 - 2.94%)		
2,725,000 Dunelm Group	31,419,250	1.96
600,000 Howden Joinery Group	4,132,800	0.26
45,000 Next	3,112,200	0.19
1,200,000 WHSmith	28,608,000	1.79
Total Retailers	<u>67,272,250</u>	<u>4.20</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
SOFTWARE AND COMPUTER SERVICES (31 July 2019 - 1.10%)		
1,000,000 FDM Group (Holdings)	9,740,000	0.61
1,150,000 Oxford Metrics	1,299,500	0.08
800,000 Softcat	9,280,000	0.58
Total Software and Computer Services	<u>20,319,500</u>	<u>1.27</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2019 - 0.92%)		
2,180,500 discoverIE Group	12,516,070	0.78
1,000,000 TT Electronics	2,350,000	0.15
Total Technology Hardware and Equipment	<u>14,866,070</u>	<u>0.93</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (31 July 2019 - 3.26%)		
593,000 Maintel Holdings	1,541,800	0.10
2,765,760 Telecom Plus	41,928,922	2.62
13,750,000 Zegona Communications	14,712,500	0.92
Total Telecommunications Service Providers	<u>58,183,222</u>	<u>3.64</u>
TRAVEL AND LEISURE (31 July 2019 - 5.83%)		
14,000,000 Cineworld Group	24,871,000	1.55
1,091,601 Go-Ahead Group	22,290,492	1.39
2,893,721 Hollywood Bowl Group	8,507,540	0.53
5,000,000 National Express Group	22,500,000	1.41
1,283,750 PPHE Hotel Group	25,161,500	1.57
1,420,000 Ten Entertainment Group	4,416,200	0.28
Total Travel and Leisure	<u>107,746,732</u>	<u>6.73</u>
OVERSEAS SECURITIES (31 July 2019 - 6.03%)		
50,000 AXA	1,011,970	0.06
300,000 Lundin Petroleum	7,001,327	0.44
450,000 NN Group	11,956,965	0.75
225,000 Pfizer	6,352,659	0.40
3,770,000 Princess Private Equity Holding	35,187,279	2.20
600,000 Statoil	8,350,275	0.52
500,000 Total	18,654,379	1.17
2,000,000 Tufton Oceanic Assets Limited	1,584,641	0.10
Total Overseas Securities	<u>90,099,495</u>	<u>5.64</u>
UNQUOTED SECURITIES (31 July 2019 - 0.07%)		
6,238,672 Conviviality	-	-
Total Unquoted Securities	<u>-</u>	<u>-</u>
Portfolio of investments	1,551,878,904	97.01
Net current assets	<u>47,805,869</u>	<u>2.99</u>
Total net assets	<u>1,599,684,773</u>	<u>100.00</u>

Conviviality is in administration and valued at zero until further information is received.

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2020

	£
Total purchases costs, including transaction charges	346,300,835
Total sales proceeds, net of transaction charges	385,201,643

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Income:				
Net capital gains/(losses)		108,802,603		(154,450,325)
Revenue	35,262,764		34,830,618	
Expenses	<u>(6,554,458)</u>		<u>(6,793,260)</u>	
Net revenue before taxation	28,708,306		28,037,358	
Taxation	<u>(233,668)</u>		<u>(167,574)</u>	
Net revenue after taxation		<u>28,474,638</u>		<u>27,869,784</u>
Total return before distributions		137,277,241		(126,580,541)
Distributions		(34,335,887)		(33,771,781)
Change in net assets attributable to shareholders from investment activities		<u>102,941,354</u>		<u>(160,352,322)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Opening net assets attributable to shareholders		* 1,503,196,171		1,656,776,315
Amounts receivable on issue of shares	36,342,716		21,819,025	
Amounts payable on cancellation of shares	(55,583,767)		(29,491,039)	
Amounts payable on share class conversions	<u>30</u>		<u>(235)</u>	
		(19,241,021)		(7,672,249)
Change in net assets attributable to shareholders from investment activities		102,941,354		(160,352,322)
Retained distribution on accumulation shares		12,788,269		12,232,111
Unclaimed distributions		-		313
Closing net assets attributable to shareholders		<u>1,599,684,773</u>		* <u>1,500,984,168</u>

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

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH MULTI CAP INCOME FUND**

BALANCE SHEET
as at 31 January 2020

	31 January 2020	31 July 2019
	£	£
Assets:		
Fixed Assets:		
Investments	1,551,878,904	1,481,913,388
Current Assets:		
Debtors	14,791,476	7,213,739
Cash and bank balances	63,302,544	48,338,528
Total assets	<u>1,629,972,924</u>	<u>1,537,465,655</u>
Liabilities:		
Creditors:		
Distribution payable on income shares	21,576,524	26,736,763
Other creditors	8,711,627	7,532,721
Total liabilities	<u>30,288,151</u>	<u>34,269,484</u>
Net assets attributable to shareholders	<u>1,599,684,773</u>	<u>1,503,196,171</u>

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND**

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2020

Percentage change and sector position to 31 January 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>01.11.2013*</u>
Marlborough Nano-Cap Growth Fund	7.05%	16.99%	51.08%	97.75%	103.22%
FTSE Small Cap Ex. Investment Trusts	11.34%	9.62%	5.49%	27.31%	25.94%
IA UK Smaller Companies	12.48%	20.46%	38.00%	76.47%	83.43%
Quartile Ranking**	4	3	1	2	2

* Launch period ended 31 October 2013.

** Based on ranking within The Investment Association's UK Smaller Companies sector.

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

Over the six months to 31 January 2020 P class units in our Nanocap fund rose 7.05%. This compares to a rise of 11.3% for the FTSE Small Cap Ex. Investment Trusts Index.



The six-month period to 31 January 2020 was a tale of two halves, the pre and post-Election periods. The first half was characterised by a state of paralysis in the UK Parliament and increasing pessimism regarding the UK economy and the Brexit negotiations. The election of Boris Johnson as leader of the Conservative party and, more significantly, the subsequent large Tory majority at the General Election has caused a significant change in sentiment. UK focussed stocks reacted positively to the news and there is early evidence that the shift in mood is taking place in the real economy too, with rising consumer confidence levels, retail sales and positive RICS surveys; this, compounded by the last few years of real wage growth, bodes well for the UK domestic economy.

Early in 2020, the outbreak in novel coronavirus (2019-nCoV) in Wuhan, China, spooked both commodity and equity markets as fears spread that both Chinese GDP growth and global supply chains will be negatively impacted. Whilst these adverse factors have not disappeared, stock markets globally have been calmer with more recent focus on the likely impact of the large stimulatory package introduced by the Chinese government which could encourage Central Banks in Europe and potentially the US to follow suit. Whilst the ultimate impact of the virus remains to be seen, we expect disruption to supply chains and profit warnings from companies that either source directly from China or supply into Chinese manufacturing sites.

Turning to contributors to performance, our largest riser was IXICO (+122%). IXICO provides data and analytics services for clinical development and rose strongly through the period following a series of positive financial and operational developments. Volex (+77%) was the second largest riser in the period. Volex produces cabling assembly solutions for a range of blue-chip customers supplying into medical, automotive and data centre end markets. The next largest contributor was AlphaFX (+76%) following successive upgrades to earnings expectations. The company is led by a strong and entrepreneurial management team that continues to deliver whilst having new product launches which we expect to contribute to FY20 and, more significantly, FY21 numbers. Other notable contributors included SDI Group (+71%), Impax Asset Management (+68%) and K3 Capital (+54%).

Turning to the detractors, the largest faller was Xeros Technologies (-86%). Xeros is attempting to commercialise intellectual property that reduces water, chemicals, energy and effluents usage in cleaning and fabric finishing. The company needed to raise funds given its cash requirements and the placing price achieved was at a significant discount to the previous round, leading to significant share price underperformance. C4X Discovery (-72%) fell following disappointing operational progress and a fundraising at a deeply discounted price. Other notable detractors included Escape Hunt (-70%), Smartspace Software (-66%) and Osirium Technologies (-62%).

Giles Hargreave / Guy Feld
Hargreave Hale Ltd
21 February 2020

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**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND**

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 January 2020

Post period end

Post period end and since writing the above commentary, the Covid-19 pandemic has accelerated throughout the world and caused sharp falls in global equity markets.

The speed and magnitude of the declines in equity indices has made history. The Covid-19 pandemic has shifted from being a supply led issue to a demand led issue, with the attendant liquidity ramifications for those businesses who cannot weather the storm. We tend to avoid high fixed cost, low-margin and financially geared businesses as a matter of course; these are the businesses that will be under the most pressure but the majority of firms will feel at least a short-term impact. The key from here is finding the stocks where the market has overreacted, and we think there are many, and where the market has underreacted, where again there are many. For companies with strong competitive positions, operating models and balance sheets this presents a significant opportunity to take market share and potentially acquire cheaply whilst also capitalising on trends such as working from home, the de-risking of supply chains and healthcare. For stock market investors, lower valuations decreases risk and increases total return expectations in the right companies.

Distributions (pence per share)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Accumulation</u>				
Accumulation paid 31 March	-	-	-	-
Accumulation paid 30 September	-	-	-	-
<u>B Accumulation</u>				
Accumulation paid 31 March	-	-	0.0063	-
Accumulation paid 30 September	-	0.6000	0.1425	0.3001
<u>P Accumulation</u>				
Accumulation paid 31 March	-	-	-	0.0866
Accumulation paid 30 September	-	0.2768	0.3742	0.4335

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Accrol Group Holdings	2,053,269	Nasstar	2,576,000
Eagle Eye Solutions Group	2,049,118	Amerisur Resources	1,921,000
Reabold Resources	2,000,000	GAN	1,892,066
Entertainment AI	2,000,000	UK Oil & Gas	1,886,549
Agronomics	1,296,798	Gresham Technologies	1,272,381
Greatland Gold	1,195,737	APC Technology Group	1,233,362
CloudCall Group	1,001,100	Future	1,227,173
Frontier IP Group	1,000,000	Sylvania Platinum	1,154,742
Longboat Energy 'Reg S'	999,999	Ero Copper	968,929
IQGeo Group	917,288	Filta Group Holdings	807,992
Other purchases	14,673,669	Other sales	8,339,876
Total purchases for the period	29,186,978	Total sales for the period	23,280,069

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND**

COMPARATIVE TABLE

<u>A Accumulation shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	169.31	172.27	141.46	103.96
Return before operating charges*	12.58	(0.35)	33.27	39.46
Operating charges	(1.34)	(2.61)	(2.46)	(1.96)
Return after operating charges*	11.24	(2.96)	30.81	37.50
Distributions on accumulation shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	180.55	169.31	172.27	141.46
* after direct transaction costs of:	0.06	0.14	0.22	0.23
Performance				
Return after charges	6.64%	-1.72%	21.78%	36.07%
Other information				
Closing net asset value	£22,745,419	£21,643,451	£24,851,620	£19,797,559
Closing number of shares	12,598,071	12,783,454	14,425,626	13,994,853
Operating charges	1.55% ^A	1.55%	1.55%	1.56%
Direct transaction costs	0.07% ^A	0.08%	0.14%	0.19%
Prices				
Highest share price	186.03	191.92p	188.70p	154.99p
Lowest share price	164.21	151.30p	140.83p	104.08p
<u>B Accumulation shares</u>	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	175.30	176.93	144.42	105.40
Return before operating charges*	13.46	0.17	34.21	40.36
Operating charges	(0.95)	(1.80)	(1.70)	(1.34)
Return after operating charges*	12.51	(1.63)	32.51	39.02
Distributions on accumulation shares	0.00	(0.60)	(0.15)	(0.30)
Retained distributions on accumulation shares	0.00	0.60	0.15	0.30
Closing net asset value per share	187.81	175.30	176.93	144.42
* after direct transaction costs of:	0.06	0.14	0.22	0.24
Performance				
Return after charges	7.14%	-0.92%	22.51%	37.02%
Other information				
Closing net asset value	£1,878	£18	£1,018	£1,049
Closing number of shares	1,000	10	575	726
Operating charges	1.05% ^A	1.05%	1.05%	1.06%
Direct transaction costs	0.07% ^A	0.08%	0.14%	0.19%
Prices				
Highest share price	193.58	197.15p	193.68p	158.07p
Lowest share price	170.09	155.68p	143.74p	105.59p

^A These figures have been annualised.

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND**

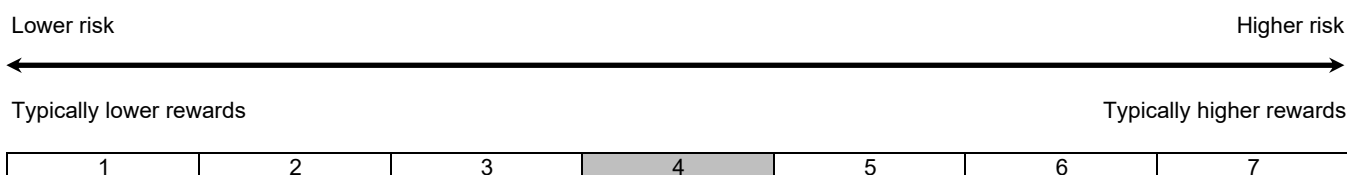
COMPARATIVE TABLE

P Accumulation shares	Period to 31.01.2020	Year to 31.07.2019	Year to 31.07.2018	Year to 31.07.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	176.93	178.67	145.60	106.18
Return before operating charges*	13.20	(0.34)	34.39	40.47
Operating charges	(0.73)	(1.40)	(1.32)	(1.05)
Return after operating charges*	12.47	(1.74)	33.07	39.42
Distributions on accumulation shares	0.00	(0.28)	(0.37)	(0.52)
Retained distributions on accumulation shares	0.00	0.28	0.37	0.52
Closing net asset value per share	189.40	176.93	178.67	145.60
* after direct transaction costs of:	0.06	0.14	0.23	0.24
Performance				
Return after charges	7.05%	-0.97%	22.71%	37.13%
Other information				
Closing net asset value	£195,278,521	£182,185,518	£175,179,461	£123,001,973
Closing number of shares	103,102,527	102,967,550	98,045,427	84,479,984
Operating charges	0.80% ^A	0.80%	0.80%	0.81%
Direct transaction costs	0.07% ^A	0.08%	0.14%	0.19%
Prices				
Highest share price	195.01	199.15p	195.55p	159.43p
Lowest share price	171.77	157.40p	144.99p	106.31p

^A These figures have been annualised.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share 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 sub-fund. It is calculated based on the volatility of the sub-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 sub-fund has been measured as 4 because it has experienced moderate volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENCE (31 July 2019 - 0.21%)		
6,065,000 TP Group	430,615	0.20
Total Aerospace and Defence	<u>430,615</u>	<u>0.20</u>
ALTERNATIVE ENERGY (31 July 2019 - 0.60%)		
10,600,000 Inspired Energy	2,014,000	0.92
Total Alternative Energy	<u>2,014,000</u>	<u>0.92</u>
AUTOMOBILES AND PARTS (31 July 2019 - 0.26%)		
2,650,000 Surface Transforms	689,000	0.32
Total Automobiles and Parts	<u>689,000</u>	<u>0.32</u>
BEVERAGES (31 July 2019 - 0.24%)		
75,500 Shepherd Neame	906,000	0.42
Total Beverages	<u>906,000</u>	<u>0.42</u>
CHEMICALS (31 July 2019 - 0.45%)		
1,914,166 Hardide	1,186,783	0.54
Total Chemicals	<u>1,186,783</u>	<u>0.54</u>
CLOSED END INVESTMENTS (31 July 2019 - 1.55%)		
1,500,000 Augmentum Fintech	1,485,000	0.68
2,240,298 KRM22	1,120,149	0.51
Total Closed End Investments	<u>2,605,149</u>	<u>1.19</u>
CONSTRUCTION AND MATERIALS (31 July 2019 - Nil)		
2,500,000 SigmaRoc	1,250,000	0.57
Total Construction and Materials	<u>1,250,000</u>	<u>0.57</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2019 - 4.39%)		
24,891,666 CAP-XX	821,425	0.38
1,512,667 Ilika	605,067	0.28
4,200,000 SRT Marine Systems	2,058,000	0.94
11,057,500 Thruvision Group	2,985,525	1.37
600,000 Vianet Group	900,000	0.41
2,225,000 Volex	3,560,000	1.63
820,000 Xaar	311,600	0.14
Total Electronic and Electrical Equipment	<u>11,241,617</u>	<u>5.15</u>
FINANCE AND CREDIT SERVICES (31 July 2019 - 0.93%)		
1,500,000 Morses Club	1,890,000	0.87
Total Finance and Credit Services	<u>1,890,000</u>	<u>0.87</u>
FOOD PRODUCERS (31 July 2019 - 0.83%)		
1,269,522 Finsbury Food Group	1,244,132	0.57
Total Food Producers	<u>1,244,132</u>	<u>0.57</u>
GENERAL INDUSTRIALS (31 July 2019 - Nil)		
850,000 Hargreaves Services	2,635,000	1.21
Total General Industrials	<u>2,635,000</u>	<u>1.21</u>
HEALTH CARE PROVIDERS (31 July 2019 - 0.60%)		
320,000 Cambridge Cognition Holdings	92,800	0.04
205,000 Diaceutics	260,350	0.12
675,000 Fusion Antibodies	607,500	0.28
4,000,000 Totally	550,000	0.25
Total Health Care Providers	<u>1,510,650</u>	<u>0.69</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2019 - 1.65%)		
150,000 Churchill China	2,940,000	1.35
1,750,000 Springfield Properties	2,467,500	1.13
Total Household Goods and Home Construction	<u>5,407,500</u>	<u>2.48</u>
INDUSTRIAL ENGINEERING (31 July 2019 - 2.50%)		
123,500 AB Dynamics	2,679,950	1.23
107,000 Mpac Group	294,250	0.13
500,000 Somero Enterprises	1,325,000	0.61
62,000,000 Xeros Technology Group	620,000	0.28
Total Industrial Engineering	<u>4,919,200</u>	<u>2.25</u>
INDUSTRIAL MATERIALS (31 July 2019 - 0.34%)		
89,500 Cropper (James)	1,181,400	0.54
Total Industrial Materials	<u>1,181,400</u>	<u>0.54</u>
INDUSTRIAL METALS AND MINING (31 July 2019 - 2.68%)		
6,000,000 AfriTin Mining	168,000	0.08
1,000,000 Anglo Asian Mining	1,390,000	0.64
41,741,667 Horizonte Minerals	1,293,992	0.59
50,000,000 Landore Resources	325,000	0.15
1,730,000 Tharisa	1,297,500	0.60
Total Industrial Metals and Mining	<u>4,474,492</u>	<u>2.06</u>
INDUSTRIAL SUPPORT SERVICES (31 July 2019 - 7.98%)		
4,366,632 ClearStar	2,183,316	1.00
1,810,000 Croma Security Solutions Group	1,647,100	0.76
500,000 Filta Group Holdings	750,000	0.34
405,000 Hydrogen Group	182,250	0.08
1,000,000 Johnson Service Group	2,110,000	0.97
1,100,000 Journeo	660,000	0.30
16,400,000 Malvern International	98,400	0.05
1,144,444 PCI-PAL	469,222	0.22
2,250,000 Spectra Systems	3,420,000	1.57
950,000 Sureserve Group	456,000	0.21
350,000 Synectics	507,500	0.23
750,000 Water Intelligence	2,100,000	0.96
Total Industrial Support Services	<u>14,583,788</u>	<u>6.69</u>
INDUSTRIAL TRANSPORTATION (31 July 2019 - 1.37%)		
562,241 Gama Aviation	309,232	0.14
Total Industrial Transportation	<u>309,232</u>	<u>0.14</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2019 - 9.75%)		
442,789 Alpha FX Group	5,623,420	2.58
200,000 Aquis Exchange	740,000	0.34
300,000 Curtis Banks Group	1,050,000	0.48
6,235,036 Frontier IP Group	4,115,124	1.89
1,800,000 Impax Asset Management Group	6,966,000	3.20
830,000 K3 Capital Group	1,884,100	0.86
500,000 Manolete Partners	2,000,000	0.92
600,000 Marlowe	2,928,000	1.34
1,155,000,000 RiverFort Global Opportunities	808,500	0.37
2,189,583 WH Ireland Group	1,138,583	0.52
Total Investment Banking and Brokerage Services	<u>27,253,727</u>	<u>12.50</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
MEDIA (31 July 2019 - 4.00%)		
4,727,777 Entertainment AI	1,843,833	0.85
1,461,550 Everyman Media Group	3,273,872	1.50
248,000 Future	3,794,400	1.74
24,050,730 One Media iP Group	1,322,790	0.61
Total Media	<u>10,234,895</u>	<u>4.70</u>
MEDICAL EQUIPMENT AND SERVICES (31 July 2019 - 2.15%)		
1,511,860 Creo Medical Group	2,600,399	1.19
7,000,000 Kromek Group	1,610,000	0.74
1,375,000 SDI Group	1,182,500	0.54
Total Medical Equipment and Services	<u>5,392,899</u>	<u>2.47</u>
OIL, GAS AND COAL (31 July 2019 - 5.98%)		
80,000,000 Cluff Natural Resources	1,240,000	0.57
6,416,666 Egdon Resources	275,917	0.13
1,800,000 Getech Group	396,000	0.18
3,000,000 Jadestone Energy	2,205,000	1.01
999,999 Longboat Energy 'Reg S'	959,999	0.44
222,222,222 Reabold Resources	1,511,111	0.69
900,000 Tekmar Group	1,440,000	0.66
20,100,000 Trinity Exploration & Production	1,869,300	0.86
8,400,000 Wameja	554,400	0.25
17,079,146 Westmount Energy	2,561,872	1.18
Total Oil, Gas and Coal	<u>13,013,599</u>	<u>5.97</u>
OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (31 July 2019 - 0.20%)		
3,400,000 Baskerville Capital	117,300	0.05
3,000,000 Hertsford Capital	285,000	0.13
625,000 Wilmcote Holdings	12,500	0.01
Total Open End and Miscellaneous Investment Vehicles	<u>414,800</u>	<u>0.19</u>
PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2019 - Nil)		
5,500,000 Accrol Group Holdings	2,090,000	0.96
Total Personal Care, Drug and Grocery Stores	<u>2,090,000</u>	<u>0.96</u>
PERSONAL GOODS (31 July 2019 - 0.04%)		
Total Personal Goods	<u>-</u>	<u>-</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2019 - 1.58%)		
20,885,904 Agronomics	1,618,658	0.74
1,525,000 Beximco Pharmaceuticals 'Reg S'	640,500	0.29
846,990 C4X Discovery Holdings	105,874	0.05
620,000 Horizon Discovery Group	946,120	0.43
3,650,000 IXICO	3,066,000	1.41
Total Pharmaceuticals and Biotechnology	<u>6,377,152</u>	<u>2.92</u>
PRECIOUS METALS AND MINING (31 July 2019 - 2.26%)		
5,000,000 Goldplat	255,000	0.12
47,500,000 Greatland Gold	1,624,500	0.75
108,685,000 Jubilee Metals Group	4,184,373	1.92
Total Precious Metals and Mining	<u>6,063,873</u>	<u>2.79</u>
REAL ESTATE INVESTMENT AND SERVICES (31 July 2019 - 0.81%)		
967,000 Property Franchise Group (The)	2,185,420	1.00
Total Real Estate Investment and Services	<u>2,185,420</u>	<u>1.00</u>

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
RETAILERS (31 July 2019 - 0.82%)		
1,400,000 Angling Direct	910,000	0.42
4,641,660 Sosandar	905,124	0.42
1,500,000 TheWorks.co.uk	669,000	0.31
Total Retailers	<u>2,484,124</u>	<u>1.15</u>
SOFTWARE AND COMPUTER SERVICES (31 July 2019 - 20.05%)		
2,115,520 1Spatial	550,035	0.25
2,698,948 Access Intelligence	1,322,484	0.61
3,444,376 ATTRAQT Group	1,308,863	0.60
2,490,000 Beeks Financial Cloud Group	2,539,800	1.17
3,000,000 Castleton Technology	2,130,000	0.98
637,497 Cerillion	1,453,493	0.67
1,000,000 CloudCall Group	910,000	0.42
219,668 Crossword Cybersecurity	878,672	0.40
1,500,000 D4t4 Solutions	2,985,000	1.37
1,124,546 Eagle Eye Solutions Group	2,429,019	1.11
1,102,669 essensys	2,128,151	0.98
4,355,000 GetBusy	2,525,900	1.16
2,685,000 GRC International Group	402,750	0.18
910,000 i-nexus Global	136,500	0.06
843,207 Ingenta	615,541	0.28
480,833 Instem	2,211,832	1.01
841,699 Intercede Group	446,100	0.20
6,241,000 IQGeo Group	3,619,780	1.66
600,000 K3 Business Technology Group	870,000	0.40
12,000,000 Minds + Machines Group	888,000	0.41
1,571,428 Osirium Technologies	345,714	0.16
4,025,000 Oxford Metrics	4,548,250	2.09
1,745,641 Pennant International Group	1,448,882	0.66
1,206,896 SmartSpace Software	362,069	0.17
335,000 Sopheon	2,613,000	1.20
2,000,000 SysGroup	620,000	0.28
1,600,000 Tern	144,000	0.07
Total Software and Computer Services	<u>40,433,835</u>	<u>18.55</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2019 - 0.45%)		
Total Technology Hardware and Equipment	<u>-</u>	<u>-</u>
TELECOMMUNICATIONS EQUIPMENT (31 July 2019 - 1.95%)		
7,694,388 BATM Advanced Communications	3,277,809	1.50
7,010,000 Filtronic	718,525	0.33
Total Telecommunications Equipment	<u>3,996,334</u>	<u>1.83</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (31 July 2019 - 1.71%)		
355,000 AdEPT Technology Group	1,143,100	0.52
945,000 Bigblu Broadband	945,000	0.43
4,750,000 EVR Holdings	209,000	0.10
66,284 Maintel Holdings	172,338	0.08
Total Telecommunications Service Providers	<u>2,469,438</u>	<u>1.13</u>
TRAVEL AND LEISURE (31 July 2019 - 5.11%)		
655,000 Arena Events Group	144,100	0.07
1,000,000 Cake Box Holdings	1,730,000	0.79
7,646,634 DP Poland	573,497	0.26
508,790 Escape Hunt	71,231	0.03
1,298,807 Rotala	675,380	0.31

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
TRAVEL AND LEISURE (continued)		
2,641,176 Safestay	924,412	0.42
22,500,000 Tasty	900,000	0.41
950,000 Ten Entertainment Group	2,954,500	1.36
2,500,000 Ten Lifestyle Group	3,200,000	1.47
Total Travel and Leisure	<u>11,173,120</u>	<u>5.12</u>
OVERSEAS SECURITIES (31 July 2019 - 3.14%)		
9,000,000 Global Atomic (Restricted Line)	2,408,834	1.10
336,700 Greenfields Petroleum	6,783	-
577,457 TMT Investments	1,715,741	0.79
Total Overseas Securities	<u>4,131,358</u>	<u>1.89</u>
UNQUOTED SECURITIES (31 July 2019 - 4.92%)		
2,905,381 Abal Group	24,696	0.01
3,356,366 Albert Technologies	167,818	0.08
850,000 Baskerville Capital Warrants	-	-
2,600,000 Crawshaw Group	-	-
1,500,000 Gable Holdings	-	-
40,540,540 Greatland Gold Warrants	372,973	0.17
2,843,978 HaloSource 'Reg S'	-	-
5,942 Infinity Reliance	170,417	0.08
800,000 Mar City	-	-
28,516,667 Moxico Resources	6,844,000	3.14
4,750,000 National World	498,750	0.23
10,000,000 One Media iP Group Warrants	-	-
222,387 Prefcap	1,779	-
39,333 SCA Investments	2,084,256	0.96
450,000 Snoozebox Holdings	-	-
Total Unquoted Securities	<u>10,164,689</u>	<u>4.67</u>
Portfolio of investments	206,357,821	94.65
Net current assets	<u>11,667,997</u>	<u>5.35</u>
Total net assets	<u>218,025,818</u>	<u>100.00</u>

Abal Group is delisted and valued, based on the latest information received from the company.

Albert Technologies is delisted and is being valued at a discount, based on the volume of shares being traded off-market and the volumes the Fund would be looking to trade in.

Crawshaw Group is in administration and valued at zero until further information is received.

Gable Holdings is delisted and valued at zero until further information is received.

HaloSource 'Reg S' is delisted and valued at zero until further information is received.

Infinity Reliance is unlisted and is being valued using the latest information received on the company.

Mar City is in administration and valued at zero until further information is received.

Moxico Resources is being priced, based on the latest update from the company.

National World is suspended and is being priced based on the last traded price.

Prefcap is delisted and valued, based on the latest information received from the company.

SCA Investments is a private company being valued, based on the price of the latest share placing.

Snoozebox Holdings is in liquidation and valued at zero until further information is received.

All holdings of warrants have been valued at the exercise price less the price of the underlying ordinary shares.

PORTFOLIO TRANSACTIONS

for the six month period ended 31 January 2020

	£
Total purchases costs, including transaction charges	29,186,978
Total sales proceeds, net of transaction charges	23,280,069

THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Income:				
Net capital gains/(losses)		13,933,416		(15,414,249)
Revenue	816,113		757,895	
Expenses	<u>(894,562)</u>		<u>(879,170)</u>	
Net expense before taxation		<u>(78,449)</u>		<u>(121,275)</u>
Taxation		<u>(6,124)</u>		<u>(3,141)</u>
Net expense after taxation		<u>(84,573)</u>		<u>(124,416)</u>
Total return before distributions		13,848,843		(15,538,665)
Distributions		2,372		538
Change in net assets attributable to shareholders from investment activities		<u>13,851,215</u>		<u>(15,538,127)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Opening net assets attributable to shareholders		* 203,828,987		200,032,099
Amounts receivable on issue of shares	8,667,908		6,538,084	
Amounts payable on cancellation of shares	<u>(8,321,901)</u>		<u>(3,092,036)</u>	
Amounts payable on share class conversions		<u>(391)</u>		<u>(1,286)</u>
		345,616		3,444,762
Change in net assets attributable to shareholders from investment activities		13,851,215		(15,538,127)
Closing net assets attributable to shareholders		<u>218,025,818</u>		* <u>187,938,734</u>

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

**THE MARLBOROUGH NO 2 OEIC
MARLBOROUGH NANO-CAP GROWTH FUND**

BALANCE SHEET
as at 31 January 2020

	31 January 2020	31 July 2019
	£	£
Assets:		
Fixed Assets:		
Investments	206,357,821	186,509,760
Current Assets:		
Debtors	3,682,811	665,101
Cash and bank balances	8,631,985	17,419,905
Total assets	<u>218,672,617</u>	<u>204,594,766</u>
Liabilities:		
Creditors:		
Bank overdrafts	152,935	-
Other creditors	493,864	765,779
Total liabilities	<u>646,799</u>	<u>765,779</u>
Net assets attributable to shareholders	<u><u>218,025,818</u></u>	<u><u>203,828,987</u></u>

Marlborough

— Fund Managers —

Marlborough Fund Managers Ltd
Marlborough House,
59 Chorley New Road,
Bolton BL1 4QP

Investor Support: 0808 145 2500 (FREEPHONE)

Dealing: 0808 145 2501 (FREEPHONE)

Fax: 01204 533045

Email: investorsupport@marlboroughfunds.com

Website: www.marlboroughfunds.com