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MARLBOROUGH UK MICRO-CAP GROWTH FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 31 January 2020

MARLBOROUGH UK MICRO-CAP GROWTH FUND

CONTACT INFORMATION

Authorised Fund Manager and Registrar

Marlborough Fund Managers Ltd
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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	Chairman
Nicholas F J Cooling	Deputy Chairman
Allan Hamer	Joint Managing Director
Wayne D Green	Joint Managing Director
Dom Clarke	Finance Director
Geoffrey Hitchin	Investment Director
Helen Derbyshire	Director – Compliance & Risk
Richard Goodall	Director – Strategy & Business Development
Guy Sears	Non-Executive Director
David Kiddie	Non-Executive Director
Sarah Peaston	Non-Executive Director (appointed 1 October 2019)

MARLBOROUGH UK MICRO-CAP GROWTH FUND

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MARLBOROUGH UK MICRO-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>* 05.10.2004</u>
Marlborough UK Micro-Cap Growth Fund	10.29%	19.15%	42.91%	103.97%	790.42%
FTSE Small Cap Ex. Investment Trusts	11.34%	9.62%	5.49%	27.31%	91.63%
IA UK Smaller Companies	12.48%	20.47%	38.00%	76.47%	383.26%
Quartile Ranking**	3	3	2	1	1

* Launch period ended 4 October 2004.

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

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

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

Over the six months to 31 January 2020 P class units in our Microcap fund rose 10.3%. 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. What we have seen, however, is that the market has been able to see through shorter term profit warnings in many companies, with Apple being a leading example.

Turning to contributors to performance, our largest riser was Ceres Power (+121%). The company develops solid oxide fuel cell technology using 'Steel Cell' design. The company's target market is small, stationary, conventional fuel (e.g. natural gas) applications in combined heat and power as well as distributed power generation. Triple drivers of air quality, energy conservation and climate change are driving interest in the company from a commercial and stock market perspective. Petropavlovsk (+83%) was the next largest riser; this is one of the Fund's larger gold holdings which has risen on the back of strong production figures with the tailwind of a rising gold price. The next largest riser was Alpha FX (+76%); the company continues to perform ahead of market expectations as it continues to take market share and launch new products. Other notable contributors included Liontrust Asset Management (+68%), Impax Asset Management (+68%) and Augean (+63%).

Turning to the detractors, the largest faller was Wilmcote Holdings (-98%) which was a cash shell that failed to secure an acquisition and as such burned through a significant portion of the cash with which it listed. Given the nature of the investment it was a very small position so the overall impact on the Fund's performance was negligible. C4X Discovery (-72%) fell following disappointing operational progress and a fundraising at a deeply discounted price. Other notable detractors included Smartspace Software (-66%), accesso Technologies (-52%), and Sensyne Health (-63%).

The IPO (Initial Public Offering) market was quiet over the period with companies and brokers holding off until after the General Election; we participated in only two IPOs in the period, Brickability and MJ Hudson which are off to reasonable but unspectacular starts, up 15% and 7% respectively. We are starting to see more activity now given the rebound in sentiment.

Giles Hargreave / Guy Feld
Hargreave Hale Ltd
21 February 2020

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MARLBOROUGH UK MICRO-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 unit)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Accumulation</u>			
Accumulation paid 30 September	-	-	0.6684
<u>B Accumulation</u>			
Accumulation paid 30 September	2.5969	2.3427	3.6169
<u>P Accumulation</u>			
Accumulation paid 30 September	4.4858	4.1920	5.0702

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Tracsis	6,304,315	GB Group	19,258,290
Polymetal International	5,563,336	Eland Oil & Gas	9,270,487
Jubilee Metals Group	5,270,346	Future	8,047,773
MJ Hudson Group	4,018,277	easyHotel	6,590,172
Tatton Asset Management	3,848,852	Fever-Tree Drinks	6,545,414
Brickability Group	3,835,377	Nasstar	6,440,000
Games Workshop Group	3,424,760	Amerisur Resources	6,036,742
NWF Group	3,206,402	Tarsus Group	5,960,625
Creo Medical Group	3,134,189	StatPro Group	5,957,000
S4 Capital	3,018,383	On the Beach Group	5,639,663
Other purchases	61,024,066	Other sales	109,259,121
Total purchases for the period	102,648,303	Total sales for the period	189,005,287

MARLBOROUGH UK MICRO-CAP GROWTH FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Marlborough UK Micro-Cap Growth 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 increase the value of your investment by more than any increase in the FTSE SmallCap Index (ex-Investment Companies), after any charges have been taken out of the Fund, over any 5 year period. However, there is no certainty this will be achieved.

At least 80% of the Fund will be invested in the shares of smaller companies and investment trusts listed on UK stock exchanges. These will be incorporated/domiciled in the UK or will have significant business operations in the UK. These are companies whose market capitalisation (the market value of a company's shares) is £250m or less at the time the initial purchase is made.

These investments will include very small companies, whose market capitalisation is less than £150m.

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, government bonds and money market instruments (short terms loans typically issued by governments and banks) 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 eligible for quotation 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

The investment objective and policy has been updated, and there has been a change of auditor from Barlow Andrews LLP to Ernst & Young LLP. Details of these changes can be found in the latest Prospectus dated 19 December 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.

MARLBOROUGH UK MICRO-CAP GROWTH FUND

AUTHORISED STATUS AND GENERAL INFORMATION

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 Fund, including on the fair value of its investments.

MFM as the ACD and Hargreave Hale Ltd as the Investment Manager to the Fund continue to monitor UK government announcements and advice as the situation continues to develop.

Since 31 January 2020 the Net Asset Value per unit of the Fund, expressed in pence per unit, has changed as follows

	<u>31 January 2020</u> *	<u>27 March 2020</u>	<u>Movement (%)</u>
A Accumulation	797.01	561.94	-29.49%
B Accumulation	837.14	590.83	-29.42%
P Accumulation	841.33	594.11	-29.38%

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

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

MARLBOROUGH UK MICRO-CAP GROWTH FUND
COMPARATIVE TABLE
A Accumulation units

Change in net assets per unit	Period to 31.01.2020 pence	Year to 31.07.2019 pence	Year to 31.07.2018 pence	Year to 31.07.2017 pence
Opening net asset value per unit	715.84	730.82	652.56	474.62
Return before operating charges*	77.49	(4.27)	89.16	186.67
Operating charges	(5.59)	(10.71)	(10.90)	(8.73)
Return after operating charges*	71.90	(14.98)	78.26	177.94
Distributions on accumulation units	-	-	-	(0.67)
Retained distributions on accumulation units	-	-	-	0.67
Closing net asset value per unit	787.74	715.84	730.82	652.56

* after direct transaction costs of: 0.28 0.64 0.63 0.83

Performance

Return after charges 10.04% -2.05% 11.99% 37.49%

Other information

Closing net asset value	£132,550,539	£121,291,313	£145,706,837	£125,543,461
Closing number of units	16,826,699	16,943,839	19,937,538	19,238,479
Operating charges	1.53% ^A	1.53%	1.53%	1.54%
Direct transaction costs	0.08% ^A	0.09%	0.09%	0.15%

Prices

Highest unit price	803.86p	809.29p	803.40p	705.86p
Lowest unit price	687.06p	630.47p	656.03p	475.76p

B Accumulation units

Change in net assets per unit	Period to 31.01.2020 pence	Year to 31.07.2019 pence	Year to 31.07.2018 pence	Year to 31.07.2017 pence
Opening net asset value per unit	750.36	762.13	677.10	490.12
Return before operating charges*	81.21	(4.22)	92.66	193.08
Operating charges	(3.94)	(7.55)	(7.63)	(6.10)
Return after operating charges*	77.27	(11.77)	85.03	186.98
Distributions on accumulation units	-	(2.60)	(2.34)	(3.62)
Retained distributions on accumulation units	-	2.60	2.34	3.62
Closing net asset value per unit	827.63	750.36	762.13	677.10

* after direct transaction costs of: 0.29 0.67 0.65 0.85

Performance

Return after charges 10.30% -1.54% 12.56% 38.15%

Other information

Closing net asset value	£3,650,294	£3,285,486	£13,063,327	£12,470,270
Closing number of units	441,054	437,854	1,714,062	1,841,714
Operating charges	1.03% ^A	1.03%	1.03%	1.04%
Direct transaction costs	0.08% ^A	0.09%	0.09%	0.15%

Prices

Highest unit price	844.26p	812.15p	805.07p	704.33p
Lowest unit price	720.61p	658.98p	680.84p	491.31p

^A These figures have been annualised.

MARLBOROUGH UK MICRO-CAP GROWTH FUND

COMPARATIVE TABLE

P Accumulation units	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 unit	pence	pence	pence	pence
Opening net asset value per unit	753.20	763.16	676.32	488.31
Return before operating charges*	81.69	(4.23)	92.64	192.66
Operating charges	(3.00)	(5.73)	(5.80)	(4.65)
Return after operating charges*	78.69	(9.96)	86.84	188.01
Distributions on accumulation units	-	(4.49)	(4.19)	(5.07)
Retained distributions on accumulation units	-	4.49	4.19	5.07
Closing net asset value per unit	831.89	753.20	763.16	676.32
* after direct transaction costs of:	0.29	0.67	0.65	0.86
Performance				
Return after charges	10.45%	-1.31%	12.84%	38.50%
Other information				
Closing net asset value	£1,144,151,395	£1,115,313,951	£1,118,393,696	£799,431,894
Closing number of units	137,537,119	148,076,186	146,547,768	118,202,360
Operating charges	0.78% ^A	0.78%	0.78%	0.79%
Direct transaction costs	0.08% ^A	0.09%	0.09%	0.15%
Prices				
Highest unit price	848.44p	813.42p	805.75p	703.39p
Lowest unit price	723.70p	660.60p	680.09p	489.50p

^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 UK MICRO-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 - 0.87%)		
1,195,500 Cohort	8,129,400	0.63
84,615,000 TP Group	6,007,665	0.47
Total Aerospace and Defence	<u>14,137,065</u>	<u>1.10</u>
ALTERNATIVE ENERGY (31 July 2019 - 0.83%)		
2,057,000 Ceres Power Holdings	8,865,670	0.69
40,500,000 Inspired Energy	7,695,000	0.60
21,312,500 SIMEC Atlantis Energy	2,131,250	0.17
Total Alternative Energy	<u>18,691,920</u>	<u>1.46</u>
BEVERAGES (31 July 2019 - 0.97%)		
123,750 Fever-Tree Drinks	1,712,081	0.13
Total Beverages	<u>1,712,081</u>	<u>0.13</u>
CHEMICALS (31 July 2019 - 0.86%)		
22,201,000 Quadrise Fuels International	510,623	0.04
2,250,000 Treatt	11,835,000	0.92
Total Chemicals	<u>12,345,623</u>	<u>0.96</u>
CLOSED END INVESTMENTS (31 July 2019 - 1.69%)		
8,000,000 Augmentum Fintech	7,920,000	0.62
1,362,800 EPE Special Opportunities	2,589,320	0.20
3,670,167 Syncona	8,019,315	0.63
Total Closed End Investments	<u>18,528,635</u>	<u>1.45</u>
CONSTRUCTION AND MATERIALS (31 July 2019 - 1.54%)		
5,800,000 Brickability Group	4,234,000	0.33
5,200,000 Michelmersh Brick Holdings	5,980,000	0.47
2,242,425 Norcros	6,390,911	0.50
1,461,000 Renew Holdings	7,363,440	0.58
7,000,000 SigmaRoc	3,500,000	0.27
Total Construction and Materials	<u>27,468,351</u>	<u>2.15</u>
CONSUMER SERVICES (31 July 2019 - 0.22%)		
3,798,000 Franchise Brands	5,241,240	0.41
Total Consumer Services	<u>5,241,240</u>	<u>0.41</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2019 - 1.04%)		
30,441,667 CAP-XX	1,004,575	0.08
3,400,000 Fireangel Safety Technology Group	493,000	0.04
5,829,000 Ilika	2,331,600	0.18
915,000 LPA Group	997,350	0.08
420,000 Porvair	3,242,400	0.25
375,000 Solid State	2,287,500	0.18
8,670,000 Thruvision Group	2,340,900	0.18
1,835,000 Volex	2,936,000	0.23
1,474,910 Xaar	560,466	0.05
Total Electronic and Electrical Equipment	<u>16,193,791</u>	<u>1.27</u>
FINANCE AND CREDIT SERVICES (31 July 2019 - 0.96%)		
3,781,379 Morses Club	4,764,538	0.37
950,000 OneSavings Bank	4,056,500	0.32
2,864,172 Ramsdens Holdings	6,759,446	0.53
Total Finance and Credit Services	<u>15,580,484</u>	<u>1.22</u>
FOOD PRODUCERS (31 July 2019 - 0.31%)		
5,800,000 Finsbury Food Group	5,684,000	0.44
Total Food Producers	<u>5,684,000</u>	<u>0.44</u>

MARLBOROUGH UK MICRO-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
GAS, WATER AND MULTI-UTILITIES (31 July 2019 - 0.44%)		
2,017,000 MYCELX Technologies	1,129,520	0.09
494,783 MYCELX Technologies 'Reg S'	197,913	0.02
Total Gas, Water and Multi-utilities	<u>1,327,433</u>	<u>0.11</u>
GENERAL INDUSTRIALS (31 July 2019 - 1.48%)		
17,000,000 Coats Group	12,733,000	0.99
1,300,000 Eurocell	3,380,000	0.26
500,000 Hargreaves Services	1,550,000	0.12
5,125,000 Macfarlane Group	5,611,875	0.44
Total General Industrials	<u>23,274,875</u>	<u>1.81</u>
HEALTH CARE PROVIDERS (31 July 2019 - 1.67%)		
1,950,000 Cambridge Cognition Holdings	565,500	0.04
1,700,000 CareTech Holdings	7,735,000	0.60
1,680,000 Cello Health	2,268,000	0.18
4,800,000 Diaceutics	6,096,000	0.48
2,560,000 Sensyne Health	1,459,200	0.11
Total Health Care Providers	<u>18,123,700</u>	<u>1.41</u>
HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2019 - 0.98%)		
76,500 Churchill China	1,499,400	0.12
4,188,409 Springfield Properties	5,905,657	0.46
3,534,109 Watkin Jones	8,764,590	0.68
Total Household Goods and Home Construction	<u>16,169,647</u>	<u>1.26</u>
INDUSTRIAL ENGINEERING (31 July 2019 - 2.20%)		
920,000 AB Dynamics	19,964,000	1.56
Total Industrial Engineering	<u>19,964,000</u>	<u>1.56</u>
INDUSTRIAL MATERIALS (31 July 2019 - 0.49%)		
Total Industrial Materials	<u>-</u>	<u>-</u>
INDUSTRIAL METALS AND MINING (31 July 2019 - 1.53%)		
2,900,000 Anglo Pacific Group	5,075,000	0.40
1,980,000 Griffin Mining	1,227,600	0.10
86,740,000 Horizonte Minerals	2,688,940	0.21
1,300,000 Kenmare Resources	3,510,000	0.27
140,000,000 Landore Resources	910,000	0.07
2,600,000 Tricorn Group	260,000	0.02
371,428 Tricorn Group Sub Shares	-	-
1,875,000 Trifast	3,581,250	0.28
Total Industrial Metals and Mining	<u>17,252,790</u>	<u>1.35</u>
INDUSTRIAL SUPPORT SERVICES (31 July 2019 - 9.13%)		
7,082,163 Boku 'Reg S'	5,878,195	0.46
377,000 Impellam Group	1,319,500	0.10
7,031,830 Johnson Service Group	14,837,161	1.16
2,000,000 Keystone Law Group	11,400,000	0.89
4,550,000 Knights Group Holdings	19,838,000	1.55
562,635 Midwich Group	2,891,944	0.23
2,554,562 Mind Gym	5,058,033	0.40
2,000,000 NWF Group	3,700,000	0.29
3,200,000 Restore	15,680,000	1.22
1,956,630 RWS Holdings	11,328,888	0.89
2,500,000 Science Group	5,800,000	0.45
1,800,000 Smart Metering Systems	9,342,000	0.73
840,000 Synectics	1,218,000	0.10
2,000,000 The SimplyBiz Group	4,500,000	0.35
200,000 Water Intelligence	560,000	0.04
Total Industrial Support Services	<u>113,351,721</u>	<u>8.86</u>

MARLBOROUGH UK MICRO-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
INDUSTRIAL TRANSPORTATION (31 July 2019 - 1.00%)		
3,250,000 Avation	9,912,500	0.77
3,000,000 DX (Group)	360,000	0.03
2,635,000 Gama Aviation	1,449,250	0.11
Total Industrial Transportation	<u>11,721,750</u>	<u>0.91</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2019 - 11.18%)		
674,644 AJ Bell	2,658,097	0.21
4,000,000 Allied Minds	1,460,000	0.11
1,572,650 Alpha FX Group	19,972,655	1.56
595,000 Aquis Exchange	2,201,500	0.17
470,250 City of London Investment Group	2,054,993	0.16
2,890,703 Curtis Banks Group	10,117,461	0.79
3,127,236 Draper Esprit	15,823,814	1.24
35,545,000 Duke Royalty	16,350,700	1.28
5,525,000 Frenkel Topping Group	2,486,250	0.19
3,575,031 Frontier IP Group	2,359,520	0.18
4,674,360 Harwood Wealth Management Group	6,544,104	0.51
5,042,500 Impax Asset Management Group	19,514,475	1.52
1,690,000 IntegraFin Holdings	8,323,250	0.65
1,400,000 K3 Capital Group	3,178,000	0.25
500,000 Kingswood Holdings	97,000	0.01
1,250,000 Liontrust Asset Management	16,687,500	1.30
2,500,000 Manolete Partners	10,000,000	0.78
2,295,750 Marlowe	11,203,260	0.88
10,168,028 Mercia Asset Management	2,725,032	0.21
16,000,000 MJ Hudson Group	8,800,000	0.69
350,000 Polar Capital Holdings	2,037,000	0.16
1,000,000 PraxisIFM Group	1,450,000	0.11
1,900,000 Premier Miton Group	3,135,000	0.25
1,026,904 Sigma Capital Group	1,129,594	0.09
1,500,000 Tatton Asset Management	4,110,000	0.32
Total Investment Banking and Brokerage Services	<u>174,419,205</u>	<u>13.62</u>
LEISURE GOODS (31 July 2019 - 3.60%)		
4,468,675 Codemasters Group Holdings	13,182,591	1.03
2,462,000 Focusrite	17,726,400	1.38
365,000 Games Workshop Group	24,382,000	1.90
758,526 Sumo Group	1,456,370	0.11
Total Leisure Goods	<u>56,747,361</u>	<u>4.42</u>
MEDIA (31 July 2019 - 9.60%)		
375,000 4imprint Group	12,375,000	0.97
7,092,334 Ebiquity	2,553,240	0.20
1,510,000 Future	23,103,000	1.80
1,435,780 GlobalData	18,521,562	1.45
17,500,000 Huntsworth	11,550,000	0.90
3,655,000 Jaywing	146,200	0.01
5,880,600 Kin and Carta	6,468,660	0.51
2,790,200 Next Fifteen Communications Group	14,062,608	1.10
12,654,372 S4 Capital	23,790,219	1.86
1,250,000 STV Group	5,187,500	0.41
Total Media	<u>117,757,989</u>	<u>9.21</u>
MEDICAL EQUIPMENT AND SERVICES (31 July 2019 - 2.70%)		
1,800,000 Advanced Medical Solutions Group	5,085,000	0.40
8,441,216 Creo Medical Group	14,518,892	1.13
22,000,000 EKF Diagnostics Holdings	7,040,000	0.55
20,000,000 Kromek Group	4,600,000	0.36
2,077,500 Renalytix AI 'Reg S'	7,188,150	0.56
Total Medical Equipment and Services	<u>38,432,042</u>	<u>3.00</u>

MARLBOROUGH UK MICRO-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value		Bid value £	Percentage of total net assets %
OIL, GAS AND COAL (31 July 2019 - 3.93%)			
114,285,714	Cluff Natural Resources	1,771,429	0.14
2,250,000	Eco (Atlantic) Oil & Gas	945,000	0.07
21,000,000	Egdon Resources	903,000	0.07
1,325,000	Getech Group	291,500	0.02
1,508,000	IGas Energy	640,900	0.05
8,000,000	Jadestone Energy	5,880,000	0.46
11,700,000	Serica Energy	13,525,200	1.06
25,577,485	Serinus Energy	2,557,749	0.20
2,467,829	Tekmar Group	3,948,526	0.31
224,294,117	UK Oil & Gas	1,345,765	0.11
138,775,000	Wameja	9,159,150	0.72
11,389,494	Westmount Energy	1,708,424	0.13
	Total Oil, Gas and Coal	42,676,643	3.34
OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (31 July 2019 - Nil)			
1,458,333	Wilmcote Holdings	29,167	-
	Total Open End and Miscellaneous Investment Vehicles	29,167	-
PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2019 - 1.43%)			
3,241,468	IG Design Group	24,959,304	1.95
	Total Personal Care, Drug and Grocery Stores	24,959,304	1.95
PERSONAL GOODS (31 July 2019 - 0.36%)			
1,060,000	Brand Architekts Group	1,590,000	0.12
1,000,000	Warpaint London	780,000	0.06
	Total Personal Goods	2,370,000	0.18
PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2019 - 4.94%)			
14,285,714	Agronomics	1,107,143	0.09
245,000	Bioventix	9,481,500	0.74
6,654,531	C4X Discovery Holdings	831,816	0.06
845,000	Clinigen Group	8,196,500	0.64
1,513,328	Destiny Pharma	575,065	0.04
1,439,666	ECO Animal Health Group	3,714,338	0.29
5,000,000	Horizon Discovery Group	7,630,000	0.60
2,393,000	MaxCyte	3,733,080	0.29
882,350	MaxCyte 'Reg S'	1,323,525	0.10
1,410,000	Mereo BioPharma Group 'Reg S'	366,600	0.03
635,000	Oxford BioMedica	3,810,000	0.30
5,500,000	PureTech Health	17,160,000	1.34
2,075,000	Verona Pharma	1,099,750	0.09
	Total Pharmaceuticals and Biotechnology	59,029,317	4.61
PRECIOUS METALS AND MINING (31 July 2019 - 2.12%)			
5,250,000	Highland Gold Mining	11,119,500	0.87
136,350,000	Jubilee Metals Group	5,249,475	0.41
37,935,000	Pan African Resources	4,802,571	0.38
100,000,000	Petropavlovsk	18,060,000	1.41
450,000	Polymetal International	5,780,250	0.45
500,000	Sylvania Platinum	197,500	0.02
	Total Precious Metals and Mining	45,209,296	3.54
REAL ESTATE INVESTMENT AND SERVICES (31 July 2019 - 0.05%)			
1,115,000	Boot (Henry)	3,634,900	0.28
	Total Real Estate Investment and Services	3,634,900	0.28
REAL ESTATE INVESTMENT TRUSTS (31 July 2019 - 0.39%)			
2,825,728	Regional REIT	3,289,147	0.26
	Total Real Estate Investment Trusts	3,289,147	0.26

MARLBOROUGH UK MICRO-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 - 2.43%)		
4,925,000 Angling Direct	3,201,250	0.25
1,930,000 Applegreen	8,878,000	0.69
2,500,000 Joules Group	4,675,000	0.37
3,240,000 Studio Retail Group	7,614,000	0.59
5,200,000 TheWorks.co.uk	2,319,200	0.18
Total Retailers	<u>26,687,450</u>	<u>2.08</u>
SOFTWARE AND COMPUTER SERVICES (31 July 2019 - 13.55%)		
5,484,954 1Spatial	1,426,088	0.11
3,548,529 Access Intelligence	1,738,779	0.14
620,600 accesso Technology Group	2,234,160	0.17
1,106,841 Aptitude Software Group	5,733,436	0.45
11,372,870 ATTRAQT Group	4,321,691	0.34
5,357,143 Blackbird	803,571	0.06
3,904,767 Blancco Technology Group	7,887,629	0.62
7,500,000 Castleton Technology	5,325,000	0.42
2,940,000 CentralNic Group	2,440,200	0.19
1,000,000 Cerillion	2,280,000	0.18
4,692,000 D4t4 Solutions	9,337,080	0.73
17,000,000 Eckoh	9,860,000	0.77
2,455,339 essensys	4,738,804	0.37
900,000 GRC International Group	135,000	0.01
3,029,109 Gresham Technologies	4,392,208	0.34
17,250,000 Idox	6,158,250	0.48
7,250,000 IMLmobile	27,405,000	2.14
974,076 i-nexus Global	146,111	0.01
680,841 Instem	3,131,869	0.24
2,905,000 K3 Business Technology Group	4,212,250	0.33
1,090,000 Kainos Group	8,523,800	0.67
10,000,000 Learning Technologies Group	15,600,000	1.22
26,000,000 Minds + Machines Group	1,924,000	0.15
6,872,500 Oxford Metrics	7,765,925	0.61
3,621,281 Pennant International Group	3,005,663	0.23
592,500 Shearwater Group	1,374,600	0.11
2,044,828 SmartSpace Software	613,448	0.05
4,998,803 SysGroup	1,549,629	0.12
6,323,808 Tern	569,143	0.04
1,015,000 Tracsis	7,714,000	0.60
Total Software and Computer Services	<u>152,347,334</u>	<u>11.90</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2019 - 2.65%)		
3,994,050 discoverIE Group	22,925,847	1.79
275,000 Gooch & Housego	3,822,500	0.30
6,000,000 IQE	3,018,000	0.24
Total Technology Hardware and Equipment	<u>29,766,347</u>	<u>2.33</u>
TELECOMMUNICATIONS EQUIPMENT (31 July 2019 - 0.48%)		
10,185,000 BATM Advanced Communications	4,338,810	0.34
7,600,000 Filtronic	779,000	0.06
5,525,000 Pebble Beach Systems Group	414,375	0.03
Total Telecommunications Equipment	<u>5,532,185</u>	<u>0.43</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (31 July 2019 - 0.75%)		
2,660,000 Bigblu Broadband	2,660,000	0.21
5,000,000 EVR Holdings	220,000	0.02
261,426 Maintel Holdings	679,708	0.05
4,268,375 Zegona Communications	4,567,161	0.36
Total Telecommunications Service Providers	<u>8,126,869</u>	<u>0.64</u>

MARLBOROUGH UK MICRO-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 31 January 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
TRAVEL AND LEISURE (31 July 2019 - 4.70%)		
1,910,000 Cake Box Holdings	3,304,300	0.26
17,931,747 DP Poland	1,344,881	0.11
2,374,352 Escape Hunt	332,409	0.03
425,000 Gamesys Group	3,111,000	0.24
1,966,825 Hollywood Bowl Group	5,782,466	0.45
5,000,000 Loungers	12,750,000	1.00
1,000,000 On the Beach Group	3,926,000	0.31
2,142,550 Ten Entertainment Group	6,663,331	0.52
1,300,000 Ten Lifestyle Group	1,664,000	0.13
1,576,232 The City Pub Group	2,868,742	0.22
14,185,850 The Fulham Shore	1,560,444	0.12
Total Travel and Leisure	<u>43,307,573</u>	<u>3.39</u>
WASTE AND DISPOSAL SERVICES (31 July 2019 - 0.99%)		
10,750,000 Augean	20,425,000	1.60
Total Waste and Disposal Services	<u>20,425,000</u>	<u>1.60</u>
OVERSEAS SECURITIES (31 July 2019 - 2.47%)		
1,400,000 Dalata Hotel Group	5,432,767	0.42
6,337,500 Foran Mining	948,424	0.07
5,800,000 Global Atomic (Restricted Line)	1,552,360	0.12
20,000,000 Nevada Copper	3,511,084	0.27
5,525,000 Summit Properties	6,596,932	0.52
300,000 Tecogen	470,821	0.04
1,940,700 Titan Mining	284,846	0.02
584,958 TMT Investments	1,738,029	0.14
Total Overseas Securities	<u>20,535,263</u>	<u>1.60</u>
UNQUOTED SECURITIES (31 July 2019 - 2.08%)		
7,937,506 Albert Technologies	396,875	0.03
1,891,500 Constellation Healthcare Technologies Promissory Notes	-	-
500,000 Conviviality	-	-
3,311,071 Crawshaw Group	-	-
3,575,000 Gable Holdings	-	-
4,153,087 HaloSource	-	-
15,917,167 HaloSource 'Reg S'	-	-
17,829 Infinity Reliance	511,336	0.04
360,000 Lamaune Iron	-	-
86,666,667 Landore Resources Warrants	-	-
5,395,683 London Capital Group Warrants	-	-
14,479,166 Moxico Resources	3,475,000	0.27
2,040,000 Normandy	142,800	0.01
1,850,000 Norseman Gold	-	-
6,999,000 Okullo	-	-
6,830 Oxford Genetics	2,185,600	0.17
3,490,856 Patisserie Holdings	-	-
540,500 Quadrise Fuels International Warrants	-	-
252,165 SCA Investments	13,362,223	1.04
919,886 Serinus Energy Warrants	-	-
45,333,000 Snoozebox Holdings	-	-
13,896 Vanoil Energy	-	-
425,618 Verona Pharma Warrants	-	-
Total Unquoted Securities	<u>20,073,834</u>	<u>1.56</u>
Portfolio of investments	1,252,125,332	97.80
Net current assets	28,226,896	2.20
Total net assets	<u>1,280,352,228</u>	<u>100.00</u>

MARLBOROUGH UK MICRO-CAP GROWTH FUND

PORTFOLIO STATEMENT

as at 31 January 2020

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.

Constellation Healthcare Technologies Promissory Notes are unlisted and valued at the expected redemption proceeds.

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

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 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.

Lamaune Iron is valued at zero, based on the latest reports from the company .

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

Normandy shares were received instead of a cash dividend from Impellam and are being priced at the dividend amount until further information is received.

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

Okullo is delisted and valued at zero, based on the latest information received.

Oxford Genetics is being valued at cost until the shares are listed.

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

SCA Investments is a private company being valued, based on the price of the share placing in August 2018.

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

Vanoil Energy is suspended 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	102,648,303
Total sales proceeds, net of transaction charges	189,005,287

MARLBOROUGH UK MICRO-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)		115,853,136		(133,472,329)
Revenue	9,204,104		8,356,479	
Expenses	<u>(5,252,463)</u>		<u>(5,366,579)</u>	
Net revenue before taxation		<u>3,951,641</u>		<u>2,989,900</u>
Taxation	<u>(4,448)</u>		<u>-</u>	
Net revenue after taxation		<u>3,947,193</u>		<u>2,989,900</u>
Total return before distributions		119,800,329		(130,482,429)
Distributions		(117,029)		29,217
Change in net assets attributable to unitholders from investment activities		<u>119,683,300</u>		<u>(130,453,212)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 31 January 2020

	31 January 2020		31 January 2019	
	£	£	£	£
Opening net assets attributable to unitholders		* 1,239,890,750		1,277,163,860
Amounts receivable on issue of units	25,708,610		37,797,152	
Amounts payable on cancellation of units	(104,927,784)		(23,005,073)	
Amounts payable on unit class conversions	<u>(2,648)</u>		<u>(7,979)</u>	
		(79,221,822)		14,784,100
Change in net assets attributable to unitholders from investment activities		119,683,300		(130,453,212)
Closing net assets attributable to unitholders		<u>1,280,352,228</u>		* <u>1,161,494,748</u>

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

MARLBOROUGH UK MICRO-CAP GROWTH FUND

BALANCE SHEET

as at 31 January 2020

	31 January 2020 £	31 July 2019 £
Assets:		
Fixed Assets:		
Investments	1,252,125,332	1,222,607,167
Current Assets:		
Debtors	11,340,481	5,198,404
Cash and bank balances	22,430,708	15,496,308
Total assets	<u>1,285,896,521</u>	<u>1,243,301,879</u>
Liabilities:		
Creditors:		
Bank overdraft	4	-
Other creditors	5,544,289	3,411,129
Total liabilities	<u>5,544,293</u>	<u>3,411,129</u>
Net assets attributable to unitholders	<u><u>1,280,352,228</u></u>	<u><u>1,239,890,750</u></u>

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 Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The interim financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2019 and are described in those annual financial statements.

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

Marlborough

— Fund Managers —

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