

# **Marlborough Fund Managers Limited**

## **Prospectus**

**Marlborough US Multi-Cap Income Fund  
Marlborough European Multi-Cap Fund  
Marlborough Emerging Markets Trust**

Prepared in accordance with Collective Investment Schemes Sourcebook

Dated and valid as at 14 August 2020

Marlborough Fund Managers Limited

**Prospectus of the following authorised funds:**

Marlborough US Multi-Cap Income Fund;

Marlborough European Multi-Cap Fund;

Marlborough Emerging Markets Trust.

**THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE MANAGER OR YOUR FINANCIAL ADVISER.**

No person has been authorised by the Schemes or the Manager to give any information or to make any representations about the Schemes in connection with the offering of units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Schemes or the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issues of units shall not, under any circumstance, create any implication that the affairs of the Schemes have not changed since the date hereof.

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of units.

This Prospectus has been approved for the purpose of Section 21 of the Financial Services and Markets Act 2000 by Marlborough Fund Managers Limited.

Unitholders are deemed to have taken notice of the provisions of the Trust Deed for the relevant Scheme which is binding on each of its investors. A copy of the Trust Deed is available on request from the Manager.

This is based on information, law and practice as at the "valid as at" date on the front cover and below. The Schemes and the Manager cannot be bound by a Prospectus which is out of date when a new version has been issued. Investors should check with the Manager that this is the most recently published Prospectus.

**US Tax Reporting**

The Company is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US financial instruments. Complying with such requirements may require the Company to request certain information and documentation from Unitholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Unitholder that fails to provide the required information may be subject to a compulsory redemption of their units and/or mandatory penalties.

Units have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax,

regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 14<sup>th</sup> August 2020.

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## 1 Definitions

In this Prospectus, the following expressions shall have the following meanings:

### **Act**

Financial Services and Markets Act 2000 as amended, restated, re-enacted or replaced from time to time.

### **Approved Bank**

- (a) If the account is opened at a branch in the United Kingdom (UK):
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank or a building society which offers, unrestrictedly, banking services; or
  - (iv) a bank which is supervised by the central bank or other banking regulator of a member states of the OECD.
- (b) If the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a credit institution established in an EEA State other than in the UK and duly authorised by the relevant Home State Regulator; or
  - (iii) a bank which is regulated in the Isle of Man or the Channel Islands.
- (c) A bank supervised by the South African Reserve Bank.

### **The Auditor**

Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, the Auditor of the Schemes.

### **Collective Investment Schemes Sourcebook or COLL**

The Collective Investment Schemes sourcebook issued by the FCA pursuant to the Act, as amended, replaced or re-enacted from time-to-time.

### **Eligible Institution**

One of certain eligible institutions as defined in the glossary of definitions in the FCA Handbook.

### **Effective Yield**

This is the income calculation methodology, for fixed income securities, as set out in international reporting standards, of including in income the amortisation of any premiums and discounts on the purchase price of a security to its maturity.

### **FCA**

The Financial Services Authority in respect of matters prior to 1 April 2013 and, in respect of matters after that date, the Financial Conduct Authority or any successor entity from time to time.

### **Trust or Fund**

Any of the Funds of which this document forms the Prospectus.

### **ISA**

An individual savings account under The Individual Savings Account Regulations 1998 (as amended).

### **Investment Adviser(s)**

The Investment Advisers of the Schemes as set out in section 2.3 of this Prospectus, and "Investment Adviser" shall mean one of the Investment Advisers as the context may require.

### **The Manager**

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

### **The Regulations**

The COLL Sourcebook.

### **The Schemes**

Marlborough US Multi-Cap Income Fund  
Marlborough European Multi-Cap Fund  
Marlborough Emerging Markets Trust

**The Trustee**

The Trustee to each of the Schemes is HSBC Bank plc, 8 Canada Square, London E14 5HQ.

**UCITS**

A collective investment scheme such as the Schemes which is authorised by the FCA and which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive.

**UCITS Directive**

The European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (No.2009/65/EC) (as amended).

**VAT**

UK value added tax.

**2 Management and administration****2.1 The Manager**

The Manager of the Schemes is Marlborough Fund Managers Limited, a company limited by shares incorporated on 3 October 1987 in England and Wales under the Companies Acts. The ultimate holding company of the Manager is UFC Fund Management plc, which is incorporated in England and Wales. The Manager's registered and head office is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. The issued and fully paid share capital of the Manager consists of £50,000.

The Manager is authorised and regulated by the FCA.

The Manager may provide investment services to other clients and funds and to companies in which the Schemes may invest in accordance with the Regulations.

The Manager is responsible for managing and administering the Schemes' affairs in compliance with COLL. The Manager may delegate its management and administration functions, but not responsibility for such functions, to third parties (including its associates) subject to COLL. The Manager has therefore delegated its investment management function in relation to certain Scheme to the Investment Advisers as set out in section 2.3 below.

When managing investments of the Schemes, the Manager will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the Manager but properly does not come to the notice of an individual managing the assets of a Scheme.

In accordance with the Regulations the Manager has in place a number of policies which set out how the Manager operates and manages the Schemes in a number of key areas. The Manager and Investment Advisers voting policy (which sets out how and when voting rights attaching to a Scheme's investments are to be exercised), execution policy (which sets out the procedure to be followed when transactions are carried out on behalf of a Scheme) and inducement policy (which sets out the type of payments, including fees, commissions – where permitted under the Regulations - and non-monetary benefits, which may be received or made by a third party in respect of the Schemes) are available on request from the Manager.

## **Remuneration Policy**

The Manager has put in place a remuneration policy (the “Remuneration Policy”) that is in accordance with the requirements of SYSC 19 E of the FCA. The Remuneration Policy is designed to ensure that the Manager’s remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Schemes. The Manager considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Schemes and in line with the risk profile, risk appetite and the strategy of the Schemes.

The matters covered by the Remuneration Policy include:

- An assessment of the individual member of staff’s performance;
- restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of units or units in the Schemes;
- any mandatory deferral periods for the payment of some or all of the variable remuneration component;
- the reduction or cancellation of remuneration in the case of under performance.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.

The Manager will make details of its latest Remuneration Policy available on its website, [www.marlboroughfunds.com](http://www.marlboroughfunds.com), including a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits. The Manager will provide paper copies free of charge upon written request to its operating address.

In respect of any investment management delegates, the Manager requires that:(i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market’s (ESMA’s) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD / Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

## **2.2 The Trustee**

### **Terms of appointment**

Pursuant to the agreement dated 18th March 2016 between the Schemes, the Manager and the Trustee (the “Depositary Services Agreement”) and for the purposes of and in compliance with the Regulations, the Trustee has been appointed as the Trustee to the Schemes. The appointment of the Trustee under the Depositary Services Agreement may be terminated without cause by not less than 6 months written notice provided that the Depositary Services Agreement does not terminate until a replacement Trustee has been appointed.

The Trustee, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Trustee’s registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Trustee is the provision of financial services, including trustee and depositary services. The Trustee is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The fees to which the Trustee is entitled are set out below under the heading Trustee’s charges.

### **Key Duties of the Trustee**



The Trustee provides services to the Schemes as set out in the Depositary Services Agreement and, in doing so, shall comply with the Regulations. The Depositary's duties include the following:

- (i) ensuring that the Scheme's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to units of the Schemes have been received.
- (ii) safekeeping of the Scheme Property, which includes (i) holding in Custody all financial instruments that can be registered in a financial instrument account opened in the Trustee's books and all financial instruments that can be physically delivered to the Depositary and (ii) verifying the ownership of other assets and maintaining records accordingly
- (iii) ensuring that issues, redemptions and cancellations of the units of each Scheme are carried out in accordance with the Trust Deed, the Prospectus and the Regulations.
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Schemes within the usual time limits.
- (v) ensuring that the value of the units of the Schemes is calculated in accordance with the Regulations.
- (vi) carrying out the instructions of the Manager unless they conflict with the Trust Deed, the Prospectus or the Regulations.
- (vii) ensuring that a Scheme's income is applied in accordance with the Regulations.

### **Delegation of safekeeping function**

The Trustee may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Trustee has delegated to a number of delegates the custody of certain Scheme Property entrusted to the Trustee for safekeeping in accordance with the terms of written agreements between the Trustee and those delegates.

A list of delegates is set out in Schedule 7. Unitholders should note that the list of delegates is updated only at each Prospectus review.

### **Conflicts**

From time to time actual or potential conflicts of interest may arise between the Trustee and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to the Schemes and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Schemes. The Trustee maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Schemes, the Unitholders or the Manager on the one hand and the Trustee on the other hand. For example, such actual or potential conflict may arise because the Trustee is part of a legal entity or is related to a legal entity which provides other products or services to the Schemes and from which fees and profits in relation to the provision of those products or services may arise and from which the Trustee may benefit directly or indirectly. In addition, the Trustee may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Schemes, or may have other clients whose interests may conflict with those of the Schemes, the Unitholders or the Manager.

In particular, HSBC Bank plc may provide foreign exchange services to the Schemes for which they are remunerated out of the property of the Schemes. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Schemes; provides broking services to Schemes and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Schemes; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Schemes; or earns profits from or has a financial or business interest in any of these activities.

The Trustee will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Schemes than if the conflict or potential conflict had not existed.

The Trustee has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Trustee has functionally and hierarchically separated the performance of its trustee tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Trustee issues to be properly identified, managed and monitored.

### **Liability of the Trustee**

In general, the Trustee is liable for losses suffered by the Schemes as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Trustee will be liable to the Schemes for the loss of financial instruments of the Schemes which are held in its custody. The Trustee will not be indemnified out of the Scheme Property for the loss of financial instruments.

The liability of the Trustee will not be affected by the fact that it has delegated safekeeping to a third party.

The Trustee will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Trustee, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall not be liable for any indirect, special or consequential loss.

In the event there are any changes to the Trustee's liability under the Regulations, the Manager will inform unitholders of such changes without delay.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

### **Updated Information**

Up to date information regarding the name of the Trustee, any conflicts of interest and delegations of the Trustee's safekeeping functions will be made available to unitholders upon written request to the Manager.

## **2.3 Investment Advisers**

Investment Advisers have been appointed to act in that capacity for the Schemes covered by this document. The Investment Advisers undertakes the investment management of each of the Schemes in accordance with the Trust Deeds, this Prospectus, the applicable investment objectives and the policy of the Scheme and COLL. Under each investment advisory agreement the relevant Investment Adviser may call on the Manager to ratify and confirm any act or thing lawfully and properly done by it in the proper performance of its duties. The Investment Advisers have authority to make investment decisions on behalf of the Manager. The Investment Advisers are remunerated by the Manager out of the preliminary charge and the periodic charge (see Appendix 1) under agreements between the Investment Advisers and the Manager.

Each investment advisory agreement may be terminated by the Manager with immediate effect where it is in the interest of unitholders to do so.

The principal business activity of each Investment Adviser is the provision of investment management services.

The Investment Advisers appointed in relation to each of the Schemes are as follows:

Marlborough European Multi-Cap Fund – Hargreave Hale Limited, Talisman House, Boardmans Way, Blackpool, Lancashire, FY4 5FY.

Marlborough US Multi-Cap Income Fund – Boston Financial Management LLC, 255 State Street, 6th Floor, Boston, MA 02109, USA.

Marlborough Fund Managers Limited has retained the investment management of the Marlborough Emerging Markets Trust.

#### **2.4 The Auditor**

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

#### **2.5 The register of holders**

The Manager is the registrar for each of the Schemes. A unit holder's entry on the register can be inspected, at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP on any business day between 9a.m. and 5p.m.

Title to the units of each of the Schemes will be evidenced by entries on a register of unit holders. Unit holders will not be issued with a certificate, but will receive a six-monthly statement which will detail transactions since the previous statement, the number of units held and their value as at the statement date.

Unitholders should notify the Manager in writing of any change to their name or address.

### **3 Details of the schemes**

#### **3.1 Categories of Scheme**

Each Scheme is an authorised unit trust and is a UCITS Scheme for the purposes of the Regulations.

#### **3.2 Base currency**

The base currency of each of the Schemes is pounds sterling or such other currency or currencies as may in the future be the lawful currency of the UK.

#### **3.3 Date of establishment of the Schemes**

The Schemes were established on the dates set out in Schedule 1.

#### **3.4 Investment powers**

Details of the investment powers of the Trustee and the Manager of each of the Schemes are set out in Schedule 2.

#### **3.5 Investment objectives and policies**

Details of the investment objectives and policies adopted by the Manager in relation to each of the Schemes are set out in Schedule 1.

#### **3.6 Eligible markets**

Details of eligible markets in which the Schemes may invest are set out in Schedule 3.

#### **3.7 Large deals**

A large deal within the meaning of the Regulations is a transaction (or series of transactions in one dealing period) by any person as principal to buy, sell or exchange units where the total consideration payable exceeds £100,000 in any one Scheme.

### **4 The characteristics of units in the schemes**

#### **4.1 Entitlement of unit holders**

The holders of units of a particular Scheme are entitled to participate in the property of that Scheme in proportion to the number of units held and to receive the income thereof in proportion to their unit-holding. Unit holders do not have any proprietary interest in the underlying assets of a Scheme.

## **4.2 Types of units**

The Trust Deeds constituting each of the Schemes allow the issue of Class A, Class B and Class P income and accumulation units but the Manager does not at present intend to issue accumulation units. Income from income units will be distributed or reinvested in accordance with the unit holder's instructions.

In the case of income units, each unit represents one undivided share in the property of a Scheme and entitles unit holders to receive distributions of income as soon as practicable after the relevant accounting date and in any event on or before the relevant income allocation date.

Income earned on the investments of each Scheme is distributed to unit holders in that Scheme on the basis set out below.

The amount available for distribution in any accounting period is calculated by taking the total of the income received or receivable by the Scheme, and deducting the total of the Manager's and Trustee's remuneration and other payments properly paid or payable out of the income account in respect of that accounting period. This total is adjusted by the Manager's best estimate of any relief from tax on that remuneration and those other payments. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation, the proportion of the prices received or paid for units that is related to income (taking into account any provisions in the Trust Deed relating to income equalisation). Potential income which is unlikely to be received until 12 months after the income allocation date should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters. Payments will be made by bank automated credit system. Cheques will not be sent for new investors who invest after 1<sup>st</sup> July 2018. Where new investor's bank details are not known or are inaccurate, accumulation shares will be purchased, where available, otherwise any income from income shares will be reinvested.

Class A Units are intended for direct retail investors. Class B Units are intended for retail and institutional investors who invest via an intermediary or an IFA. Class P Units are intended for large institutional investors and platforms. In each case investors will need to comply with the investment restrictions, subject to the Manager's discretion, as set out in Section 7 below.

All investors in the Schemes should understand and appreciate the risks associated with investing in units in the Schemes, including the risks set out in section 12.1 below under the heading "Risk Factors", and/or will have received advice from an appropriately qualified financial adviser.

## **4.3 Distributions**

### **Dates**

The accounting reference dates for each Scheme and the dates on which distributions of income are made to unit holders in respect of each of the Schemes are provided in Schedule 1. The Trustee shall allocate the amount of income available at the end of the relevant accounting period.

If a distribution remains unclaimed for a period of six years after it has become due it will be returned to the property of the relevant Scheme.

### **Income equalisation**

Upon the first distribution following the purchase of a unit in any of the Schemes, the relevant unit holder will receive as part of that distribution a capital sum representing that part of the purchase price of the unit which represents the value of accrued income at the time of purchase. This amount is known as income equalisation. The amount of income equalisation is calculated by dividing the aggregate amounts of income included in the price of units issued or re-issued in an accounting period by the number of those units and applying the resulting average to each of the units in question.

For the purpose of calculating this income equalisation the Trust Deeds permit accounting periods to be grouped. This means that to determine the average income included in the creation price of units different accounting periods can be taken together. The Trust Deeds permit grouping of each interim accounting period and the period between the end of the only or last interim accounting period in any annual accounting period and the end of that annual accounting period. If there is no interim accounting period then each annual accounting period may be grouped.

#### **4.4 Nature of the right of unit holders**

The nature of the right of the unit holders represented by the units is that of a beneficial interest under a trust.

#### **4.5 Liabilities of unit holders**

Unit holders are not liable for the debts of the Schemes.

### **5 Valuation of property**

#### **5.1 Frequency and time of valuation**

The property of each of the Schemes will be valued daily at 12 noon, Monday to Friday, excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the Manager has notified the Trustee that it is not open for normal business or otherwise agreed between the Manager and the Trustee, for the purpose of determining the price at which units in each Scheme may be dealt.

There shall be a single price for a unit in a Scheme. Valuations of the property of the Schemes for the purpose of the calculation of unit prices will therefore be carried out in accordance with the rules for single-priced funds in COLL. Valuations will not take place on the Manager's concessionary company holidays, which may be declared from time-to-time with the prior agreement of the Trustee. If it is not possible to obtain a valuation for the whole or part of a Scheme, or in exceptional circumstances where the Manager and the Trustee decide there is good and sufficient reason, the valuation point may be moved to such time as the Manager (in consultation with the Trustee) considers appropriate. Additional valuations at the discretion of the Manager may take place at any time during a dealing day. The Manager will inform the Trustee of any decision to carry out such an additional valuation. Where such an additional valuation takes place it is a further valuation point for the purposes of dealing.

Investors should note that, where the Manager has reasonable grounds to believe that: no reasonable price exists for a security at a valuation point; or the most recent price available does not reflect the Manager's best estimate of the value of a security at a valuation point, (subject to the Regulations the Manager may value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the "fair value price").

The circumstance which may give rise to a fair value price being used includes:

- (i) where there has been no recent trade in the security concerned; or
- (ii) due to the suspension of dealings in an underlying collective investment scheme; or
- (iii) where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

#### **5.2 Basis of valuation and dilution levy**

Subject to the Regulations and in accordance with the Trust Deed for the relevant Scheme the price of a unit shall be calculated as follows:

- (i) the value of the property of the relevant Scheme attributable to units of the type in question by reference to the most recent valuation of that property (excluding the distribution account) calculated in accordance with Schedule 5 will be taken;
- (ii) the number of units of the relevant type in existence immediately before the valuation in (i) will be computed;
- (iii) the total at (i) will be divided by the number of units at (ii);
- (iv) the price will be expressed in a form that is accurate to at least four significant figures.

The Regulations permit a method of calculation other than that set out above to be used as long as the Manager is sure that it is bound to produce the same result.

The actual cost of purchasing or selling the Scheme's investments may be higher or lower than the mid-market value used in calculating the unit price (e.g., due to dealing charges, or through dealing at prices other than the mid-market price). Under certain circumstances (e.g., large volumes of large deals as described in paragraph 3.7) this may have an adverse effect on the unit holders' interest in the Scheme. In order to prevent this effect, called **dilution**, the Manager has the power to charge a dilution levy on the sale and/or redemption of units. If charged, the dilution levy will be paid into the Scheme and will become part of the Scheme.

The need to charge a dilution levy will depend on the volume of sales or redemptions. The Manager may charge a discretionary dilution levy on the sale or redemption of units if, in its opinion, the existing unit holders (for sales) or remaining unit holders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where the Scheme is in continual decline;
- where the Scheme is experiencing large levels of net sales relative to its size;
- where the Scheme is experiencing large levels of net redemptions relative to its size;
- on large deals (see paragraph 3.7);
- in any other case where the Manager is of the opinion that the interests of unit holders require the imposition of a dilution levy.

On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Scheme(s). In funds where in excess of 90% of the units are owned by one investor the dilution levy is waived due to the fact that the effect would be circular.

As dilution is directly related to the inflows and outflows of monies from the Scheme it is not possible to accurately predict whether dilution will occur at any future point in time. It is also not possible to accurately predict how frequently the Manager will need to make such a dilution levy. Based on the number of Unitholders in each Scheme and their average unit holding, as well as the anticipated subscription and redemption volumes, the Manager considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the Manager believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Units being bought or sold.

## **6 Charges and expenses**

All fees or expenses payable by a unit holder or out of the Schemes' property are set out in this section and Schedule 1.

### **6.1 The Manager's initial charge**

On the issue of units an initial charge of such amount as may from time-to-time be fixed by the Manager will be included and paid to the Manager, plus VAT (if any). If an initial charge is applied, it will be deducted from the investment proceeds

at the outset and is calculated as a percentage of the price of a unit. The amount currently fixed by the Manager in respect of each of the Schemes is set out in Schedule 1.

The initial charge may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

## **6.2 The Manager's annual management charge**

The Manager will be remunerated as Manager out of the property of each of the Schemes by an annual management charge of such amount as shall from time-to-time be fixed by it, plus VAT (if any). The amount currently fixed by the Manager in relation to each of the Schemes is set out in Schedule 1. The annual management charge is accrued daily and its calculation is based upon the first or only valuation point on each business day. The annual management charge charged during a calendar month is paid to the Manager no more frequently than weekly.

In respect of the Marlborough European Multi-Cap Fund and the Marlborough Emerging Markets Trust, the Manager takes the annual management charge out of the income property of the Schemes .

In respect of the Marlborough US Multi-Cap Income Fund, the Manager takes the annual management charge out of the capital property of the Scheme. Where charges and fees are taken from the capital of a Scheme, this may result in capital erosion or constrain the capital growth of that Scheme.

The annual management charge may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

The Trust Deeds of each of the Schemes give the Manager the power to make a charge on the redemption of units. The Manager does not currently make any redemption charge. The Manager may introduce a redemption charge or vary the rate or method of calculation of any redemption charge only in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

## **6.3 Trustee's charges**

The Trustee will be remunerated for its services out of the property of each Scheme by way of a charge of such amount as may be agreed between the Manager and the Trustee from time-to-time. In addition to the Trustee's charge, transaction and custody charges are also payable to the Trustee out of the property of each Scheme.

### **The Trustee's charge**

For each of the Schemes, the Trustee's charge is expressed as an annual percentage of the value of the property of the Scheme plus VAT. This is payable out of the property of the relevant Scheme. The Trustee's charge is calculated by the same method as the annual management charge (see above), and the Trustee's fee charged during a calendar month is paid to the Trustee on or as soon as practicable after the last business day of that calendar month. The current sliding scale of the Trustee's charge in relation to each Scheme is set out in Schedule 1.

### **Other charges of the Trustee**

In addition to the Trustee's charge, the Trustee may also be paid by way of remuneration out of the property of the Schemes:

- **transaction charges** – these charges vary from country to country. Details of the range of charges based on geographic area are given below:
- **custody charges** – these charges vary according to geographic location and market value of the holdings. The Trustee's custody charges are calculated on the last business day of each month and are paid as soon as reasonably practicable thereafter. Details of the range of charges based on geographic area are given below:

Range of charges: <b>Geographic area</b>	<b>Safekeeping fee (BPS per annum)</b>	<b>Activity fee</b>
United Kingdom (Crest Transaction)	0.60	£11.00
United Kingdom (Non Crest Transactions)	0.90	£20.00
United States of America (together with all assets held in Cedel)	2.00	£20.00
Euroclear / Clearstream	2.50	£22.50
Europe	2.00 to 7.00	£22.50 to £45.00
Japan	3.00	£30.00
Other markets	2.50 to 15.00	£30.00 to £60.00

The Trustee has delegated the Registrar function to the Manager and therefore does not receive such remuneration whilst this arrangement exists.

The custody and transaction fees are amounts exempt from VAT.

#### **The Trustee's expenses**

The Trustee may also be reimbursed for certain expenses out of the property of the relevant Scheme. These expenses are those incurred in exercising any powers conferred upon the Trustee, or in performing any of the duties imposed upon it by the Regulations, the Trust Deeds constituting each of the Schemes or by law, together with any VAT payable. Without prejudice to the generality of the foregoing, the duties of the Trustee may include the following:

- delivery of stock to the Trustee or to any custodian appointed by the Trustee;
- custody of assets;
- the maintenance of the register of unit holders and any plan sub-register;
- the collection and distribution of income and capital;
- the submission of tax returns;
- the handling of tax claims;
- the preparation of the Trustee's annual report; and
- such other duties as the Trustee is required by the Regulations, the Trust Deeds constituting each of the Schemes, or by law to perform.

The Trustee's charges, transaction charges or custody charges may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

#### **6.4 General expenses**

All expenses permitted by the Regulations and the Trust Deeds constituting the Schemes to be paid out of the property of the Schemes will be so paid. At present these include the following:



- a) transaction costs, including (without limitation):
  - i. the fees and/or expenses incurred in acquiring, registering and disposing of investments, such as (for example) broker's commissions (where permitted under the FCA Handbook), fiscal charges and other disbursements which are necessarily incurred in effecting transactions for a Scheme and normally shown on contract notes, confirmation notes and difference accounts as appropriate;
  - ii. the direct and indirect transaction and operational costs and/or fees arising from time to time as a result of the Manager's use of efficient portfolio management techniques (as described in Schedule 2);
- b) interest on borrowings permitted under the Regulations and the Trust Deeds constituting the Schemes and charges incurred in negotiating, effecting or varying the terms of such borrowings; and
- c) taxation and duties payable in respect of the property of the Schemes, the Trust Deeds constituting the Schemes or the issue of units; and any Stamp Duty Reserve Tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of it); and
- d) any costs incurred in modifying the Trust Deeds constituting the Schemes, including costs incurred in respect of meetings of unit holders convened for the purpose, where the modification is:
  - i. necessary to implement any change in the law (including changes in the Regulations); or
  - ii. necessary as a direct consequence of any change in the law (including changes in the Regulations); or
  - iii. expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interests of unit holders; or
  - iv. to remove from the Trust Deeds constituting the Schemes obsolete provisions; and
- e) any costs incurred in respect of meetings of unit holders convened on a requisition by unit holders not including the Manager or an associate of the Manager; and
- f) the expenses of the Trustee in performing any of its duties as set out in Schedule 4; and
- g) the audit fees of the Auditor and any expenses of the Auditor; and
- h) the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which units in the Schemes are or may be marketed; and
- i) VAT on the charges set out under paragraphs a) to h) above.
- j) any other fees, expenses, disbursements and other costs of the Schemes which are of a description authorised by the Trust Deeds constituting the Schemes to be paid out of the Scheme and these include:
  - i. those relating to exercising any right attaching to and attending any meeting in relation to any asset; insurance of documents; custody of documents; opening bank accounts; effecting currency transactions and transmitting money; obtaining legal, accountancy or other advice and conducting legal proceedings; communicating with unit holders, Managers, any registrars or other persons; effecting borrowings or other permitted transactions;
  - ii. those relating to any registrars and investment advisers appointed by the Trustee in relation to the Schemes;
  - iii. those which under general law the Trustee is entitled to charge against the Schemes; if any person, at the request of the Trustee in accordance with the Regulations, provides services including but not limited to those of a custodian of the property of the Scheme, the expense and disbursements hereby authorised to be paid to the Trustee out of the property of the Scheme shall extend to the remuneration of such persons as approved by the Trustee and the Manager;

- iv. all fees, expenses and disbursements incurred in or about the acquisition, registration, holding, realisation, disposal or otherwise dealing with any asset comprised in the property of the Schemes and the collection and distribution of income thereof;
- v. all fees, expenses and disbursements of nominees or agents of the Trustee acting in relation to the Schemes;
- vi. all stamp duties and other taxes levied or payable from time-to-time in respect of the Schemes (except that payable by a unit holder).

## **6.5 The Register charge**

The Manager is the registrar for the Schemes and makes a charge of £13.91 per unit holding per annum in respect of registration. The register charge may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date. It is the Manager's intention to review its registration charges annually.

## **6.6 Treatment of expenses for the Marlborough US Multi-Cap Income Fund**

For the Marlborough US Multi-Cap Income Fund, the annual management charge is taken out of the capital property of this Scheme, as set out in section 6.2. All other charges and expenses are taken from the income property of this Scheme. This does not change the allocation of payments for those charges which are as otherwise set out in this section 6 of the Prospectus.

Where charges and other expenses are taken from the capital of a Scheme, this may result in capital erosion or constrain the capital growth of that Scheme.

## **7 The issue and redemption of units in the schemes**

### **7.1 Dealing days and times**

The Manager will be available to receive requests for the issue and redemption of units between the hours of 9.00am and 5.00pm from Monday to Friday except for public holidays and concessionary company holidays with the prior agreement of the Trustee. Fund price information is available from the Manager between 9.00am to 5.00pm Monday to Friday by phoning 0808 145 2500 or by visiting [www.marlboroughfunds.com](http://www.marlboroughfunds.com).

### **7.2 Procedure**

Subject to any restrictions applicable to certain classes of Units, applications for units may be made by completing an application form and delivering it to the Manager at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or during business hours (9.00am to 5.00pm) by telephone on 0808 145 2501. Telephone instructions must be confirmed by delivering a completed application form to the Manager at the same address. Applications will be dealt with in accordance with the Regulations and valuation and pricing policies previously referred to. Applications will not be acknowledged. However, a contract note will be sent out not later than the business day following the day on which the relevant price is determined containing full details of the transaction. For regular savings plan applications a letter confirming receipt and acceptance of your instructions will be sent no later than the business day following receipt of your application.

Title to units will be evidenced by entries on the register after the time when:

- the Manager has received the purchase price or other consideration for the issue of units; and
- any period during which the purchaser has a right to cancel the agreement for the purchase of units has expired.

Application forms are available from the Manager. Applications, however made, are irrevocable (except in the case where cancellation rights are applied – see below). Subject to its obligations under COLL, the Manager reserves the right to

reject any application in whole or in part. In that event application monies or any balance will be returned to the applicant by post at the applicant's risk.

Where the total price payable for all units for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny. Payment in respect of applications must be received no later than the fourth business day after the relevant dealing day. However, the Manager reserves the right to request that payment in respect of applications be received prior to the relevant dealing day.

If an applicant defaults in making any payment in money or transfer of property due to the Manager in respect of the purchase of units, that applicant shall indemnify the Manager and/or the relevant Scheme (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Manager is entitled to make any necessary amendment to the register as a result. The Manager may in its discretion delay arranging for the issue of the units until payment has been received.

Applicants who have received advice may have the right to cancel their application to buy units at any time during the 14 days after the date on which they receive a cancellation notice from the Manager. If an applicant decides to cancel the investment, and the value of the investment has fallen at the time the Manager receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

Holders may redeem units in the Schemes by application in writing to the Manager. Instructions can also be taken by fax, telephone and e-mail, although proceeds from the redemption will only be released upon the Manager's receipt of an original copy with the investor's signature. A contract note will be sent no later than the business day following the day on which the relevant selling price is determined. Redemption proceeds will be paid in accordance with the Regulations only after receipt by the Manager of a duly completed form of renunciation or other acceptable written confirmation and the completion of any necessary checks under the Money Laundering Regulations 2007 (see paragraph 7.13 below).

Subject to and in accordance with the Regulations, the issue or cancellation of units may take place through the Trustee directly.

The Manager may accept instructions to transfer or renounce title to units by electronic communication in certain, limited circumstances following our prior agreement which will only be given on a case by case basis. In such circumstances the Manager will accept electronic communication only where the Manager can satisfy itself that the communication is from the unitholder and is genuine. The Manager does not intend, however, to accept electronic instructions as a matter of course and will require signed, hard copy instructions in accordance with the above.

### **7.3 Minimum values and numbers of units**

Investment in each of the Schemes may be made either by means of a lump sum or by way of the regular savings plan option (see Schedule 1 for details).

The following investment, holding and redemption requirements apply to the each unit class issued by the Schemes:

<b>Unit class</b>	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>	<b>Minimum holding</b>	<b>Minimum redemption</b>
Class A	£1,000	£1,000	£1,000	£500
Class B	£1,000	£1,000	£1,000	£500
Class P	£1,000	£1,000	£1,000	£500

Where investment is by means of the regular savings plan option, the minimum monthly investment is £100. The minimum investment, holding and redemption requirements set out above are subject to the Manager's discretion.

### **7.4 Restrictions, compulsory transfer and redemption**

The Manager may from time-to-time impose such restrictions as it may think necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law

or regulation by a competent authority) of any country or territory. In this regard, the Manager may, inter alia, reject at its discretion any application for the purchase, redemption or switching of units.

If it comes to the notice of the Manager that any affected units are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, which would (or would if other units were acquired or held in like circumstances) result in the Scheme incurring any liability to taxation which the Scheme would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulations of any country or territory) or by virtue of which the unit holder or unit holders in question is/are not qualified to hold such units or if it reasonably believes this to be the case, the Manager may give notice to the unit holder(s) of the affected units requiring the transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such units. If any unit holder upon whom such a notice is served does not, within 30 days after the date of such notice, transfer his affected units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected units, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected units pursuant to the Regulations.

A unit holder who becomes aware that he is holding or owns affected units shall forthwith, unless he has already received a notice as mentioned above, either transfer all his affected units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all his affected units. Where a request in writing is given or deemed to be given for the redemption of affected units, such redemption will be effected in the same manner as provided for under the Regulations, if affected at all.

Where the Manager decides to close a unit class in any of the Funds, the Manager may mandatorily redeem a unitholder's investment. The Manager will provide unitholders with no less than 30 days' notice prior to the redemption.

### **Switching units**

Unitholders in a Scheme are permitted to switch all or some of their Units between different types or classes. This includes switching from income to accumulation units, or between Class A, Class B and Class P units where applicable, and subject to the restrictions on holding each class of unit described in section 7.3. Such switches of unit class or unit type can be carried out at no charge. Instructions to switch units must be received by the Manager in writing. Instructions may also be received, at the Manager's sole discretion, by telephone or email. Units will be switched at the next available valuation point following receipt and acceptance of the instruction. The number of new units received will be determined by the price of old and new units at the valuation point when the switch is carried out. Switches between unit classes in the same Scheme are not treated as a disposal for UK tax purposes. In no circumstances will a Unitholder who switches units in once class for units in any other class, be given a right by law to cancel or withdraw from the transaction.

In certain circumstances the Manager may mandatorily convert a Unitholder's investment from one unit class into another unit class. The Manager will only undertake such a conversion where the proposed unit class has identical or preferential terms and the Manager will provide Unitholders with no less than 60 days' notice.

### **7.5 Issue of units in exchange for in specie assets**

The Manager may arrange for the Schemes to issue units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the acquisition of those assets in exchange for the units concerned by the relevant Scheme is not likely to result in any material prejudice to the interests of unit holders in that Scheme.

The Manager will ensure that the beneficial interest in the assets is transferred to the appropriate Scheme with effect from the issue of the units.

The Manager will not issue units in any Scheme in exchange for assets the holding of which would be inconsistent with the investment objective of that Scheme.

### **7.6 In specie redemptions and cancellations**

If a unit holder requests the redemption/cancellation of units the Manager may, where it considers the deal to be substantial in relation to the total size of the Scheme concerned or in some way advantageous or detrimental to that Scheme or otherwise at its discretion, arrange that in place of payment of the price of the units in cash, the Trustee cancels the units and transfers certain property of the Scheme or, if required by the unit holder, the net proceeds of sale of the relevant Scheme property, to the unit holder.

The Manager will select the Scheme property to be transferred in consultation with the Trustee. The Trustee will take reasonable care to ensure that the Scheme property concerned would not be likely to result in any material prejudice to the interests of exiting or remaining unit holders.

### **7.7 Suspension of issue and redemption**

The Manager may with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any units in a Fund ("dealing") where due to exceptional circumstances it is in the interests of all unitholders in the Fund.

The Manager and the Trustee must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of the unitholders. On suspension, the Manager, or the Trustee (if the Trustee has required the Manager to suspend dealings) will immediately inform the FCA stating the reason for the suspension and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The Manager will notify unitholders of the suspension as soon as practicable after suspension commences, drawing unitholders' particular attention to the exceptional circumstances which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform unitholders of how to obtain further information regarding the suspension with a view to keeping unitholders sufficiently informed. The Manager shall publish on its website and/or by other general means sufficient details to keep unitholders appropriately informed about the suspension including, if known, its likely duration.

During a suspension none of the obligations in COLL 6.2 (Dealing) apply; and the Manager shall comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension. The suspension of dealings in units must cease as soon as practicable after the exceptional circumstances which led to the suspension, have ceased.

The Manager and the Trustee shall formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information provided to the FCA in respect of the reasons for the suspension.

The Manager shall inform the FCA of the proposed restart of dealing in units and immediately after the restart shall confirm this by giving notice to the FCA.

The Manager may agree, during the suspension, to deal in units in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first valuation point after restart of dealing in units, provided that if the Manager operates limited redemption arrangements, and the event leading to the suspension of dealing has affected a valuation point, the Manager shall declare an additional valuation point as soon as possible after the restart of dealing in units.

The provisions relating to suspension of dealings can only apply to one or more classes of units without being applied to other classes, if it is in the interest of all the unitholders.

### **7.8 Re-calculation of prices following suspensions**

The re-calculation of prices will commence on the business day immediately following the end of the suspension at 12 noon for all Schemes.

### **7.9 Pricing basis**

The Manager will deal at forward prices.

## **7.10 Publication of prices**

The latest available prices in respect of units of each of the Schemes are published on the following websites: [www.marlboroughfunds.com](http://www.marlboroughfunds.com) or at [www.theinvestmentassociation.org](http://www.theinvestmentassociation.org). The latest available price in respect of units is also available by calling the Manager's customer support line on 0808 145 2500 between 9.00am and 5.00pm Monday to Friday. The Schemes are not listed on any investment exchange. Prices are also published daily in the Financial Times.

The Manager is not responsible for any errors in publication or non-publication which are beyond its control.

## **7.11 Profit on issue, re-issue or cancellation**

In the case of each of the Schemes neither the Manager nor the Trustee are under any obligation to account to the other or to the unit holders for any profit the Manager or the Trustee makes on the issue of units or on re-issue or cancellation of units which the Manager has redeemed.

## **7.12 The Manager dealing as principal**

Where the Manager deals as principal in the units in the Schemes any profits or losses arising from such transactions shall accrue to the Manager and not to the Schemes.

It is the Manager's policy to maintain a small position in each of the Schemes; this is known as the 'Manager's Box'. The Manager's Box is held for administrative convenience and minimises the risk to the Manager of breaching its obligation to issue sufficient units to meet all outstanding orders from investors.

The Manager is under no obligation to account to the Trustee, or to unit holders for any profit it makes on the issue or re-issue of units or cancellation of units which it has redeemed.

## **7.13 Money laundering**

As a result of legislation in force in the UK to prevent financial fraud, the Manager is responsible for compliance with anti-laundering regulations. In order to implement these procedures, in certain circumstances unit holders may be asked to provide proof of identity, when buying or selling units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue units, pay the proceeds of a redemption of units, or pay income or issue units in lieu of such income to the investor. In the case of a purchase of shares where the applicant is not willing or is unable to provide the information request within a reasonable period, the Manager also reserves the right to sell the units purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The Manager will not be liable for any price movements occurring during delays while money laundering checks are carried out. The Manager will, where possible, verify identity using information from credit reference agencies. Where this is not possible or where the Manager decides, at its own discretion, that it is appropriate further documentation will be requested.

# **8 General information**

## **8.1 Annual and half-yearly reports and accounts**

The annual reports in respect of each of the Schemes will be published on the annual income allocation date in each case (see Schedule 1), and the half-yearly report in respect of each of the Schemes will be published within two months of the end of the relevant interim accounting period. Long reports are available from the Manager, free of charge, on request or at [www.marlboroughfunds.com](http://www.marlboroughfunds.com).

## **8.2 Inspection of Trust Deeds, etc**

Copies of the following documents are available for each Scheme for all purchasers of units on request, free of charge, from the Manager at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP:

- Latest version of the Prospectus and Key Investor Information Document;

- Copies of the Trust Deeds (and any supplemental trust deeds); and
- Latest annual and half-yearly long reports applying to each Scheme (including the relevant accounts).

The above documents are also available for inspection on any business day during normal business hours at the offices of the Manager.

### 8.3 Changes to the Schemes

Where any changes are proposed to be made to a Scheme the Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, unit holder approval will be required. If the change is regarded as significant, at least 60 days prior written notice will be given to unit holders. If the change is regarded as notifiable, unit holders will receive suitable notice of the change.

### 8.4 Risk ratings and investor profiles

The risk rating and investor profiles for each of the Schemes are set out at paragraph 12.2 and in Schedule 1.

## 9 Taxation

***The following notes are based on our understanding of the law and practice of the United Kingdom (UK) as currently enacted and are intended to offer some guidance to persons (other than dealers in securities) on the UK taxation of the Schemes and their unit holders. Investors should not take these notes as being definitive and are advised to take professional advice in relation to their personal tax position.***

### The Schemes

The Schemes are exempt from UK tax on capital gains on the disposals of investments within the Schemes.

The Schemes are treated as companies for taxation purposes and are liable to corporation tax on their taxable income net of management expenses at the special rate of 20%.

Dividend income received by the Schemes in respect of investments in UK companies is not subject to tax.

Income received in respect of overseas investments may suffer withholding tax based upon the law of the territory in which the investment is based.

Distributions made by the Schemes to unit holders are treated as UK dividends except in the case of Schemes which maintain more than 60% of their investments in qualifying investments, broadly interest bearing securities (referred to below as 'Interest Schemes').

Distributions made by Interest Schemes are offset against the taxable income received by the Scheme. This will normally mean that there is no charge to UK corporation tax within these Schemes.

### UK Investors

The Company will generally make dividend distributions which broadly reflect any income arising from its investments. Dividend distributions by the Company are made without deduction of income tax. The first £2,000 of dividend distributions received by individual investors in any tax year are not subject to income tax.

Dividend distributions received in excess of this amount should be reported on the individual investor's Self Assessment Tax Return. For distribution amounts in excess of £2,000 in any tax year, individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 7.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for basic rate tax.

Higher rate taxpayers will have a further liability to income tax equal to 32.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for higher rate tax.

Additional rate taxpayers will have a further liability to income tax equal to 38.1% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for the additional rate of tax.

### **Overseas Investors**

Dividend distributions will be made gross to unitholders who are not UK resident. Non resident unitholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident unitholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

### **Corporate Unitholders**

Dividend distributions received by corporate unitholders chargeable to UK corporation tax will need to be streamed into 'franked' and 'unfranked' income according to the underlying gross income of the Company.

In broad terms, the portion treated as being 'franked' will be such proportion of the Company's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate unitholder (unless the unitholder is treated as a dealer in securities for tax purposes). The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate unitholder will, therefore, be subject to corporate tax at the rate applicable to that corporate unitholder but with credit for the income tax deducted. Such unitholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate unitholder's share of the Company's liability to corporation tax for the distribution period in question.

### **Capital Gains Tax**

Capital gains made by individual Unitholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2020/2021, the first £12,000 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Unitholders who are non UK resident will not normally be liable to UK tax on capital gains arising on a sale, disposal or other chargeable event unless the unitholding is connected with a trade carried on by the Unitholder through a UK branch or agency or certain anti-avoidance provisions relating to temporary non-UK residence apply

Capital gains made by Unitholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Unitholder after taking account the availability of any indexation relief. The main rate of corporation tax is currently 19%.

### **Equalisation**

In the case of the first distribution received in respect of units purchased, the amount representing the income equalisation payment is treated as a return of capital and is not taxable as income in the hands of the unit holder. This amount should be deducted from the cost of units in computing any capital gains arising from the subsequent disposal of these units.

### **Stamp Duty Reserve Tax (SDRT)**

The Stamp Duty Reserve Tax (SDRT) charge on the surrender of units / shares in UK based unit trust schemes and open ended investment companies (OEICs) to the fund manager was abolished on 30 March 2014.



However, the SDRT charge will remain in relation to certain transactions:

- Third party transfers of units

Where the transaction is handled by the Manager there will continue to be no principal SDRT charge. However, where transactions are not handled by the Manager (i.e. a third party transfer where only beneficial ownership of the units change) then the principal SDRT charge on agreements to transfer will still technically apply at 0.5% or at the higher rate (1.5%) if transferred into depositary receipt arrangements or clearance services.

- Non-pro rata in specie redemptions

An additional revision was made to the legislation to make non-pro rata in specie redemptions subject to a principal SDRT charge rather than a schedule 19 charge.

There is no charge on a pro rata in specie redemption. A pro rata in specie redemption ensures that an investor redeems an equal and exactly proportionate stake of their investment in the scheme, however a non-pro rata in specie redemption does not and it is therefore deemed by HMRC that the investor is effectively acquiring new interests in chargeable securities and is hence subject to an SDRT charge.

## **10 Meetings of unit holders and voting rights**

A meeting of unit holders duly convened and held may, by extraordinary resolution require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the Regulations, but shall not have any other powers. The quorum for a meeting is two unit holders, present in person or by proxy. If after a reasonable length of time has elapsed from the time at which the adjourned meeting was to start and two unit holders are not present in person or by proxy, one unit holder may be counted as the quorum at this meeting.

In respect of each of the Schemes, at a meeting of unit holders the voting rights of the unit holders are as prescribed in the Regulations and which are as follows. On a show of hands every unit holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its representatives properly authorised in that respect shall have one vote.

A poll may be demanded by the Chairman of the meeting or the Trustee or by at least two unit holders present in person or by proxy. On a poll, every unit holder who is present in person or by proxy shall have one vote for every unit of which they are the holder. In the case of joint holders the vote of the most senior who votes, whether in person or by proxy, must be accepted to the exclusion of votes of other joint unit holders. For these purposes seniority must be determined by the order in which the names stand in the register of unit holders.

Unit holders in this context means the persons who were entered on the register of holders at a time to be determined by the Manager and stated in the notice of meeting which is a reasonable time before the notice of the meeting is sent out.

## **11 Winding up procedure**

### **11.1 When the Schemes are to be wound up**

A Scheme may be wound up upon the occurrence of any of the events relevant to a Scheme set out in COLL which include (without limitation):

- if the order declaring that Scheme to be an authorised unit trust is revoked;
- the passing of an extraordinary resolution winding up the Scheme (provided the FCA's prior to consent to the resolution has been obtained by the Manager or the Trustee); or
- if the Manager or the Trustee requests the FCA to revoke the order declaring the Scheme to be an authorised unit trust and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Scheme, the FCA will accede to that request; or

- upon the effective date of a duly approved scheme of arrangement which is to result in a Scheme being left with no property.

If any of the events set out above occurs COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and Borrowing Powers) of the Regulations will cease to apply. The Trustee shall cease to issue and cancel units and the Manager will stop redeeming and selling units.

## **11.2 Manner of winding up**

In the case of a duly approved scheme of arrangement, the Trustee shall wind up the Scheme concerned in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Scheme falls to be wound up, realise the property of the Scheme. After paying out or retaining adequate provisions for all liabilities properly so payable and after retaining provision for the costs of the winding up, the Trustee shall distribute the proceeds of that realisation to the holders and the Manager (upon production by them of evidence as to their entitlement) proportionally to their respective interests in the Scheme as at the date of the relevant event.

Any unclaimed net proceeds or other cash, held by the Trustee after the expiration of 12 months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred in making and relating to that payment.

On completion of a winding up, the Trustee shall notify the FCA in writing of that fact and the Trustee or Manager shall request the FCA to revoke the order of authorisation.

## **12 Additional information**

### **12.1 Risk Factors**

In respect of each of the Schemes, investors and their professional advisers should note the following:

- Past performance is not a guide to future performance. The value of units and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The Manager's initial charge (see 6.1 above) is deducted from an investment at the outset such that an equivalent rise in the value of the units is required before the original investment can be recovered.
- There is no guarantee that the investment objective of a Scheme will be achieved.
- Schemes that invest in overseas markets are exposed to currency risk and as a result the value of your investment can be affected by changes in exchange rates.
- Schemes that invest in bonds are exposed to default risk from the bond issuer. This risk of default will increase as the creditworthiness of the issuer declines.
- Schemes with exposure to less developed overseas markets pose greater investment risk than funds invested in larger and more established markets.
- Schemes with a relatively small number of holdings can be more volatile than funds with greater diversification.
- Schemes that invest predominantly in smaller companies are subject to greater risk than funds invested in larger companies.
- Schemes that invest predominantly in other funds may be subject to higher overall costs due to the effect of management charges on each underlying fund.

- Tax advantages associated with trust structures may be changed by future legislation as may those associated with the underlying investments and their domicile.
- If you invested via a financial adviser and you decide to cancel your investment during the 14-day period we allow, you may not get back the full investment if the unit price has fallen. This applies to lump sum investments only.
- If you are saving to build a capital sum and you do not maintain your regular payments, you may not meet any target that has been projected.
- Inflation will result in the value of your investment on encashment not being equal to its value in current terms i.e. £1 in the future will not be equivalent to £1 today.
- When a Scheme is permitted to enter into certain derivatives transactions (including, without limitation, forward transactions, futures and options) for the purposes of efficient portfolio management, including hedging (as explained under the heading "**Efficient Portfolio Management**" in Part 1 of Schedule 2), investors should be aware that the value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Scheme assets. There is also the potential for capital appreciation of such assets. **The Manager does not anticipate that the use of derivatives for the limited purposes of efficient portfolio management will alter the risk profile of the relevant Schemes.**
- The Manager does not permit the Schemes to be used for the purposes of "market timing". For this purpose market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. The Manager will undertake monitoring activities to ensure that market timing does not take place in relation to the Schemes.
- In respect of the Marlborough US Multi-Cap Income Fund, the Manager takes the annual management charge out of the capital property of the Scheme. Where charges and fees are taken from the capital of a Scheme, this may result in capital erosion or constrain the capital growth of that Scheme.

### 12.2(a) Risk profiles of the Schemes

Above Medium Risk	Aggressive	Marlborough European Multi-Cap Fund
		Marlborough US Multi-Cap Income Fund
Higher Risk		Marlborough Emerging Markets Trust

### 12.2(b) Risk management

In the case of all Schemes, the Manager will, upon the request of a unit holder, provide further information relating to:

- the quantitative limits applying in the risk management of any Scheme;
- the methods used in relation to (i) above; and
- any recent development of the risk and yields of the main categories of investment.

### 12.3 Complaints

Complaints concerning the operation or marketing of any of the Schemes should be referred to the Customer Services team at the Manager's offices whose address is set out on page 6. If you are not satisfied with the outcome of your complaint you may be able to refer complaints about how the investment is managed or about how the investment was sold to you to the Financial Ombudsman Service at Exchange Tower, London, E14 9SR. More details about the Financial Ombudsman Service are available from the Manager.

### 12.4 Data Protection

The data controller in respect of the personal data you provide on your application form (or you otherwise submit to the Manager in connection with your application for the services generally) is the Manager, who you can contact using the contact details below.

The Manager will process the personal data that you provide as set out below:

Purpose	Type of data	Basis for processing
Providing investment and administration services to you	Identity, contact and financial data	Performance of a contract with you
Carrying out identity checks, anti-money laundering checks and checks with fraud prevention agencies	Identity, contact and financial data	Necessary to comply with a legal obligation
Statistical analysis to understand how you use the Manager's services	Identity, contact, financial, transaction, technical, usage and marketing and communications data	Necessary for the Manager's legitimate interests (to improve its services and develop its business)
To inform you about updates to the service and to notify you about other products and services offered by the Manager that may be of relevance to you.	Identity, contact, usage and marketing and communications data	Necessary for the Manager's legitimate interests (to market its services and develop its business) or, if the Manager cannot rely on legitimate interest for direct electronic marketing, where you have given us your consent to receive such marketing.
To ask you to participate in surveys for market research purposes, and to analyse those surveys and research to benchmark our services.	Identity, contact and marketing and communications data	Necessary for our legitimate interests (to improve our services and develop our business)

The Manager strives to provide you with choices regarding certain personal data uses particularly around marketing and advertising. It is possible to opt in to receiving marketing communications by contacting the Manager using the details below. If you do not provide the Manager with the personal data that the Manager specifies is required for the supply and administration of the services, then the Manager may not be able to provide the services to you.

To the extent that it is necessary for the supply and administration of the services, the Manager may disclose your information: (a) to credit reference agencies to assess your eligibility for the product or service applied for and to verify your identity; (b) to third parties who the Manager uses to assist it in administering the Company; (c) another division or

part of the Manager's group (if there is a restructuring of the Manager's business) or to the buyer of the business (if the business is sold); or (d) where the Manager is under a duty to disclose your personal data in order to comply with a legal obligation or to protect the rights, property or safety of the Manager, its associates, or others. Where an authorised financial adviser acts on your behalf, the Manager will disclose information concerning your investment to that financial adviser.

Your personal data may be processed outside the European Economic Area where it is necessary in order to provide the services to you. In each instance, the Manager will ensure that the transfer is in compliance with the requirements of applicable data protection law (such as the transfer being to a country approved by the European Commission as providing adequate protection; there being appropriate safeguards in place; or one of the derogations for specific situations applying to the transfer).

The Manager will keep your personal data stored on its systems for as long as it takes the Manager to provide the services to you. The Manager will retain and use your information as necessary to comply with its legal obligations, resolve disputes and enforce its rights. The Manager reviews its data retention policies regularly and will retain your personal data only as long as necessary for the purpose for which it processes that data.

Data protection legislation gives you the right to access information held about you. In the event that an access request is unfounded, excessive or especially repetitive, the Manager may charge a 'reasonable fee' for meeting that request. Similarly, the Manager may charge a reasonable fee to comply with requests for further copies of the same information (that fee will be based upon the administrative costs of providing the information).

You are entitled to receive the personal data that you have provided to the Manager in a structured, commonly used and machine-readable format, and to transmit that data to another data controller. You can exercise your data protection rights, including your rights to access, restrict, object to the processing of, rectify and erase your personal data by writing to the Manager at: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. If you are unhappy with the way in which your personal data is being processed you have a right to lodge a complaint with the Information Commissioner's Office. You can report your concerns by telephoning their helpline on 0303 123 1113 or through their website at <https://ico.org.uk/concerns>.

## **12.5 Current version of the Prospectus**

Any person relying on the information contained in this Prospectus, which is current at the date shown, should check with the Manager that this document is the most current version and that no revisions have been made nor corrections published to the information contained in the Prospectus since the date shown.

## **12.6 Notices**

All notices or documents required to be served on unit holders shall be served by post to the address of such unit holder as evidenced on the register. All documents and remittances are sent at the risk of the unitholder.

## **12.7 Compensation Scheme**

The Financial Services Compensation Scheme Limited has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The Manager will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

## **12.8 Conflicts of interest**

The Trustee or any associate of the Trustee, may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Schemes, so long as the services concerned are provided on arm's length terms.

The Trustee, the Manager, or any investment adviser or any associate of any of them may sell or deal in the sale of property to the Schemes or purchase property from the Schemes provided the applicable provisions of the COLL apply and are observed.

Subject to compliance with COLL the Manager may be party to or interested in any contract, arrangement or transaction to which a Scheme is a party or in which it is interested.

The Manager and the Investment Advisers (and other companies within their respective groups) may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to that of the Schemes. It is therefore possible that the Manager and/or the Investment Advisers may in the course of their business have potential conflicts of interest with the Schemes. The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

## **12.9 Governing Law**

The Schemes, the Trust Deeds, this Prospectus and any matters arising out of or in connection with a unitholder's investment in a Scheme and the establishment, management and administration of the Schemes shall be governed by and construed in accordance with the laws of England and Wales. The rights of the unitholders and the construction and effect of the provisions of the Trust Deeds and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

## Schedule 1 – Details of the Schemes

### Marlborough Emerging Markets Trust

**Type of fund**

UCITS Scheme

**Date of establishment**

5 March 2004

**Date of FCA Authorisation**

15 March 2004. FCA Product Reference Number: 231651

**Investment objective**

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment over a minimum of 10 years. The Fund aims to outperform the average of the IA Global Emerging Markets sector over any 5 year period, however, there is no certainty this will be achieved.

**Investment policy**

At least 80% of the Fund will be invested in the shares of companies which are incorporated, headquartered, operating in or listed on stock markets in emerging market countries.

Emerging markets are countries progressing toward becoming Advanced, usually shown by development in financial markets, the existence of a stock exchange and a regulatory body.

This may include up to 10% through funds (including exchange traded funds which typically track an index) which themselves invest in these countries or which gain exposure through financial instruments whose returns are linked to these markets (also known as derivatives). The Fund may also invest in shares of investment trusts and other securities whose returns are linked to company performance, such as depositary receipts.

The Fund may also hold money market instruments, a type of short term loan, and money market funds, which themselves invest in these instruments.

The Fund is actively managed which means the Manager decides which investments to buy or sell and when, and will maintain a relatively concentrated portfolio, typically between 60 – 80 holdings in companies of a range of sizes.

The team approaches construction of the portfolio from three overlapping standpoints:

- economic and market conditions in each country and sector
- a selection of companies which the team believes to be financially strong or whose valuations appear out of line with expectations
- companies which fit broader themes, such as, manufacturing automation, which the investment team believes are likely to drive share price returns over the medium term. Themes will change and this can often happen quickly.

The team use the Morningstar Emerging Markets Index as a reference point for portfolio construction and risk management purposes, however, the Fund will not be constrained by the Index.

The Fund may invest in derivatives and forward transactions, whose returns are linked to exchange rates, in order to reduce currency risk or to protect against market movements (also known as hedging) although this is anticipated to be infrequent. The Fund may hold cash to enable ready settlement of liabilities, for the efficient management of the Fund and in order to meet its objective. This will typically be below 10% but may from time to time exceed this level.

**Performance target**

The performance benchmark is the level of performance the Fund aims to deliver however there is no certainty this will be achieved.

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics. The Fund aims to be in the top half of all funds included in the IA Global Emerging Markets sector.

### Investment restriction

The investment of the capital property of the Scheme is specialised in investment in the securities of any companies incorporated or headquartered in emerging markets countries wherever they are listed or quoted in emerging markets countries.

<b>Time of daily valuation of property</b>	12.00 noon
<b>Annual accounting date</b>	10 March
<b>Interim accounting date</b>	10 September*
<b>Income allocation date</b>	10 May (final)

### ISA status

Qualifying investment

### Unit classes and type of units

Class A, Class B and Class P Income Units

### Investor profile

The Scheme is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Scheme. The Scheme will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Scheme has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Scheme and the risks involved in investment is important.

This Prospectus contains detail on the Schemes' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Scheme.

The Scheme may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Scheme, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Scheme. The Scheme is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking. Further information on the intended target market for the Scheme is available from the Manager upon request. If you are in any doubt as to the suitability of the Scheme, you should consult an appropriately qualified financial adviser prior to making an investment.

The Marlborough Emerging Markets Trust is categorised as aggressive from a risk rating perspective.

The Scheme is more appropriate for those who can remain invested for the long term (ten years or more) and whose financial situation can tolerate wider fluctuations in performance. You should expect the price of units in this Scheme to be more volatile than investments in more developed markets. This may involve risks related to currency valuations, potential or actual economic instability or weaker accounting and regulatory standards.

<b>Charges</b>	
Initial charge	Class A Units – 5.25%, Class B Units – 5%, Class P Units – 0%
Annual management charge	Class A Units – 1.50%, Class B Units – 1%, Class P Units – 0.75%
Trustee's charge	0.03% + VAT per annum of the first £200 million of the Scheme property; 0.015% + VAT per annum of the next £800 million of the Scheme property; 0.0075% + VAT per annum of the balance over £1 billion.
<b>Minimum investment</b>	
Lump sum	Class A - £1,000 Class B - £1,000 Class P - £1,000
Holding	Class A - £1,000 Class B - £1,000 Class P - £1,000
Subsequent subscriptions	Class A - £1,000 Class B - £1,000 Class P - £1,000
Regular savings plan	£100

\* No distribution is made in respect of the interim accounting period ending on the interim accounting date.



## Marlborough European Multi-Cap Fund

### Type of fund

UCITS Scheme

### Date of establishment

19 May 1986

### Date of FCA Authorisation

21 May 1986. FCA Product Reference Number: 106787

### Investment objective

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

### Investment policy

At least 80% of the Fund will be invested in the shares of companies listed on European stock markets (excluding the UK). Of this, up to 90% will be in smaller companies. The Investment Manager defines smaller companies as companies in the bottom 20% of the market cap, meaning the 20% smallest listed companies by size. The remainder will be in Mid and Large cap companies.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when.

The Fund may also invest in other types of security which are linked to the performance of a company, such as; investment grade bonds, which are loans typically issued by companies and governments, where the issuer has a higher capacity to repay the debt; bonds which may be converted into shares (known as convertible bonds); and preference shares. A small amount may be held in UK companies to allow for changes which may be made to existing investments, for example following a restructure.

In addition, the Fund may invest in other funds (including investment trusts) which offer exposure to European companies and from time to time, may hold a small amount in investment grade bonds.

The Fund will normally hold an amount of cash to enable ready settlement of liabilities and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in certain circumstances, such as volatile market conditions.

The Fund may also hold money market instruments, a type of short-term loan, and funds that invest in these instruments as an alternative to holding cash.

### Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Europe Excluding UK sector. You may want to assess the Fund's performance compared to the performance of this sector.

<b>Time of daily valuation of property</b>	12.00 noon
<b>Annual accounting date</b>	10 September
<b>Interim accounting date</b>	10 March*
<b>Income allocation dates</b>	10 November (final)

### ISA status

Qualifying investment

## Units classes and type of units

Class A, Class B and Class P Income Units

### Investor profile

The Scheme is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Scheme. The Scheme will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Scheme has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Scheme and the risks involved in investment is important.

This Prospectus contains detail on the Schemes' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Scheme.

The Scheme may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Scheme, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Scheme. The Scheme is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Scheme is available from the Manager upon request. If you are in any doubt as to the suitability of the Scheme, you should consult an appropriately qualified financial adviser prior to making an investment.

The Marlborough European Multi-Cap Fund is categorised as aggressive from a risk rating perspective.

The Scheme is more appropriate for those investors who can remain invested for the long term (ten years or more), and whose financial situation and temperament can tolerate wider fluctuations in performance.

<b>Charges</b>	
Initial charge	Class A - 5.25%, Class B - 5%, Class P - 0%
Annual management charge	Class A - 1.50%, Class B - 1%, Class P - 0.75%
Trustee's charge	0.03% + VAT per annum of the first £200 million of the Scheme property; 0.015% + VAT per annum of the next £800 million of the Scheme property; 0.0075% + VAT per annum of the balance over £1 billion.
<b>Minimum investment</b>	
Lump sum	Class A - £1,000 Class B - £1,000 Class P - £1,000
Holding	Class A - £1,000 Class B - £1,000 Class P - £1,000
Subsequent subscription	Class A - £1,000 Class B - £1,000 Class P - £1,000
Regular savings plan	£100 per month

\*No distribution is made in respect of the interim accounting period ending on the interim accounting date.

## Marlborough US Multi-Cap Income Fund

### Type of fund

UCITS Scheme

### Date of establishment

23 September 1983

### Date of FCA Authorisation

30 September 1983. FCA Product Reference Number: 106808

### Investment objective

The aim of the Fund is to provide income, that is, money paid out of an investment such as dividends from shares, with the potential for some increase in the value of an investment, over a minimum of 5 years.

### Investment policy

At least 80% of the Fund will be invested in the shares of companies which are listed on stock markets or domiciled in the United States of America.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when. Whilst the Investment Manager may invest in small, medium and large companies, in order to meet the income objective, there will typically be a bias towards larger companies.

The Fund may also invest in other types of security which are linked to the performance of a company, such as; investment grade bonds, which are loans typically issued by companies and governments, where the issuer has a higher capacity to repay the debt; bonds which may be converted into shares (known as convertible bonds); and preference shares.

In addition, the Fund may invest in other funds (including investment trusts) which offer exposure to North American companies and from time to time, may hold a small amount in investment grade bonds.

The Fund will normally hold an amount of cash to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in certain circumstances, such as volatile market conditions.

The Fund may also hold money market instruments, a type of short-term loan, and funds that invest in these instruments as an alternative to holding cash.

### Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA North America sector. You may want to assess the Fund's performance compared to the performance of this sector.

<b>Time of daily valuation of property</b>	12.00 noon
<b>Annual accounting date</b>	10 September
<b>Interim accounting date</b>	10 March*
<b>Income allocation date</b>	10 November (final)

### ISA status

Qualifying investment

### Units classes and type of units

Class A, Class B and Class P Income Units

## Investor Profile

The Scheme is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Scheme. The Scheme will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Scheme has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Scheme and the risks involved in investment is important.

This Prospectus contains detail on the Schemes' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Scheme.

The Scheme may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Scheme, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Scheme. The Scheme is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Scheme is available from the Manager upon request. If you are in any doubt as to the suitability of the Scheme, you should consult an appropriately qualified financial adviser prior to making an investment.

The Marlborough US Multi-Cap Income Fund is categorised as aggressive from a risk rating perspective. The Scheme is more appropriate for those investors who can remain invested for the long term (ten years or more), and whose financial situation and temperament can tolerate wider fluctuations in performance.

<b>Charges</b>	
Initial charge	Class A - 5.25%, Class B - 5%, Class P - 0%
Annual management charge	Class A - 1.50%, Class B - 1%, Class P - 0.75%
Trustee's charge	0.03% + VAT per annum of the first £200 million of the Scheme property; 0.015% + VAT per annum of the next £800 million of the Scheme property; 0.0075% + VAT per annum of the balance over £1 billion.
<b>Minimum investment</b>	
Lump sum	Class A - £1,000 Class B - £1,000 Class P - £1,000
Holding	Class A - £1,000 Class B - £1,000 Class P - £1,000
Subsequent subscriptions	Class A - £1,000 Class B - £1,000 Class P - £1,000
Regular savings plan	£100 per month

\*No distribution is made in respect of the interim accounting period ending on the interim accounting date.

## **Schedule 2 – Investment powers**

### **1 General investment powers**

Each of the Schemes is a UCITS Scheme.

The property of each Scheme will be invested with the aim of achieving the investment objective of the Scheme but subject to the limits on investment set out in Chapter 5 of the COLL Sourcebook (COLL 5.2 to 5.5) that are applicable to each Scheme and any further restriction as detailed in the relevant Trust Deed.

The Manager's investment policy may mean that at times, where it is considered appropriate, the property of the Scheme will not be fully invested and that prudent levels of liquidity will be maintained.

It is not intended that the Schemes will have an interest in any immovable property or tangible movable property.

### **2 Prudent spread of risk**

The Manager must ensure that, taking account of the investment objectives and policy of each Scheme as detailed in this Prospectus, the property of each Scheme aims to provide a prudent spread of risk.

### **3 Treatment of obligations**

Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Scheme under any other of those rules has also to be provided for.

Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

- the Scheme must also simultaneously satisfy any other obligation relating to cover; and
- no element of cover must be used more than once.

### **4 Transferable securities**

A transferable security is an investment which is any of the following:

- a share
- a debenture
- a government and public security
- a warrant; or
- a certificate representing certain securities

An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

In applying the above to an investment which is issued by a body corporate, and which is a share or a debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

An investment is not a transferable security unless the liability of the holder to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder in respect of the investment.

## **5 Investment in transferable securities**

The schemes may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- a) The potential loss which the scheme may incur with respect to holding the transferable security is limited to the amount paid for it;
- b) Its liquidity does not comprise the ability of the authorised fund manager to comply with its obligation to redeem units at the request of any qualifying unit holder;
- c) Reliable valuation is available for it as follows:
  - i. in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers
  - ii. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research
- d) Appropriate information is available for it as follows:
  - i. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security
  - ii. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- e) It is negotiable; and
- f) Its risks are adequately captured by the risk management process of the Manager

Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on a eligible market shall be presumed:

- a) not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unit holder; and
- b) to be negotiable.

## **6 Closed end funds constituting transferable securities**

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a scheme, provided it fulfils the criteria for transferable securities set out in COLL 5.2.7A R, and either

- a) Where the closed end fund is constituted as an investment company or a unit trust:
  - i. it is subject to corporate governance mechanisms applied to companies; and
  - ii. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purposes of investor protection; or
- b) Where the closed end fund is constituted under the law of contract:
  - i. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - ii. it is managed by a person who is subject to national regulation for the purpose of investor protection.

## 7 Transferable securities linked to other assets

A scheme may invest in any other investment which shall be taken to be a transferable security for the purpose of investment by a UCITS scheme provided the investment:

- a) fulfils the criteria for transferable securities set out in COLL 5.2.7A R; and
- b) is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

Where a transferable security contains an embedded derivative component the requirements of this section with respect to derivatives and forwards will apply to that component.

### Part 1- Investment powers

In addition to the general restrictions set out above, the following limits apply to the Schemes.

#### 1 General

The property of each Scheme must, subject to its investment objective and policy and except where otherwise provided in COLL 5, consist solely of any or all of:

- transferable securities;
- approved money market instruments;
- deposits;
- units in collective investment schemes; or
- derivatives and forward transactions.

Transferable securities and approved money market instruments held within a Scheme must (subject to the above) be:

- a) admitted to or dealt on an eligible market (as described in section 2 below); or
- b) dealt in on an eligible market as (as described below).

- c) for an approved money-market instrument not admitted to or dealt in on an eligible market, within COLL 5.2.10AR(1);
- d) recently issued transferable securities, provided that:
  - i. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - ii. such admission is secured within a year of issue

A Scheme may invest no more than 10% of the Scheme property of each Scheme in transferable securities or approved money market instruments which do not meet the requirements of section 1.2 above.

## **2 Eligible markets regime:**

The purpose of the Eligible Markets regime is to protect investors. The markets on which investments of the Scheme are dealt in, or traded on, should be of an adequate quality (eligible) at the time of acquisition of the investment and until it is sold.

Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the Manager.

A market is eligible for the purposes of the rules if it is:

- a regulated market;
- a market in an EEA State which is regulated, operates regularly and is open to the public.

A market not falling within the above is eligible for the purposes of COLL 5 if:

- a) the Manager, after consultation with and notification to the Trustee, decides that the market is appropriate for investment of, or dealing in, the scheme property;
- b) the market is included in a list in the Prospectus; and
- c) the Trustee has taken reasonable care to determine that:
  - i. adequate custody arrangements can be provided for the investment dealt in on that market; and
  - ii. all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

In a), the market must not be considered appropriate unless it is regulated; operates regularly; is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

The eligible markets in which the Schemes may invest are set out in Schedule 3.

## **3 Spread: general**

Section 3 does not apply to government and public securities.



For the purposes of this restriction companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts or, in the same group in accordance with international accounting standards, are regarded as a single body.

Not more than 20% in value of the scheme property is to consist of deposits with a single body.

Not more than 5% in value of the Scheme property is to consist of transferable securities or approved money market instruments issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the Scheme property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%

The limit of 5% above is raised to 25% in value of the scheme property in respect of covered bonds, provided that when a scheme invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.

In applying the above certificates representing certain securities are treated as equivalent to the underlying security.

Not more than 20% in value of the scheme property is to consist of transferable securities and approved money market instruments issued by the same group.

Not more than 10% in value of the scheme is to consist of the units of any one collective investment scheme.

Not more than 20% in value of the Scheme property is to consist of any combination of two or more of the following:

- a) transferable securities (including covered bonds) or approved money market instruments issued by;
- b) deposits made with; or
- c) exposures from OTC derivatives transactions made with a single body.

#### **4 Spread: government and public securities**

Section 4 applies to government and public securities only.

Where no more than 35% in value of the Scheme property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

A Scheme may invest more than 35% in value of the scheme property in such securities issued by any one body provided that:

- a) the Manager has before any such investment is made, consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Scheme and the disclosures required by COLL 5.2.11R (4) are made in the Trust Deed and Prospectus;
- b) no more than 30% in value of the Scheme property consists of such securities of any one issue;

- c) the Scheme property includes such securities issued by that or another issuer, of at least six different issues.

In relation to such securities:

- a) issue, issuer and issuer include guarantee, guaranteed and guarantor; and
- b) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

No Scheme currently invests more than 35% in value in such securities issued by any one body.

In applying the 20% limit with respect to a single body, government and public securities issued by that body shall be taken into account.

## **5 Investment in collective investment schemes**

Not more than 10% of the scheme property of any Scheme is to consist of units in collective investment schemes.

A Scheme must not invest in units in a collective investment scheme (a second scheme) unless

- a) the second scheme satisfies all of the following conditions and provided that no more than 10% of the value of the scheme is invested in second schemes:
  - i. satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - ii. is authorised as a non-UCITS retail scheme (provided the requirements of Article 50 (1)(e) of the UCITS Directive are met); or
  - iii. is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (Schemes constituted in designated countries or territories); or
  - iv. is authorised in another EEA State (provided the requirements of article 50(1)(e) of the UCITS Directive are met);
- b) the second scheme must comply, where relevant, with COLL 5.2.15R and COLL 5.2.16R;
- c) the second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and
- d) where the second scheme is an umbrella, the provisions in b) and c) and section 3 apply to each sub fund as if it were a separate scheme.

The Scheme must not invest in or dispose of units in another collective investment scheme (the second scheme) if the second scheme is managed or operated by the Manager, or an associate of the Manager, unless:

- a) the prospectus of the investing scheme clearly states that the property of that investing scheme may include such units; and
- b) the rules in relation to investment in other group schemes is complied with;

The Schemes in this Prospectus may invest or dispose of units in another collective investment scheme (the second scheme) if the second scheme is managed or operated by the Manager, or an associate of the Manager. Where an investment or disposal is made in an associated collective investment scheme or there is a charge in respect of such investment or disposal the Manager making the investment or disposal must pay the UCITS scheme the amounts referred to below within four business days following the date of the agreement to invest or dispose:

- a) when any investment is made any amount by which the consideration paid by the UCITS scheme for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
- b) when any investment is made if such price cannot be ascertained by the Manager the maximum amount of any charge permitted to be made by the seller of units in the second scheme
- c) when a disposal is made, the amount is any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal
- d) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with the Rules or Stamp Duty Reserve Tax provision made in accordance with the Regulations is to be treated as part of the price of the units and not as part of any charge; and
- e) any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

## **6 Investment in warrants and nil and partly paid securities**

A warrant (the proposed warrant) falls within any power of investment only if, on the assumptions that:

- a) there is no change to the scheme property between the acquisition of the proposed warrant and its exercise; and
- b) the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised (whether or not it is intended that they will be).

it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the Scheme without contravening the Regulations.

Not more than 5% in value of a Scheme is to consist of warrants.

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Scheme, at the time when payment is required, without contravening the Regulations.

## **7 Investment in approved money market instruments**

A scheme may invest in an approved money-market instrument provided the issue or the issuer is regulated for the purpose of protecting investors and savings.

An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

A money market instrument shall be regarded as normally dealt in on the money market if it:

- a) has a maturity at issuance of up to and including 397 days;
- b) has a residual maturity of up to and including 397 days;
- c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
- d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in a) and b) or is subject to yield adjustments as set out in c).

A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem units at the request of any qualifying unit holder.

A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

- enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- based either on market data or on valuation models including systems based on amortised costs.

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager which would lead to a different determination.

## **8 Money market instruments with a regulated issuer**

In addition to instruments admitted to or dealt in on an eligible market a Scheme may invest in an approved money market instrument provided it fulfils the following requirements:

- a) the issue or the issuer is regulated for the purpose of protecting investors and savings; and

- b) the instrument is issued or guaranteed in accordance with paragraph 9 below.

The issue or the issuer of a money market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

- a) the instrument is an approved money market instrument
- b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investments in it), in accordance with paragraph 10 below;
- c) the instrument is freely transferable.

## **9 Issuers and guarantors of money market instruments**

A Scheme may invest in an approved money market instrument if it is:

- a) Issued or guaranteed by any one of the following:
  - i. a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
  - ii. a regional or local authority of an EEA State;
  - iii. the European Central Bank or a central bank of an EEA State;
  - iv. the European Union or the European Investment Bank;
  - v. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
  - vi. a public international body to which one or more EEA States belong; or
- b) Issued by a body, any securities of which are dealt in on an eligible market; or
- c) Issued or guaranteed by an establishment which is:
  - i. subject to prudential supervision in accordance with criteria defined by Community law; or
  - ii. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law, i.e. it is located in the European Economic Area; it is located in an OECD country belonging to the Group of Ten; it has at least investment grade rating; on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by Community law.

## **10 Appropriate information for money-market instruments**

In the case of an approved money-market instrument within COLL 5.2.10BR (1)(b) or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within COLL 5.2.10BR (1)(a)(ii) or a public international body within COLL 5.2.10BR (1)(a)(vi) but is not guaranteed by a central authority within COLL 5.2.10BR (1)(a)(i), the following information must be available:

- a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

- b) updates of that information on a regular basis and whenever a significant event occurs; and
- c) available and reliable statistics on the issue or the issuance programme;

In the case of an approved money-market instrument issued or guaranteed by an establishment within COLL 5.2.10BR (1)(c), the following information must be available:

- a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- b) updates of that information on a regular basis and whenever a significant event occurs; and
- c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those investments

In the case of an approved money-market instrument within COLL 5.2.10BR (1)(a)(i), (iv) or (v); or which is issued by an authority within COLL 5.2.10BR (1)(a)(ii) or a public international body within COLL 5.2.10BR (1)(a)(vi) and is guaranteed by a central authority within COLL 5.2.10BR (1)(a)(i); information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

Not more than 10% in value of the scheme property of the Scheme may consist of money market instruments which do not fall within the above conditions.

## **11 Investment in deposits**

A Scheme may invest in deposits only if it

- a) Is with an approved bank;
- b) Is repayable on demand; or has the right to be withdrawn; and
- c) Matures in no more than 12 months.

## **12 Investment in derivatives**

Each Scheme may use derivatives for the purposes of efficient portfolio management only (see paragraph 22).

## **13 Significant influence**

The Manager must not acquire, or cause to be acquired for the Schemes, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

- a) immediately before the acquisition, the aggregate of any such securities held for the Scheme, taken together with any such securities held for other authorised unit trusts for which it is also the Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
- b) the acquisition gives the Manager that power.

For the purpose of a), the Manager is to be taken to have power to significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all of the authorised unit trusts of which it is the Manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

#### **14 Concentration**

Each Scheme:

- a) must not acquire transferable securities (other than debt securities) which:
  - i. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - ii. represent more than 10% of those securities issued by that body corporate;
- b) must not acquire more than 10% of the debt securities issued by any single body;
- c) must not acquire more than 25% of the units in a collective investment scheme;
- d) must not acquire more than 10% of the approved money market instruments issued by any single body; and
- e) need not comply with the limits in paragraphs a) to d) if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

#### **15 Cash and near cash**

Cash and near cash must not be retained in the scheme property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- a) the pursuit of the Scheme's investment objectives; or
- b) redemption of units; or
- c) efficient management of the Scheme in accordance with its investment objectives; or
- d) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Scheme.

During the period of the initial offer the scheme property may consist of cash and near cash without limitation.

#### **16 General power to borrow**

The Trustee (on the instructions of the Manager) may, in accordance with the Regulations, borrow money for the use of the Scheme on terms that the borrowing is to be repayable out of the Scheme property. This power to borrow is subject to the obligation of the Scheme to comply with any restriction in the Trust Deed.

The Trustee may borrow under paragraph 16.1 only from an Eligible Institution or an Approved Bank.

The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to:

- a) the duration of any period of borrowing; and
- b) the number of occasions when borrowing was necessary in any period.

The Manager must ensure that no period of borrowing exceeds three months, without the consent of the Trustee.

These borrowing restrictions do not apply to back to back borrowing for currency hedging purposes.

## **17 Borrowing limits**

The Manager must ensure that the Scheme's borrowing does not, on any day, exceed 10% of the value of the scheme property.

This rule does not apply to back to back borrowing as described in COLL 5.3.5R.

In this paragraph, borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the scheme property in the expectation that the sum will be repaid.

## **18 Restrictions on lending of money**

None of the money in the scheme property of a Scheme may be lent and, for the purposes of this prohibition, money is lent by the Scheme if it is paid to a person (the payee) on the basis that it should be repaid, whether or not by the payee.

Acquiring a debenture is not lending for the purposes of the above; nor is the placing of money on deposit or in a current account.

## **19 Restrictions on lending of property other than money**

The Scheme property of the Scheme other than money must not be lent by way of deposit or otherwise.

Transactions permitted in Regulations relating to stock lending are not to be regarded as lending for the purposes of the above.

The Scheme property of the Scheme must not be mortgaged.

The restrictions above do not prevent the Trustee at the request of the Manager, from lending, depositing, pledging or charging scheme property for margin requirements where transactions in derivatives or forward transactions (as permitted in paragraph 22) are used for the account of the Scheme in accordance with any other investment restrictions as detailed in this prospectus.



## **20 General power to accept or underwrite placings**

Any power in Chapter 5 of the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Trust Deed.

20.1 This section applies, subject to paragraph 20.2, to any agreement or understanding which:

- a) is an underwriting or sub-underwriting agreement; or
- b) contemplates that securities will or may be issued or subscribed for or acquired for the account of the Schemes.

20.2 Paragraph 20.1 does not apply to:

- a) an option; or
- b) a purchase of a transferable security which confers a right to:
  - i. subscribe for or acquire a transferable security; or
  - ii. convert one transferable security into another.

The exposure of the Scheme to agreements and understandings within paragraph 20.1 must, on any day be:

- a) covered under COLL 5.3.3 AR (Cover for transactions in derivatives and forward transactions); and
- b) such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the COLL Sourcebook.

## **21 Guarantees and indemnities**

The Trustee for the account of the Scheme must not provide any guarantee or indemnity in respect of the obligation of any person.

None of the Scheme property of the Scheme may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

The above do not apply to:

- a) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with section 22 – Efficient Portfolio Management, or
- b) an indemnity given to a person winding up a body corporate or other scheme in circumstances where these assets are becoming part of the Scheme property by way of a unitisation.

## 22 Efficient portfolio management

The Regulations enable the Manager to enter into certain transactions for the purpose of efficient portfolio management (including hedging) and to provide protection against exchange rate and price movements. Efficient portfolio management is the use of techniques and instruments which relate to transferable securities and approved money market instruments, and which are economically appropriate in that they are realised in a cost efficient way, and must be for the purpose of the reduction of relevant risks and/or the reduction of relevant costs and/ or the generation of additional capital or income for a Scheme with a risk profile which is consistent with the risk profile of the relevant scheme and the risk diversification rules in COLL. The transactions must be fully covered by cash or other property sufficient to meet any obligations that could arise. Examples of these techniques include the following:

- currency loans, currency options or futures or forward transactions in currencies to hedge exchange rates.
- the use of options or futures to hedge against price movements in respect of property held in the Schemes.
- the use of derivatives to acquire or dispose of property held in the Schemes at an advantageous price.
- the writing of call or put options on property held in the Scheme.

Where a Scheme is permitted to employ derivatives for efficient portfolio management purposes (including hedging) it is the Manager's intention that the use of derivatives in this way will not alter or change the risk profile of the relevant Scheme.

A Scheme may enter into approved derivatives transactions on eligible derivatives markets. Eligible derivatives markets are derivatives markets which the Manager, after consultation with the Trustee, has decided are appropriate for the purpose of investment or dealing in the Scheme property with regard to the relevant criteria set out in the FCA Regulations and the guidance on eligible markets issued by the FCA (as amended from time to time).

Any forward transaction must be with an approved counterparty. A derivatives or forward transaction which would or could lead to delivery of Scheme Property to the Trustee in respect of a Scheme may be entered into only if such Scheme Property can be held by the Scheme and the Manager reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the FCA Regulations.

### **Permitted Transactions (derivatives and forwards)**

Derivatives transactions must either be in approved derivatives (being a derivative which is traded or dealt in on an eligible derivatives market) or an over the counter derivative with an approved counterparty in accordance with COLL.

A transaction in a derivative must not cause a Scheme to diverge from its investment objectives as stated in the Trust Deed and the most recently published version of this prospectus. The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- transferable securities;
- approved money market instruments;
- deposits;
- derivatives;
- collective investment schemes;
- financial indices;
- interest rates;

- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in the section on requirements to cover sales are satisfied.

Any forward transaction must be made with an eligible institution or an approved bank in accordance with COLL.

A derivative or forward transaction which will or could lead to the delivery of property for the account of a Scheme may be entered into only if:

- a) that property can be held for the account of the Scheme; and
- b) the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL.

**Requirement to cover sales**

No agreement by or on behalf of a Scheme to dispose of property or rights may be made unless:

- a) the obligation to make the disposal and any other similar obligations could immediately be honoured by the Scheme by delivery of property or the assignment of rights (or, in Scotland, assignation), and the property; and
- b) rights above are owned by the Scheme at the time of the agreement.

The requirement does not apply to a deposit. FCA guidance states that the requirement set out at a) above can be met where:

- a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid;
- b) the Manager or the Trustee has the right to settle the derivative in cash, and cover exits within the scheme property which falls within one of the following asset classes:
  - (i) cash;
  - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
  - (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instrument, subject to appropriate safeguards (haircuts where relevant).

In the asset classes referred to above, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

### **Over-the-counter (“OTC”) transaction in derivatives**

Any transaction in an OTC derivative must be:

- a) with an approved counterparty: A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (including any requirements or limitations) as published in the FCA register, or whose home state authorisation, permits it to enter into such transactions as principal off exchange;
- b) on approved terms: The terms of a transaction in derivatives are approved only if the Manager:
  - (i) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- c) capable of reliable valuation: A transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- d) subject to verifiable valuation: A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
  - (ii) a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

For the purposes of paragraph b) above, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms’ length transaction.

The Trustee must take care to ensure that the Manager has systems and controls that are adequate to ensure compliance with a) to d) above.

For the purposes of paragraph b) the Manager must: (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Scheme to OTC derivatives; and (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Such arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

### **Derivative exposure**

A Scheme may invest in derivatives and forward transactions only where the exposure to which the Scheme is committed by that transaction itself is suitably covered from within the scheme property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that a Scheme is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme's property. Therefore, a Scheme must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Scheme is committed. The detailed requirements for cover of a Scheme are set out below.

Cover used in respect of one transaction in derivatives or forward transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **Cover for transactions in derivatives and forward transactions**

Global exposure relating to derivatives and forward transactions held in a Scheme must not exceed the net value of the property. Global exposure of a Scheme must be calculated on an at least daily basis, and must take into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions and includes underwriting commitments.

Property the subject of a transaction under COLL 5.4 (stock lending) is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or reacquisition) in time to meet the obligation for which cover is required.

The global exposure of a Scheme must be calculated either as (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property; or (ii) the market risk of the scheme property (being the risk of loss of the Scheme resulting from the fluctuation in the market value of positions in the Scheme's portfolio attributable to changes in market variable, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness).

### **The commitment approach**

The global exposure of a Scheme is calculated by using the commitment approach in accordance with COLL. The Manager must ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives), whether used as part of the Scheme's investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management and convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (the "standard commitment approach").

The Manager may apply other calculation methods which are equivalent to the standard commitment approach. The Manager may also take account of netting and hedging arrangements when calculating the global exposure of a Scheme, where such arrangements do not disregard obvious and material risks, and result in a clear reduction of risk exposure.

Where the use of derivatives or forward transactions does not generate incremental exposure for a Scheme, the underlying exposure need not be included in the commitment calculation.

Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of a Scheme need not form part of the global exposure calculation.

### **Risk Management**

The Manager uses a risk management process enabling it to monitor and measure at any time the risk of a Scheme's positions and their contribution to the overall risk profile of a Scheme.

The following details of the risk management process must be regularly notified by the Manager to the FCA (and at least on an annual basis):

- a) the methods for estimating risks in derivative and forward transactions; and
- b) a true and fair view of the types of derivatives and forward transactions to be used within a Scheme together with their underlying risks and any relevant quantitative limits.

In accordance with COLL the Manager maintains a written risk management policy which identifies the risks a Scheme is or might be exposed to, and contains procedures which are intended to enable the Manager to assess and manage the exposure of a Scheme to material risks.

### **23 Stock lending**

The property of each of the Schemes may be used in stock lending arrangements or repo contracts in accordance with the Regulations if it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the scheme with an acceptable degree of risk, but only if the restrictions detailed in the FCA rules in relation to requirements and collateral are complied with.

## Schedule 3 – Eligible markets

### 1 Securities markets

#### **Marlborough European Multi-Cap Fund**

Markets in the European Union and the EEA  
London Stock Exchange  
The Alternative Investment Market (AIM)  
SIX Swiss Exchange

#### **Marlborough US Multi-Cap Income Fund**

London Stock Exchange  
The Alternative Investment Market (AIM)  
NYSE MKT  
NASDAQ OMX BX  
Chicago Stock Exchange  
NYSE  
NASDAQ Stock Exchange  
National Stock Exchange  
NYSE ARCA

#### **Marlborough Emerging Markets Trust**

Markets in the European Union and the EEA  
London Stock Exchange  
The Alternative Investment Market (AIM)  
Amman Stock Exchange  
Casablanca Stock Exchange  
Buenos Aires Stock Exchange  
Bolsa de Valores de Colombia  
Bolsa de Valores de Lima  
Bolsa de Valores, Mercadorias & Futuros de Sao Paulo  
Santiago Stock Exchange  
The Stock Exchange of Hong Kong  
Shanghai Stock Exchange  
Shenzhen Stock Exchange  
Singapore Exchange  
Philippine Stock Exchange  
Prague Stock Exchange  
Egyptian Exchange  
Budapest Stock Exchange  
Bombay Stock Exchange  
Tel Aviv Stock Exchange  
Borsa Istanbul  
Pakistan Stock Exchange  
Korea Exchange  
Bursa Malaysia Berhad  
Bolsa Mexicana de Valores  
Johannesburg Stock Exchange  
Stock Exchange of Thailand  
NASDAQ Tallinn  
Indonesian Stock Exchange  
Taiwan Stock Exchange  
NYSE  
NASDAQ Stock Exchange  
National Stock Exchange of India

### 2 Derivatives Markets

The Manager has also investigated and agreed with the Trustee that the following derivative market can be regarded as being eligible for all schemes (excluding the Marlborough Emerging Markets Trust):

ICE Future Europe

## Schedule 4 – Valuation of the property of each of the Schemes

This Schedule is additional to, but subject to the requirements of, the COLL Sourcebook. Any part of the property of the Scheme which is not an investment (as defined in the COLL Sourcebook Glossary) shall be valued at a fair value.

The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the property of the Scheme (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - a) units or shares in a collective investment scheme:
    - i. if a single price for buying and selling units or shares is quoted, at that price; or
    - ii. if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - iii. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
  - b) any other transferable security:
    - i. if a single price for buying and selling the security is quoted, at that price; or
    - ii. if separate buying and selling prices are quoted, at the average of the two prices; or
    - iii. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
  - c) property other than that described in (a) and (b) above: at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.



3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
4. Property which is a contingent liability transaction shall be treated as follows:
  - a) if a written option (and the premium for writing the option has become part of the scheme property) deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the Manager and the Trustee;
  - b) if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;
  - c) if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, the method of valuation shall be agreed between the Manager and the Trustee.
5. In determining the value of the scheme property, all instructions given to issue or cancel units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
7. Futures or contracts for differences, which are not yet due to be performed and unexpired and unexercised written or purchased options, shall not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
9. An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, VAT, stamp duty and SDRT shall be deducted.
10. An estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day to day shall be deducted.

11. The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings shall be deducted.
12. An estimated amount for accrued claims for tax of whatever nature which may be recoverable shall be added.
13. Any other credits or amounts due to be paid into the property of the Scheme shall be added.
14. A sum representing any interest or any income accrued due or deemed to have accrued but not received shall be added.
15. Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unit holders or potential unit holders.

## Schedule 5 – Past performance tables for all Schemes

Fund Name	01.07.15 to 30.06.16	01.07.16 to 30.06.17	01.07.17 to 30.06.18	01.07.18 to 30.06.19	01.07.19 to 30.06.20
	% Chg	% Chg	% Chg	% Chg	% Chg
Marlborough Emerging Markets Trust Class A Inc	3.32	30.59	1.32	1.23	-4.56
Marlborough European Multi-Cap Fund Class A Inc	26.04	47.55	2.17	-1.87	2.05
Marlborough US Multi-Cap Income Fund Class A Inc	19.79	14.81	14.03	18.19	13.10

Performance is shown in % terms of each discrete year and is based on a single price of the trusts with no allowance being made for the Manager's initial charge.

Allowance has been made where appropriate for re-investment of any distributions.

Past performance should not be taken as a guide to future performance.

This information was up to date at the time of publication. Current information can be obtained on request from the Manager at its address set out above.

Please note the investment adviser to the Marlborough Emerging Markets Trust was changed on 1<sup>st</sup> March 2013.

Source: Morningstar

## Schedule 6 – Further Information

**Marlborough Fund Managers Limited acts as Authorised Corporate Director in relation to the following OEIC's:**

Marlborough OEIC:

Marlborough Defensive Fund

Marlborough No2 OEIC:

Marlborough Far East Growth Fund

Marlborough Multi-Cap Income Fund

Marlborough Nano-Cap Growth Fund

Marlborough Commodity OEIC:

Marlborough Commodity Fund

Junior Gold

MFM Techinvest Special Situations Fund

Marlborough Technology Fund

MFM UK Primary Opportunities Fund

**Marlborough Fund Managers Limited acts as Authorised Unit Trust Manager in relation to the following authorised unit trusts:**

Marlborough Balanced Fund

Marlborough Bond Income Fund

Marlborough Cautious Fund

Marlborough Emerging Markets Trust

Marlborough European Multi-Cap Fund

Marlborough Extra Income Fund

Marlborough Global Fund

Marlborough Global Bond Fund

Marlborough High Yield Fixed Interest Fund

Marlborough Special Situations Fund

Marlborough UK Micro-Cap Growth Fund

Marlborough Multi-Cap Growth Fund

Marlborough US Multi-Cap Income Fund

MFM Bowland Fund

MFM Hathaway Fund

**The directors of Marlborough Fund Managers Limited are:**

**Andrew Staley**

In addition to his role as director of the Manager, Mr Staley also acts as managing director of Marlborough Investment Management Limited and is a director of Investment Fund Services Limited, Novia Global Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, UK Travel Limited, Continuum DFM Limited and UFC Fund Management PLC.

**Nicholas FJ Cooling**

In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Investment Fund Services Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, UFC Fund Management PLC, My Continuum Financial Limited, Continuum DFM Limited, UK Travel Limited and Spinney Lodge Freehold Management Limited.

**Allan Hamer**

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Marlborough International Fund PCC Limited.

**Wayne D Green**

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management International Limited, IFSL International Limited, IFSL ICAV, Marlborough International Management Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited and IFSL Administration Limited.

**Geoffrey R Hitchin**

**Dominique Clarke**

Also a director of Investment Fund Services Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management International Limited, IFSL International Limited, IFSL ICAV, UFC Fund Management International Holdings Limited, MIM DFM Limited, MIM Discretionary FM Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Philotas Limited.

**Helen Derbyshire**

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited and IFSL Administration Limited.

**Richard Goodall**

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited and Novia Global Limited.

**Guy Sears** - Non-executive director

Also a non-executive director of Investment Fund Services Limited.

**David Kiddie** - Non-executive director

Also a non-executive director of Investment Fund Services Limited.

**Sarah Peaston** - Non-executive director

Also a non-executive director of Investment Fund Services Limited.

## Schedule 7 – List of Trustee Delegates

<b>Trustee Delegates</b>	
Argentina	HSBC Bank Argentina SA * Restricted Market
Austria	HSBC Trinkaus & Burkhardt AG
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Brazil	Banco Bradesco SA
Bulgaria	UniCredit Bulbank AD
Chile	Banco Santander Chile
China	HSBC Bank (China) Ltd
Colombia	Itau Securities Services Colombia S.A. Sociedad Fiduciara
Costa Rica	Banco Nacional De Costa Rica
Croatia	Privredna Banka Zagreb
Cyprus	HSBC France, Athens Branch
Czech Republic	Ceskoslovensak Obchodni Banka
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Egypt	HSBC Bank Egypt SAE
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	BNP Paribas Securities Services (France)
France	CACEIS Bank
Germany	HSBC Trinkaus & Burkhardt
Greece	HSBC France, Athens Branch
Hong Kong	The Hongkong and Shanghai Banking Corporation Ltd (HK)
Hungary	Unicredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Ltd (India)
Indonesia	The Hongkong and Shanghai Banking Corporation Ltd (Indonesia)
Ireland	HSBC Bank Plc
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas Securities Services (Italy)
Jordan	Bank of Jordan

Latvia	AS SEB Banka
Lithuania	SEB Bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad
Mexico	HSBC Mexico, SA
Morocco	Citibank Maghreb
Netherlands	BNP Paribas Securities Services (Netherlands)
Norway	Skandinaviska Enskilda Banken AB (publ) Oslo Branch
Pakistan	Citibank NA (Pakistan)
Peru	Citibank del Peru
Philippines	The Hongkong and Shanghai Banking Corporation Ltd (Philippines)
Poland	Bank Polska Kasa Opieki SA
Portugal	BNP Paribas Securities Services (Portugal)
Romania	Citibank Europe plc, Romania branch
Singapore	The Hongkong and Shanghai Banking Corporation Ltd (Singapore)
Slovakia	Ceskoslovenska Obchodna Banka A.S.
Slovenia	Unicredit Banka Slovenija DD
South Africa	Standard Bank of South Africa Ltd
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Spain	BNP Paribas Securities Services (Spain)
Sweden	Skandinaviska Enskilda Banken AB (publ.)
Switzerland	Credit Suisse AG
Thailand	The Hongkong and Shanghai Banking Corporation Ltd (Thailand)
Turkey	HSBC Bank AS
United Kingdom	HSBC Bank Plc (UK)
United States	HSBC Bank (USA) NA