

A decorative background for the top half of the page, featuring a bokeh effect with soft, out-of-focus green and yellow-green circles and streaks against a darker green background.

MARLBOROUGH SPECIAL SITUATIONS FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 20 June 2020

MARLBOROUGH SPECIAL SITUATIONS FUND

CONTACT INFORMATION

Authorised Fund Manager and Registrar

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

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

Directors of Marlborough Fund Managers Ltd

Andrew Staley
Nicholas F J Cooling
Allan Hamer
Wayne D Green
Dom Clarke
Helen Derbyshire
Richard Goodall
Geoffrey Hitchin (Non-Executive)
Guy Sears (Independent Non-Executive)
David Kiddie (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

MARLBOROUGH SPECIAL SITUATIONS FUND

CONTENTS	PAGE
AUTHORISED INVESTMENT ADVISER'S REPORT	1
AUTHORISED STATUS AND GENERAL INFORMATION	3
DIRECTORS' STATEMENT	3
COMPARATIVE TABLE	4
SYNTHETIC RISK AND REWARD INDICATOR	5
PORTFOLIO STATEMENT	6
PORTFOLIO TRANSACTIONS	10
UNAUDITED INTERIM FINANCIAL STATEMENTS	
STATEMENT OF TOTAL RETURN	11
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11
BALANCE SHEET	12
NOTES TO THE INTERIM FINANCIAL STATEMENTS	12

MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 20 June 2020

Percentage change and sector position to 20 June 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>01.07.1998*</u>
Marlborough Special Situations Fund	-7.86%	-2.92%	3.11%	43.17%	2885.22%
IA UK Smaller Companies	-13.30%	-5.76%	3.16%	33.92%	435.24%
Quartile Ranking**	1	2	3	2	1

* Giles Hargreave appointed as Investment Adviser (fund launched 12 July 1995).

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

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

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



During the half year period under review, the bid price of the 'P' unit class declined 7.86% from 1806.14p to 1664.11p compared to declines of 17.42% for the Small Cap index excluding investment trusts, 18.40% for the FTSE 250 and 5.37% for AIM.

At the end of the period the total net asset value of the Fund, based on the bid prices of the underlying shares was £1177m including £23m in cash and monies due from takeovers, spread over 137 positions.

Biggest risers over the period were Petropavlovsk, Ceres Power, Team 17, Frontier Developments, Concurrent Technologies, S4 Capital, Games Workshop, Highland Gold, Polymetal and IDOX. Largest detractors were Mercantile Ports & Logistics, Ted Baker, City Pubs, Escape Hunt, K3 Business Technology, Dart Group, Sensyne Health, Joules, Enteq Upstream and Mind Gym.

This was one of the more unusual six-month periods to cover. It began with the newly elected Conservative party taking office, an associated increase in investor appetite for UK equities, and the hope that 2020 would bring palatable resolution to Brexit negotiations. The period ends with much of the world's population either in strict or advised 'lock-downs' as a result of COVID-19. There has been an array of responses by governments globally, which have considered to varying degrees a plethora of scientific and medical opinions. The optimal response remains unknown as does the extent to which COVID-19 will affect us in the future.

As it became more apparent that the virus was spreading to many countries, the likelihood increased of it morphing from a Chinese supply chain issue to one that might negatively affect demand globally. As this transpired, we examined the balance sheets of all our holdings and relatively ruthlessly culled those that we deemed might require raising further equity that we did not wish to hold for two to three years. There was a handful of positions that were sold; however, the vast majority we determined would not need to raise equity or we would be happy to support should they choose to bolster the group's balance sheet. Almost no business is designed to trade through a situation that having arisen from COVID-19; and the ability for a company to turn to existing investors and/or the capital markets is a huge advantage over many private peers. With the potential for weaker competition to fail during this unprecedented period, it is our hope and assertion that well capitalised businesses with good strategies and sensible management teams can and will emerge stronger.

This period has highlighted many of the trends from which the portfolio aimed to capitalise. These include the growth of video games; technology that benefits from the rise of e-commerce (e.g. cybersecurity, payment solutions) and technology aimed at corporates (e.g. 5G rollout, collaboration communication, robotic process automation). The food-related holdings have shown their natural defensiveness through this period, while the persistence of ultra-aggressive monetary policies from Central Banks and increasingly unorthodox fiscal policies from Governments have been favourable for our precious metals holdings. Many of the trends have been 'supercharged' during this period as large swathes of the population have been advised to limit their movement. This has necessitated fundamental changes to typical behaviour (e.g. purchasing necessities such as food online; working from home) and introduced a huge cohort to entertainment such as video gaming (given the lack of alternative options). We have also benefited by our general underweight to those most negatively affected sectors including commercial real estate, travel, leisure and casual dining.

While the pessimist could point to the potential of continued outbreaks; the inflationary impact of trade tariffs and deglobalisation; the prospect of increased taxes, higher unemployment expectations and an uncertain outcome for the Brexit negotiations, there are many reasons to be optimistic. Record equity issuance in the second quarter of 2020 means many public companies should have the balance sheet to survive; central bank monetary policy continues to be aggressively accommodative and private equity has a considerable amount of undeployed capital. In more uncertain times it is always worthwhile to remember that out of the rubble, Phoenixes emerge and the concept of 'creative construction' should give rise to new and exciting emerging companies.

Giles Hargreave / Eustace Santa Barbara
20 July 2020

This report contains FTSE data. Source: FTSE International Limited ("FTSE") © FTSE 2020. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 20 June 2020

Distributions (pence per unit)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Accumulation</u>				
Net income paid 20 February	-	-	0.8909	4.6674
Net income paid 20 August	-	6.6680	4.4438	3.5745
<u>B Accumulation</u>				
Net income paid 20 February	2.7423	4.2328	5.0841	8.0301
Net income paid 20 August	-	11.0606	9.0002	7.4167
<u>P Accumulation</u>				
Net income paid 20 February	4.8660	6.4490	7.1556	9.6005
Net income paid 20 August	1.5825	13.1262	11.1865	9.2533

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
IG Design Group	13,247,434	Huntsworth	17,820,000
Inspecs Group	11,151,039	Syncona	17,114,734
Chemring Group	10,339,093	Oxford BioMedica	16,821,621
YouGov	10,059,651	Polymetal International	16,176,313
Blue Prism Group	9,233,734	TT Electronics	11,169,723
Dart Group	9,096,224	Ascential	10,814,473
Gamesys Group	8,124,308	Kirkland Lake Gold	10,385,893
KAZ Minerals	7,899,782	Melrose Industries	10,380,019
Team17 Group	7,664,602	Amerisur Resources	10,232,207
Keywords Studios	7,037,950	JD Sports Fashion	9,937,559
Other purchases	158,605,362	Other sales	235,644,577
Total purchases for the period	252,459,179	Total sales for the period	366,497,119

MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

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

Investment objective and policy

The investment objective of the Fund is to provide capital growth, that is, to increase the value of your investment, however, there is no certainty this will be achieved.

At least 80% of the Fund will be invested in UK equities of companies which form the bottom 10% by market capitalisation (the market value of a company's shares). These will be companies incorporated/domiciled in the UK or will have significant business operations in the UK.

The aim of the investment team is to identify companies which they believe show good long-term growth potential, or which appear to be under-valued given their future prospects. The team consider economic and market conditions, but the main focus is on individual company analysis and selection.

Following the same investment philosophy, the Fund may also invest in companies which are listed on overseas stock exchanges, the shares of larger companies, other securities which offer returns linked to the company performance, such as, preference shares, convertible bonds and warrants, and unquoted companies.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when. The Fund invests in a diverse portfolio of investments and is not constrained by any industry or sector.

The Fund may hold cash to enable ready settlement of liabilities (including the redemption of units), for the efficient management of the Fund and in order to meet its objective.

The Fund will be in the IA UK Smaller Companies 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

There have been no changes 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.

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



WAYNE D GREEN
JOINT MANAGING DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
12 August 2020

MARLBOROUGH SPECIAL SITUATIONS FUND

COMPARATIVE TABLE

<u>A Accumulation units</u>	Period to 20.06.2020	Year to 20.12.2019	Year to 20.12.2018	Year to 20.12.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	1,701.78	1,462.41	1,636.74	1,299.93
Return before operating charges*	(114.06)	263.60	(148.49)	360.29
Operating charges	(11.87)	(24.23)	(25.84)	(23.48)
Return after operating charges*	(125.93)	239.37	(174.33)	336.81
Distributions on accumulation units	-	(6.67)	(4.44)	(4.47)
Retained distributions on accumulation units	-	6.67	4.44	4.47
Closing net asset value per unit	1,575.85	1,701.78	1,462.41	1,636.74
* after direct transaction costs of:	1.67	2.31	1.93	3.35
Performance				
Return after charges	-7.40%	16.37%	-10.65%	25.91%
Other information				
Closing net asset value	£322,153,086	£377,030,422	£411,481,714	£470,787,391
Closing number of units	20,443,127	22,155,119	28,137,184	28,763,723
Operating charges	1.53% ^A	1.53%	1.53%	1.54%
Direct transaction costs	0.22% ^A	0.15%	0.11%	0.22%
Prices				
Highest unit price	1,777.68p	1,714.28p	1,897.27p	1,786.94p
Lowest unit price	1,095.14p	1,449.76p	1,459.38p	1,314.36p
<u>B Accumulation units</u>	Period to 20.06.2020	Year to 20.12.2019	Year to 20.12.2018	Year to 20.12.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	1,785.69	1,526.93	1,700.28	1,343.70
Return before operating charges*	(119.34)	275.84	(155.24)	373.04
Operating charges	(8.53)	(17.08)	(18.11)	(16.46)
Return after operating charges*	(127.87)	258.76	(173.35)	356.58
Distributions on accumulation units	-	(13.80)	(13.23)	(12.50)
Retained distributions on accumulation units	-	13.80	13.23	12.50
Closing net asset value per unit	1,657.82	1,785.69	1,526.93	1,700.28
* after direct transaction costs of:	1.78	2.42	2.01	3.47
Performance				
Return after charges	-7.16%	16.95%	-10.20%	26.54%
Other information				
Closing net asset value	£7,328,291	£13,887,784	£13,905,191	£15,078,050
Closing number of units	442,044	777,726	910,663	886,799
Operating charges	1.03% ^A	1.03%	1.03%	1.04%
Direct transaction costs	0.22% ^A	0.15%	0.11%	0.22%
Prices				
Highest unit price	1,866.57p	1,798.47p	1,899.99p	1,784.18p
Lowest unit price	1,150.63p	1,513.88p	1,523.74p	1,365.46p

^A These figures have been annualised.

MARLBOROUGH SPECIAL SITUATIONS FUND

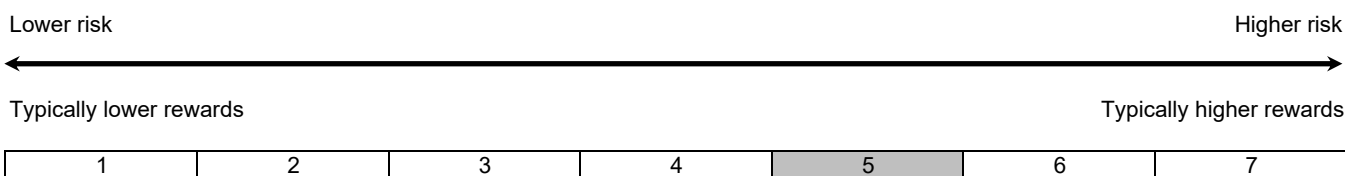
COMPARATIVE TABLE

P Accumulation units	Period to 20.06.2020	Year to 20.12.2019	Year to 20.12.2018	Year to 20.12.2017
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	1,793.48	1,529.92	1,699.31	1,339.59
Return before operating charges*	(119.81)	276.53	(155.67)	372.21
Operating charges	(6.40)	(12.97)	(13.72)	(12.49)
Return after operating charges*	(126.21)	263.56	(169.39)	359.72
Distributions on accumulation units	(1.58)	(17.99)	(17.64)	(16.41)
Retained distributions on accumulation units	1.58	17.99	17.64	16.41
Closing net asset value per unit	1,667.27	1,793.48	1,529.92	1,699.31
* after direct transaction costs of:	1.77	2.43	2.01	3.47
Performance				
Return after charges	-7.04%	17.23%	-9.97%	26.85%
Other information				
Closing net asset value	£848,064,656	£1,035,135,539	£976,826,820	£1,010,386,719
Closing number of units	50,865,511	57,716,531	63,848,184	59,458,732
Operating charges	0.78% ^A	0.78%	0.78%	0.79%
Direct transaction costs	0.22% ^A	0.15%	0.11%	0.22%
Prices				
Highest unit price	1,875.27p	1,806.14p	1,900.90p	1,782.38p
Lowest unit price	1,156.78p	1,516.92p	1,526.70p	1,361.13p

^A These figures have been annualised.

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the period. Direct transaction costs are the total charges for the period, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the period and the average units in issue for the pence per unit figures.

SYNTHETIC RISK AND REWARD INDICATOR



The synthetic risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

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

MARLBOROUGH SPECIAL SITUATIONS FUND
PORTFOLIO STATEMENT

as at 20 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENSE (20 December 2019 - 1.00%)		
4,000,000 Chemring Group	9,400,000	0.80
2,250,000 Cohort	11,925,000	1.01
Total Aerospace and Defense	<u>21,325,000</u>	<u>1.81</u>
ALTERNATIVE ENERGY (20 December 2019 - Nil)		
1,500,000 Ceres Power Holdings	7,920,000	0.67
Total Alternative Energy	<u>7,920,000</u>	<u>0.67</u>
BANKS (20 December 2019 - Nil)		
534,545 Caribbean Investment Holdings	208,473	0.02
Total Banks	<u>208,473</u>	<u>0.02</u>
BEVERAGES (20 December 2019 - 1.55%)		
175,750 Fever-Tree Drinks	3,583,542	0.30
500,000 Nichols	6,725,000	0.57
Total Beverages	<u>10,308,542</u>	<u>0.87</u>
CLOSED END INVESTMENTS (20 December 2019 - 1.48%)		
2,250,000 Crystal Amber Fund	2,070,000	0.18
363,689 Syncona	818,300	0.07
Total Closed End Investments	<u>2,888,300</u>	<u>0.25</u>
CONSTRUCTION AND MATERIALS (20 December 2019 - 3.45%)		
1,200,000 Marshalls	7,590,000	0.64
3,000,000 Norcros	4,920,000	0.42
2,639,241 Renew Holdings	12,008,547	1.02
2,170,000 Volution Group	4,155,550	0.35
Total Construction and Materials	<u>28,674,097</u>	<u>2.43</u>
CONSUMER SERVICES (20 December 2019 - 1.77%)		
2,250,000 CVS Group	21,712,500	1.84
5,777,000 Inspects Group	12,131,700	1.03
Total Consumer Services	<u>33,844,200</u>	<u>2.87</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (20 December 2019 - 3.12%)		
550,000 Oxford Instruments	8,195,000	0.70
7,955,000 Thruvision Group	2,068,300	0.17
650,000 XP Power	23,400,000	1.99
Total Electronic and Electrical Equipment	<u>33,663,300</u>	<u>2.86</u>
FINANCE AND CREDIT SERVICES (20 December 2019 - 0.37%)		
Total Finance and Credit Services	<u>-</u>	<u>-</u>
FOOD PRODUCERS (20 December 2019 - 3.78%)		
525,000 Cranswick	18,826,500	1.60
3,125,000 Finsbury Food Group	1,906,250	0.16
1,650,000 Hilton Food Group	19,800,000	1.68
1,700,000 MP Evans Group	9,860,000	0.84
Total Food Producers	<u>50,392,750</u>	<u>4.28</u>
GENERAL INDUSTRIALS (20 December 2019 - 0.98%)		
Total General Industrials	<u>-</u>	<u>-</u>
HEALTH CARE PROVIDERS (20 December 2019 - 1.73%)		
5,250,000 CareTech Holdings	22,102,500	1.88
215,000 Sensyne Health	77,400	0.01
Total Health Care Providers	<u>22,179,900</u>	<u>1.89</u>

MARLBOROUGH SPECIAL SITUATIONS FUND
PORTFOLIO STATEMENT

as at 20 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
HOUSEHOLD GOODS AND HOME CONSTRUCTION (20 December 2019 - 2.56%)		
1,636,251 MJ Gleeson	11,290,132	0.96
6,600,000 Watkin Jones	10,810,800	0.92
Total Household Goods and Home Construction	<u>22,100,932</u>	<u>1.88</u>
INDUSTRIAL ENGINEERING (20 December 2019 - 3.19%)		
568,000 AB Dynamics	9,372,000	0.80
3,050,000 Northbridge Industrial Services	2,592,500	0.22
20,475,000 Renold	2,477,475	0.21
4,419,073 Somero Enterprises	9,721,961	0.82
688,000 The Vitec Group	4,788,480	0.41
Total Industrial Engineering	<u>28,952,416</u>	<u>2.46</u>
INDUSTRIAL MATERIALS (20 December 2019 - 0.46%)		
Total Industrial Materials	<u>-</u>	<u>-</u>
INDUSTRIAL METALS AND MINING (20 December 2019 - 1.23%)		
2,031,296 Central Asia Metals	2,977,880	0.25
1,800,000 KAZ Minerals	7,885,800	0.67
984,077 Kenmare Resources	2,115,766	0.18
4,353,545 Tricorn Group	304,748	0.03
4,713,113 Trifast	5,749,998	0.49
Total Industrial Metals and Mining	<u>19,034,192</u>	<u>1.62</u>
INDUSTRIAL SUPPORT SERVICES (20 December 2019 - 7.27%)		
4,112,943 Boku 'Reg S'	4,030,684	0.34
400,000 Diploma	7,396,000	0.63
209,405 Impellam Group	485,820	0.04
1,704,041 Mind Gym	1,533,637	0.13
2,792,000 Restore	10,330,400	0.88
2,802,500 Robert Walters	10,957,775	0.93
1,300,000 RWS Holdings	7,644,000	0.65
3,790,000 Science Group	8,338,000	0.71
3,000,000 Smart Metering Systems	17,040,000	1.45
Total Industrial Support Services	<u>67,756,316</u>	<u>5.76</u>
INDUSTRIAL TRANSPORTATION (20 December 2019 - 5.24%)		
342,300 Clarkson	8,180,970	0.69
106,300,000 DX (Group)	12,437,100	1.06
790,255 Fisher (James) & Sons	10,383,951	0.88
1,462,241 Gama Aviation	614,141	0.05
144,232,953 Mercantile Ports & Logistics	403,852	0.03
1,098,500 Ocean Wilsons Holdings	7,359,950	0.63
1,632,742 Vp	11,625,123	0.99
Total Industrial Transportation	<u>51,005,087</u>	<u>4.33</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (20 December 2019 - 2.24%)		
400,000 City of London Investment Group	1,500,000	0.13
3,800,000 Draper Esprit	17,024,000	1.44
2,291,607 IntegraFin Holdings	11,503,867	0.98
Total Investment Banking and Brokerage Services	<u>30,027,867</u>	<u>2.55</u>
LEISURE GOODS (20 December 2019 - 4.47%)		
1,678,500 Codemasters Group Holdings	5,706,900	0.48
2,180,000 Focusrite	13,516,000	1.15
1,125,000 Frontier Developments	20,947,500	1.78
265,000 Games Workshop Group	21,080,750	1.79
475,000 Keywords Studios	8,645,000	0.73
3,225,000 Team17 Group	17,092,500	1.45
Total Leisure Goods	<u>86,988,650</u>	<u>7.38</u>

MARLBOROUGH SPECIAL SITUATIONS FUND

PORTFOLIO STATEMENT

as at 20 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
MEDIA (20 December 2019 - 7.55%)		
2,348,000 Ebiquity	680,920	0.06
5,775,052 Everyman Media Group	6,352,557	0.54
1,000,000 Future	12,540,000	1.06
1,563,005 GlobalData	21,882,070	1.86
600,000 Next Fifteen Communications Group	2,238,000	0.19
14,225,172 S4 Capital	34,567,168	2.94
1,500,000 YouGov	11,550,000	0.98
Total Media	<u>89,810,715</u>	<u>7.63</u>
MEDICAL EQUIPMENT AND SERVICES (20 December 2019 - 1.92%)		
2,151,000 Advanced Medical Solutions Group	5,173,155	0.44
11,590,924 Creo Medical Group	25,268,214	2.15
Total Medical Equipment and Services	<u>30,441,369</u>	<u>2.59</u>
OIL, GAS AND COAL (20 December 2019 - 1.60%)		
8,800,000 Enteq Upstream	1,188,000	0.10
6,400,000 Serica Energy	7,500,800	0.64
Total Oil, Gas and Coal	<u>8,688,800</u>	<u>0.74</u>
OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (20 December 2019 - 0.07%)		
5,667,491 Geiger Counter	895,464	0.08
2,539,407 Geiger Counter Sub Shares	12,697	-
Total Open End and Miscellaneous Investment Vehicles	<u>908,161</u>	<u>0.08</u>
PERSONAL CARE, DRUG AND GROCERY STORES (20 December 2019 - Nil)		
1,913,806 IG Design Group	10,219,724	0.87
377,692 Ocado Group	7,366,882	0.63
Total Personal Care, Drug and Grocery Stores	<u>17,586,606</u>	<u>1.50</u>
PERSONAL GOODS (20 December 2019 - 1.01%)		
428,375 Ted Baker	403,958	0.03
4,500,000 Watches of Switzerland Group	12,442,500	1.06
Total Personal Goods	<u>12,846,458</u>	<u>1.09</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (20 December 2019 - 6.28%)		
23,870,423 Benchmark Holdings	9,309,465	0.79
2,150,000 Clinigen Group	17,458,000	1.48
350,000 Dechra Pharmaceuticals	9,793,000	0.83
2,267,500 Destiny Pharma	861,650	0.07
1,198,981 ECO Animal Health Group	2,997,453	0.25
650,000 Genus	22,061,000	1.87
3,296,322 Horizon Discovery Group	3,378,730	0.29
Total Pharmaceuticals and Biotechnology	<u>65,859,298</u>	<u>5.58</u>
PRECIOUS METALS AND MINING (20 December 2019 - 1.94%)		
2,500,000 Highland Gold Mining	5,770,000	0.49
5,239,571 Hochschild Mining	10,259,080	0.87
20,000,000 Petropavlovsk	5,650,000	0.48
400,000 Polymetal International	5,988,000	0.51
Total Precious Metals and Mining	<u>27,667,080</u>	<u>2.35</u>
REAL ESTATE INVESTMENT AND SERVICES (20 December 2019 - 3.00%)		
3,100,000 CLS Holdings	6,246,500	0.53
7,500,000 Grainger	21,435,000	1.82
1,787,502 Helical	6,166,882	0.52
2,000,000 Lok'nStore Group	11,000,000	0.93
Total Real Estate Investment and Services	<u>44,848,382</u>	<u>3.80</u>

MARLBOROUGH SPECIAL SITUATIONS FUND

PORTFOLIO STATEMENT

as at 20 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
REAL ESTATE INVESTMENT TRUSTS (20 December 2019 - 1.82%)		
350,000 Big Yellow Group	3,601,500	0.31
1,750,000 Safestore Holdings	12,836,250	1.09
700,000 Workspace Group	4,956,000	0.42
Total Real Estate Investment Trusts	<u>21,393,750</u>	<u>1.82</u>
RETAILERS (20 December 2019 - 3.36%)		
2,000,000 Applegreen	6,600,000	0.56
1,850,000 JD Sports Fashion	12,002,800	1.02
4,058,750 Joules Group	4,525,506	0.38
4,100,000 Pets at Home Group	9,446,400	0.80
Total Retailers	<u>32,574,706</u>	<u>2.76</u>
SOFTWARE AND COMPUTER SERVICES (20 December 2019 - 8.32%)		
6,848,859 1Spatial	1,643,726	0.14
1,002,629 acceso Technology Group	2,907,624	0.25
3,500,000 Aptitude Software Group	12,635,000	1.07
3,886,767 Blancco Technology Group	7,851,269	0.67
803,600 Blue Prism Group	9,562,840	0.81
14,000,000 GoCo Group	13,118,000	1.11
21,472,500 Idox	9,447,900	0.80
2,519,572 K3 Business Technology Group	1,763,700	0.15
35,632,500 Minds + Machines Group	2,137,950	0.18
8,425,000 NCC Group	13,614,800	1.16
4,750,000 SDL	24,130,000	2.05
Total Software and Computer Services	<u>98,812,809</u>	<u>8.39</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (20 December 2019 - 1.51%)		
5,100,000 Concurrent Technologies	5,610,000	0.48
375,000 Gooch & Housego	4,143,750	0.35
4,000,000 IQE	2,152,000	0.18
Total Technology Hardware and Equipment	<u>11,905,750</u>	<u>1.01</u>
TELECOMMUNICATIONS EQUIPMENT (20 December 2019 - 1.49%)		
8,800,000 Spirent Communications	21,076,000	1.79
Total Telecommunications Equipment	<u>21,076,000</u>	<u>1.79</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (20 December 2019 - 0.65%)		
500,000 Gamma Communications	6,250,000	0.53
4,000,000 Zegona Communications	4,080,000	0.35
Total Telecommunications Service Providers	<u>10,330,000</u>	<u>0.88</u>
TRAVEL AND LEISURE (20 December 2019 - 6.10%)		
6,000,000 888 Holdings	8,868,000	0.75
2,100,000 Arena Events Group	157,500	0.01
2,000,000 Dart Group	17,260,000	1.47
1,550,598 Escape Hunt	116,295	0.01
387,649 Escape Hunt Sub Shares	-	-
2,075,000 Gamesys Group	18,156,250	1.54
350,000 GVC Holdings	2,676,800	0.23
2,464,101 Hollywood Bowl Group	4,053,446	0.34
900,000 PPHE Hotel Group	10,440,000	0.89
11,835,000 Sportech	2,071,125	0.18
5,100,071 The City Pub Group	4,998,070	0.42
2,250,000 Trainline	11,306,250	0.96
261,725 Young & Co's Brewery 'A'	3,245,390	0.28
200,000 Young & Co's Brewery 'NV'	1,520,000	0.13
Total Travel and Leisure	<u>84,869,126</u>	<u>7.21</u>

MARLBOROUGH SPECIAL SITUATIONS FUND

PORTFOLIO STATEMENT

as at 20 June 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
OVERSEAS SECURITIES (20 December 2019 - 2.58%)		
1,050,000 ADES International Holding	7,673,827	0.65
30,955 EastCoal	1,012	-
500,000 Hecla Mining Company	1,110,393	0.09
140,670,000 IRC	1,275,212	0.11
118,836 Kalina Power	1,846	-
9,373,663 Resolute Mining	5,460,886	0.46
Total Overseas Securities	<u>15,523,176</u>	<u>1.31</u>
UNQUOTED SECURITIES (20 December 2019 - 1.63%)		
2,200,000 Ambrian	-	-
590,000 Avanti Capital	-	-
4,800,000 Genagro	-	-
3,215,000 Goals Soccer Centres	-	-
1,000,000 Lamaune Iron	-	-
14,479,167 Moxico Resources	3,475,000	0.30
1,641,000 New Finsaga	-	-
7,547,170 Norseman Gold	-	-
4,694,056 Patisserie Holdings	-	-
420,018 Red Lambda	-	-
327,593 SCA Investments	36,444,721	3.09
1,000,000 Tottenham Hotspur	1,950,000	0.17
11 Walter Energy	-	-
Total Unquoted Securities	<u>41,869,721</u>	<u>3.56</u>
Portfolio of investments	1,154,281,929	98.02
Net current assets	<u>23,264,104</u>	<u>1.98</u>
Total net assets	<u>1,177,546,033</u>	<u>100.00</u>

Ambrian is suspended and currently pending bankruptcy.

Avanti Capital is being wound up, and is now valued at zero following receipt of a liquidation payment.

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

Goals Soccer Centres was delisted and then acquired by Northwind 5's after entering administration.

Lamaune Iron is priced at zero, following the the latest reports received from the company.

Moxico Resources is being valued, based on the latest placement allocation.

New Finsaga has been wound up and will be removed from the valuation when the trustee receives notification.

Norseman Gold is in voluntary liquidation and deemed to be valueless.

Patisserie Holdings is delisted and is in administration.

Red Lambda is being valued at zero, based on the current financial position of the company.

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

Tottenham Hotspur 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.

Walter Energy is delisted and is in bankruptcy.

PORTFOLIO TRANSACTIONS

for the six month period ended 20 June 2020

	£
Total purchases costs, including transaction charges	252,459,179
Total sales proceeds, net of transaction charges	366,497,119

MARLBOROUGH SPECIAL SITUATIONS FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 20 June 2020

	20 June 2020		20 June 2019	
	£	£	£	£
Income:				
Net capital (losses)/gains		(110,530,680)		145,018,212
Revenue	6,027,081		17,574,096	
Expenses	<u>(6,074,122)</u>		<u>(7,331,780)</u>	
Net (expense)/revenue before taxation		<u>(47,041)</u>		<u>10,242,316</u>
Taxation		<u>(6,517)</u>		<u>(135,124)</u>
Net (expense)/revenue after taxation		<u>(53,558)</u>		<u>10,107,192</u>
Total return before distributions		(110,584,238)		155,125,404
Distributions		(827,113)		(10,107,192)
Change in net assets attributable to unitholders from investment activities		<u>(111,411,351)</u>		<u>145,018,212</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 20 June 2020

	20 June 2020		20 June 2019	
	£	£	£	£
Opening net assets attributable to unitholders		* 1,426,053,745		1,402,213,725
Amounts receivable on issue of units	6,471,704		12,282,675	
Amounts payable on cancellation of units	(144,368,974)		(80,038,416)	
Amounts payable on unit class conversions	<u>(4,053)</u>		<u>(44,616)</u>	
		(137,901,323)		(67,800,357)
Change in net assets attributable to unitholders from investment activities		(111,411,351)		145,018,212
Retained distribution on accumulation units		804,962		9,994,045
Closing net assets attributable to unitholders		<u>1,177,546,033</u>		* <u>1,489,425,625</u>

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

MARLBOROUGH SPECIAL SITUATIONS FUND

BALANCE SHEET

as at 20 June 2020

	20 June 2020 £	20 December 2019 £
Assets:		
Fixed Assets:		
Investments	1,154,281,929	1,379,252,340
Current Assets:		
Debtors	3,267,594	3,741,342
Cash and bank balances	24,838,765	53,457,723
Total assets	<u>1,182,388,288</u>	<u>1,436,451,405</u>
Liabilities:		
Creditors:		
Bank overdrafts	113,627	-
Other creditors	4,728,628	10,397,660
Total liabilities	<u>4,842,255</u>	<u>10,397,660</u>
Net assets attributable to unitholders	<u><u>1,177,546,033</u></u>	<u><u>1,426,053,745</u></u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 20 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 20 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 19 June 2020.

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