



THE MARLBOROUGH ETF OEIC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

for the year ended 31 March 2019

THE MARLBOROUGH ETF OEIC

Registered Office

Marlborough House
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Bolton
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Authorised Corporate Director and Registrar

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Authorised and regulated by the Financial Conduct Authority.

Depository

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

Investment Adviser

iFunds Asset Management Limited
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Authorised and regulated by the Financial Conduct Authority.

Auditor

Barlow Andrews LLP
Carlyle House
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Directors of Marlborough Fund Managers Ltd

Andrew Staley	Chairman
Nicholas F J Cooling	Deputy Chairman
Allan Hamer	Joint Managing Director
Wayne D Green	Joint Managing Director
Dom Clarke	Finance Director
Geoffrey Hitchin	Investment Director
Helen Derbyshire	Director – Compliance & Risk
Richard Goodall	Director – Strategy & Business Development (appointed 7 December 2018)
Guy Sears	Non-Executive Director
David Kiddie	Non-Executive Director (appointed 14 December 2018)

CONTENTS	PAGE
AUTHORISED STATUS AND GENERAL INFORMATION	1
AUTHORISED CORPORATE DIRECTOR'S STATEMENT	3
STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES	3
STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY	4
INDEPENDENT AUDITOR'S REPORT	5
NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES OF THE COMPANY	7
INDIVIDUAL SUB-FUNDS	
MARLBOROUGH ETF COMMODITY FUND	10
MARLBOROUGH ETF GLOBAL GROWTH FUND	22
The statements for each of the above sub-funds are set out in the following order:	
AUTHORISED INVESTMENT ADVISER'S REPORT	
COMPARATIVE TABLE	
SYNTHETIC RISK AND REWARD INDICATOR	
PORTFOLIO STATEMENT	
FINANCIAL STATEMENTS	
STATEMENT OF TOTAL RETURN	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	
BALANCE SHEET	
NOTES TO THE FINANCIAL STATEMENTS	

THE MARLBOROUGH ETF OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

The Marlborough ETF OEIC (the Company) is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a non-UCITS retail scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC00396 and is authorised and regulated by the Financial Conduct Authority with effect from 28 June 2005. The shareholders are not liable for the debts of the Company.

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

The Company currently has two sub-funds; Marlborough ETF Commodity Fund and Marlborough ETF Global Growth Fund.

Investment objective

Marlborough ETF Commodity Fund

The investment objective of the sub-fund is to achieve capital growth. It is intended that this objective will be achieved by the sub-fund investing in a portfolio of global commodity Exchange Traded Funds and other global commodity collective investment schemes.

Marlborough ETF Global Growth Fund

The investment objective of the sub-fund is to prioritise capital growth. It is intended that this objective will be achieved by investing primarily in either single country or regional market based Exchange Traded Funds.

The asset classes in which the two sub-funds are permitted to invest includes units and shares in collective investment schemes, transferable securities, money market instruments and deposits as permitted for non-UCITS retail schemes under the COLL and in accordance with the Company's investment powers as summarised in the prospectus. The sub-funds may invest in derivative instruments and forward transactions for limited purposes as set out in the Prospectus. Exchange traded funds are collective investment schemes whose shares are traded on investment exchanges worldwide.

Rights and terms attaching to each share class

Each share of each class represents a proportional entitlement to the assets of the Company. The allocation of income and taxation and the rights of each share in the event the Company is wound up are on the same proportional basis.

Changes in prospectus

With effect from 1 April 2019, the initial service charge that applied to P class shares was removed. An initial service charge will still be applied to class A, class B and class C shares. Details of these charges can be found in the Prospectus.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the manager's range can be requested by the investor at any time.

Cross holdings

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

AUTHORISED STATUS AND GENERAL INFORMATION

Leverage

In accordance with the Alternative Investment Fund Managers Directive (AIFMD) we are required to disclose the 'leverage' of the Fund. Leverage is defined as any method by which a sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways: 'gross method; and 'commitment method'. The sub-funds must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of a sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' is also calculated as the sum of all positions of the sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

Therefore, the total amount of leverage calculated as at 31 March 2019 is as follows:

Marlborough ETF Commodity Fund

Gross method: 90.35%
Commitment method: 90.35%

Marlborough ETF Global Growth Fund

Gross method: 97.63%
Commitment method: 97.63%

The maximum level of leverage which may be employed on behalf of the sub-funds when calculated in accordance with the gross method is 160%.

The maximum level of leverage which may be employed on behalf of the sub-funds when calculated in accordance with the commitment method is 110%.

Remuneration policy

In line with the requirement of the AIFMD, Marlborough Fund Managers Ltd is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFMD. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the Alternative Investment Funds (AIF) it manages.

The quantitative remuneration disclosures as at 30 September 2018 are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the Alternative Investment Fund Manager (AIFM) who have a material impact on the risk profile of the AIF				
Senior management	8	676,276	489,569	186,707
Risk takers and other identified staff	5	132,708	104,518	28,190
Allocation of total remuneration of the employees of the AIFM to the AIF				
Senior management	0.02	2,218	1,606	612
Risk takers and other identified staff	1.01	10,403	10,311	92

The total number of staff employed by the AIFM was 148 at 30 September 2018. The total remuneration paid to those staff was £6,491,736, of which £3,831,649 is attributable to the AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIFM is based on Assets Under Management (AUM), as staff work for two AIFMs. The allocation of remuneration to the AIF is based on AUM where staff are not directly allocated to the AIF. The way these disclosures are calculated may change in the future.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



**ALLAN HAMER
JOINT MANAGING DIRECTOR**



**G R HITCHIN
INVESTMENT DIRECTOR**

**MARLBOROUGH FUND MANAGERS LTD
24 July 2019**

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company and of its net revenue and the net gains/(losses) for the year.

In preparing the Financial Statements the ACD is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL rules, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the auditor is unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of The Marlborough ETF OEIC ("the Company") for the period ended 31 March 2019

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of the shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company in accordance with the Regulations and Scheme documents of the Company.

HSBC BANK PLC

LONDON

24 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MARLBOROUGH ETF OEIC

Opinion

We have audited the financial statements of The Marlborough ETF OEIC (the 'company') for the year ended 31 March 2019 which, for each sub-fund, comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its net revenue/expense and net capital gains or losses on the company property for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the authorised corporate director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the authorised corporate director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The authorised corporate director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report of the authorised corporate director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MARLBOROUGH ETF OEIC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the authorised corporate director.

We have nothing to report in respect of the following matters to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the company have not been kept; or
- the financial statements are not in agreement with those records.

Responsibilities of the authorised corporate director

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 3, the authorised corporate director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the authorised corporate director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the authorised corporate director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authorised corporate director either intends to liquidate the company or to cease activity, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Barlow Andrews LLP
Chartered Accountants
Statutory Auditor
Carlyle House
78 Chorley New Road
Bolton

24 July 2019

NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES OF THE COMPANY

1 ACCOUNTING POLICIES

During the period under review The Marlborough ETF OEIC consisted of two sub-funds: Marlborough ETF Commodity Fund and Marlborough ETF Global Growth Fund.

These accounting policies apply to all the sub-funds of the Company.

a Basis of Preparation

The financial statements have been prepared in compliance with Financial Reporting Standard (FRS) 102 and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the sub-funds. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies are set out below.

b Going concern

The authorised corporate director (ACD) has at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

With regard to Marlborough ETF Global Growth Fund, the authorised corporate director (ACD) has at the time of approving the financial statements, a reasonable expectation that the sub-fund has adequate resources to continue in operational existence for the foreseeable future. However, given the current size of the sub-fund, the ACD is currently reviewing its options with a view to a possible merger / scheme of arrangement. At this moment in time however, the ACD believes that continuing to adopt the going concern basis of accounting in preparing the financial statements of the sub-fund is appropriate until the review has taken place.

It should be noted that if the ACD had not adopted the going concern basis of accounts preparation for the sub-fund, there would be no changes to the amounts recorded in the financial statements.

c Revenue

Dividends from shares are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

d Expenses

All expenses are accounted for on an accruals basis and, other than those relating to the purchase and sale of investments, are charged against revenue as shown in these accounts.

e Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on net revenue for the period. The taxable amount differs from net revenue as reported in the Statement of Total Return (SOTR) because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The sub-funds' liability for current tax is calculated using tax rates that have been enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the SOTR. Deferred tax assets and liabilities are offset when a sub-fund has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

f Valuation of investments

The investments of the sub-funds have been valued at their fair value at 12 noon on 29 March 2019. Fair value is normally the bid value of each security by reference to quoted prices from reputable sources; that is the market price. If the ACD believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the ACD's best estimate of a reasonable and fair value for that investment. The fair value excludes any element of accrued interest.

NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES OF THE COMPANY

1 ACCOUNTING POLICIES

g Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange ruling at the date of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the net capital gains/(losses) for the period.

h Cash and bank balances

Cash and bank balances include deposits held at call with banks. Bank overdrafts are shown within creditors in liabilities.

i Financial assets

The ACD has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of the sub-funds' financial instruments.

Financial assets are recognised in a sub-fund's balance sheet when the sub-fund becomes a party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include amounts receivable for the issue of shares, accrued income and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition, less any reduction for impairment or un-collectability.

Basic financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOTR.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j Financial liabilities

Financial liabilities are recognised in a sub-fund's balance sheet when the sub-fund becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of recognition.

Basic financial liabilities, which include amounts payable for cancellation of shares and accrued expenses, are initially measured at transaction price. Other financial liabilities are measured at fair value.

Financial liabilities are derecognised when, and only when, a sub-fund's obligations are discharged, cancelled, or they expire.

2 DISTRIBUTION POLICIES

a Basis of distribution

The policy of each sub-fund is to distribute any net revenue shown as such in the statement of total return. Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

b Apportionment to multiple share classes

The ACD's periodic charge is directly attributable to individual share classes. All other income and expenses are allocated to the share classes pro-rata to the value of the net assets of the relevant share class on the day that the income or expenses are recognised.

c Equalisation

Equalisation applies only to shares purchased during the distribution period. It is the average amount of income included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to UK income tax but must be deducted from the cost of the shares for UK capital gains tax purposes.

NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES OF THE COMPANY

3 RISK MANAGEMENT POLICIES

In pursuing the investment objectives as set out on page 1, the sub-funds hold a number of financial instruments. The sub-funds' financial instruments comprise securities, together with cash balances, debtors and creditors that arise directly from their operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued income.

The main risks arising from the sub-funds' financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of a sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, the Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of a sub-fund's investments can be affected by foreign currency translation movements as some or all of a sub-fund's assets and income may be denominated in currencies other than sterling which is the sub-fund's functional currency.

The ACD has identified three areas where foreign currency risk could impact the sub-funds. These are, movements in exchange rates affecting the value of investments, short term timing differences such as exposure to exchange rate movements in the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movement in exchange rates affecting income received by a sub-fund. The sub-funds convert all receipts of income, received in currency, into sterling of the day of receipt.

Credit and counterparty risk

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-funds have fulfilled their responsibilities. The sub-funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty.

Interest rate risk

Interest rate risk is the risk that the value of a sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Liquidity risk

The sub-funds' assets comprise mainly of readily realisable securities. The main liability of the sub-funds is the redemption of any shares that investors wish to sell. Assets of the sub-funds may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the sub-funds' assets is regularly reviewed by the ACD.

Concentration risk

Some of the underlying collective investment schemes invest solely in certain markets, such as UK shares or fixed interest securities. This allows them to focus on those markets' potential but means that they are not spread amongst a range of markets. Securities in the same market tend to be affected by the same factors, so the collective investment schemes may experience greater fluctuations in price. The asset allocations aim to minimise this risk whenever possible, whilst still meeting the objectives of the sub-funds.

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 31 March 2019

Sub-fund performance to 31 March 2019

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
Marlborough ETF Commodity Fund	-8.33%	1.12%	23.74%	-16.53%	-14.39%
TR Core Commodity CRB Total Return	-4.64%	3.49%	23.43%	-19.75%	-13.23%

* Launch period ended 28.07.2006 (Class A, B and C shares). Class P shares launched 31.12.2012.

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

Class P shares first priced on 02.01.2013. In the period to that date, the past performance information for the Class A shares has been used.

It has been a very unsettled commodity market as economic and geopolitical forces have all exerted external forces on the price of commodities especially those related to Energy.

The main feature of the last few months has been the strength of Brent Crude Oil. The Oil price has risen as OPEC the Oil producing cartel led by Saudi Arabia have cut back production in order to reduce the oversupply seen in the market.

Political tensions in the Middle East surrounding Iran, Yemen and the ongoing war in Syria have provided an additional risk premium to the Brent Oil contracts.

West Texas Oil has also risen in price despite the increase in capacity from the Shale production regions, helped by strong domestic demand. The US is currently trying to restrict the global market for Iranian Oil as part of their sanctions against the country. How successful this will be is not yet apparent to the wider market.

Across the other commodity sectors the picture has been much more mixed, with a generally sideways price movement for base metals which rallied until early June, but then fell back to levels seen at the start of the year.

The trade dispute between the US and China has held back most commodities as concerns about the effect on overall global growth have impacted the outlook.

Despite the much-publicised climate events around the world from flash floods to raging wild fires, the Agricultural complex prices have continued to fall in general.

Precious metals have also traded in a tight range, despite the perceived increase in geopolitical tensions around the world. At present the precious metals are trying to build a base from which they may advance especially if other risk assets are sold heavily.

From a UK investor stand point the weakness of the Pound versus the US Dollar has provided a boost to commodity assets as all commodity contracts are priced in US Dollars; therefore the Fund has benefited from the falling value of the pound.

The Commodity Fund process has tried to identify trends within the commodity complex; however the trends have been mostly short lived and the ability to extract profit has been limited.

During the last 12 months the Fund has held overweight positions in Metals both Industrial and Precious; however the volatility within the energy sector has made it difficult to make significant gains.

Risks to the Oil supply chain remain quite high as the US continues to apply economic pressure on Iran; therefore potential price shocks are a significant possibility.

Nigel Baynes
iFunds Asset Management Limited
18 June 2019

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

AUTHORISED INVESTMENT ADVISER'S REPORT
for the year ended 31 March 2019

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
iShares Diversified Commodity Swap UCITS ETF USD	4,560,572	Ossiam Risk Weighted Enhanced Comm ex. Grains TR UCITS ETF '1C' USD	3,548,672
Lyxor Comm Thomson Reuters/CoreComm CRB EX-Energy TR UCITS ETF	4,554,331	Lyxor Comm Thomson Reuters/CoreComm CRB TR UCITS ETF 'C' EUR	3,391,650
Lyxor Comm Thomson Reuters/CoreComm CRB TR UCITS ETF 'C' EUR	3,500,057	iShares \$ Treasury Bond 1-3yr UCITS ETF USD	2,855,868
iShares \$ Treasury Bond 1-3yr UCITS ETF USD	2,901,907	UBS CMCI Composite SF UCITS ETF 'A' USD	2,625,232
Xtrackers DBLCl Commodity Optimum Yield Swap UCITS ETF '3C' GBP Hedged	2,004,201	Lyxor Comm Thomson Reuters/CoreComm CRB EX-Energy TR UCITS ETF	2,139,858
Xtrackers USD Overnight Rate Swap UCITS ETF '1C' USD	1,906,282	Xtrackers USD Overnight Rate Swap UCITS ETF '1C' USD	1,893,092
Xtrackers Stoxx Europe 600 Oil & Gas Swap UCITS ETF '1C' EUR	1,755,352	iShares Oil & Gas Exploration & Production UCITS ETF USD	1,661,884
ETFS Livestock	999,151	Xtrackers DBLCl Commodity Optimum Yield Swap UCITS ETF '2C' USD	1,556,262
iShares Gold Producers UCITS ETF USD	954,861	ETFS WTI Crude Oil	1,021,493
iShares Oil & Gas Exploration & Production UCITS ETF USD	749,889	ETFS Livestock	1,002,268
Other purchases	1,200,330	Other sales	3,471,495
Total purchases for the year	25,086,933	Total sales for the year	25,167,774

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

COMPARATIVE TABLE

Accumulation shares (Class A, B and C) were first offered at 100p on 12 July 2006. On 31 December 2012, Class P shares became available for purchase.

<u>Class A accumulation shares</u>	Year to	Year to	Year to
Change in net assets per share	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	81.21	83.24	67.28
Return before operating charges*	1.92	(0.41)	17.50
Operating charges	(1.60)	(1.62)	(1.54)
Return after operating charges*	0.32	(2.03)	15.96
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	81.53	81.21	83.24

* after direct transaction costs of: 0.08 0.05 0.08

Performance

Return after charges 0.39% -2.44% 23.72%

Other information

Closing net asset value	£2,012,288	£1,684,279	£1,697,517
Closing number of shares	2,468,238	2,074,058	2,039,410
Operating charges	1.87%	2.00%	1.93%
Direct transaction costs	0.09%	0.06%	0.10%

Prices

Highest share price	92.19p	86.71p	89.83p
Lowest share price	79.39p	76.93p	66.89p

<u>Class B accumulation shares</u>	Year to	Year to	Year to
Change in net assets per share	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	85.57	87.27	70.19
Return before operating charges*	1.99	(0.42)	18.27
Operating charges	(1.23)	(1.28)	(1.19)
Return after operating charges*	0.76	(1.70)	17.08
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	86.33	85.57	87.27

* after direct transaction costs of: 0.08 0.05 0.08

Performance

Return after charges 0.89% -1.95% 24.33%

Other information

Closing net asset value	£145,718	£99,478	£115,665
Closing number of shares	168,787	116,257	132,537
Operating charges	1.37%	1.50%	1.43%
Direct transaction costs	0.09%	0.06%	0.10%

Prices

Highest share price	97.39p	91.26p	94.09p
Lowest share price	83.97p	80.77p	69.79p

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

COMPARATIVE TABLE

<u>Class C accumulation shares</u>	Year to	Year to	Year to
Change in net assets per share	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	91.64	92.88	74.24
Return before operating charges*	2.14	(0.45)	19.35
Operating charges	(0.73)	(0.79)	(0.71)
Return after operating charges*	1.41	(1.24)	18.64
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	93.05	91.64	92.88

* after direct transaction costs of: 0.09 0.05 0.08

Performance

Return after charges 1.54% -1.34% 25.11%

Other information

Closing net asset value	£26,789	£77,322	£90,722
Closing number of shares	28,790	84,377	97,675
Operating charges	0.74%	0.87%	0.80%
Direct transaction costs	0.09%	0.06%	0.10%

Prices

Highest share price	104.65p	97.61p	100.01p
Lowest share price	90.37p	86.11p	73.82p

Class P accumulation shares
Change in net assets per share

	Year to	Year to	Year to
	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	84.55	86.02	69.01
Return before operating charges*	1.97	(0.42)	17.98
Operating charges	(1.00)	(1.05)	(0.97)
Return after operating charges*	0.97	(1.47)	17.01
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	85.52	84.55	86.02

* after direct transaction costs of: 0.08 0.05 0.08

Performance

Return after charges 1.15% -1.71% 24.65%

Other information

Closing net asset value	£13,951,447	£14,606,311	£12,194,589
Closing number of shares	16,313,584	17,275,330	14,176,924
Operating charges	1.12%	1.25%	1.18%
Direct transaction costs	0.09%	0.06%	0.10%

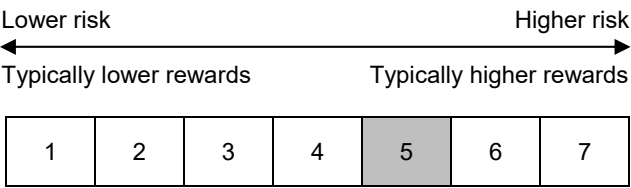
Prices

Highest share price	96.36p	90.13p	92.69p
Lowest share price	83.13p	79.67p	68.61p

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

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

SYNTHETIC RISK AND REWARD INDICATOR



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

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

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

PORTFOLIO STATEMENT

as at 31 March 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
BASE METALS (4.46%, March 2018 - 4.51%)		
8,068 Xtrackers Stoxx Europe 600 Basic Resources Swap UCITS ETF	719,504	4.46
Total Base Metals	719,504	4.46
ENERGY (14.45%, March 2018 - 22.26%)		
83,256 Boost Brent Oil ETC	1,481,088	9.18
11,306 Xtrackers Stoxx Europe 600 Oil & Gas Swap UCITS ETF '1C' EUR	851,116	5.27
Total Energy	2,332,204	14.45
GENERAL COMMODITY FUNDS (60.60%, March 2018 - 51.77%)		
1,164,285 iShares Diversified Commodity Swap UCITS ETF USD	4,461,540	27.65
162,939 Lyxor Commodities Thomson Reuters/CoreCommodity CRB EX-	2,297,766	14.24
20,183 UBS CMCI Composite SF UCITS ETF 'A' USD	990,582	6.14
90,171 Xtrackers DBLCl Commodity Optimum Yield Swap UCITS ETF '3C'	2,028,847	12.57
Total General Commodity Funds	9,778,735	60.60
PRECIOUS METALS (10.86%, March 2018 - 4.62%)		
132,753 iShares Gold Producers UCITS ETF USD	966,110	5.99
32,598 iShares Physical Gold ETC	630,445	3.91
13,903 iShares Physical Silver ETC	155,018	0.96
Total Precious Metals	1,751,573	10.86
WOOD (Nil, March 2018 - 4.61%)		
Total Wood	0	0.00
Portfolio of investments	14,582,016	90.37
Net other assets	1,554,226	9.63
Total net assets	16,136,242	100.00

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2019

	Notes	31 March 2019		31 March 2018	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		162,473		(135,110)
Revenue	6	77,153		20,423	
Expenses	7	(166,977)		(136,034)	
Net revenue/(expense) before taxation		(89,824)		(115,611)	
Taxation	8	0		0	
Net revenue/(expense) after taxation			(89,824)		(115,611)
Total return before distributions			72,649		(250,721)
Distributions	9		4,924		(9,203)
Change in net assets attributable to shareholders from investment activities			77,573		(259,924)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 March 2019

	31 March 2019		31 March 2018	
	£	£	£	£
Opening net assets attributable to shareholders		16,467,390		14,098,493
Amounts receivable on issue of shares	4,018,171		4,026,566	
Amounts payable on cancellation of shares	(4,426,784)		(1,397,375)	
Amounts payable on share class conversions	(108)		(370)	
		(408,721)		2,628,821
Change in net assets attributable to shareholders from investment activities		77,573		(259,924)
Closing net assets attributable to shareholders		16,136,242		16,467,390

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

BALANCE SHEET
as at 31 March 2019

	Notes	31 March 2019	31 March 2018
		£	£
Assets:			
Fixed Assets:			
Investments	15	14,582,016	14,452,621
Current Assets:			
Debtors	10	2,246	85,010
Cash and bank balances		1,730,679	2,062,526
Total assets		<u>16,314,941</u>	<u>16,600,157</u>
Liabilities:			
Creditors:			
Bank overdrafts		68,513	109,197
Other creditors	11	110,186	23,570
Total liabilities		<u>178,699</u>	<u>132,767</u>
Net assets attributable to shareholders		<u>16,136,242</u>	<u>16,467,390</u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Notes 1 to 3 are on pages 7 to 9.

4 NET CAPITAL GAINS/(LOSSES)

The net gains/(losses) on investments during the year comprise:

	31 March 2019 £	31 March 2018 £
Realised gains/(losses) on investments	502,127	(437,593)
Unrealised gains/(losses) on investments	(360,536)	298,459
Currency gains/(losses)	21,416	4,449
Transaction charges	(534)	(425)
Net capital gains/(losses)	162,473	(135,110)

5 PURCHASES, SALES AND TRANSACTION COSTS

(All purchases and sales are in exchange traded funds)

	31 March 2019 £	31 March 2018 £
Purchases excluding transaction costs	25,078,851	9,224,827
Commissions	8,082	4,612
Total purchase transaction costs	8,082	4,612
Purchases including transaction costs	25,086,933	9,229,439

Purchase transaction costs expressed as a percentage of the principal amount:	0.03%	0.05%
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Sales excluding transaction costs	25,176,162	8,455,460
Commissions	(8,388)	(4,228)
Total sale transaction costs	(8,388)	(4,228)
Sales net of transaction costs	25,167,774	8,451,232

Sale transaction costs expressed as a percentage of the principal amount:	0.03%	0.05%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:	0.09%	0.06%
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Transaction handling charges

These are charges payable to the depositary in respect each transaction.

	£534	£425
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Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	0.18%	0.26%
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6 REVENUE

	31 March 2019 £	31 March 2018 £
Overseas dividends	76,082	20,142
Bank interest	1,071	281
Total revenue	77,153	20,423

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

7 EXPENSES

	31 March 2019	31 March 2018
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	151,944	124,926
Registration fees	1,336	1,414
	<u>153,280</u>	<u>126,340</u>
Payable to the depositary or associate:		
Depositary's fees	6,642	5,421
Safe Custody fees	1,789	1,141
Interest	908	130
	<u>9,339</u>	<u>6,692</u>
Other expenses:		
Financial Conduct Authority Fee	158	96
Audit fee	4,200	2,906
	<u>4,358</u>	<u>3,002</u>
Total expenses	<u><u>166,977</u></u>	<u><u>136,034</u></u>

8 TAXATION

	31 March 2019	31 March 2018
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	0	0
Total tax charge	<u><u>0</u></u>	<u><u>0</u></u>
b Factors affecting the tax charge for the year		
Net expense before taxation	(89,824)	(115,611)
Corporation tax at 20%	(17,965)	(23,122)
Effects of:		
Revenue not subject to taxation	(15,216)	(4,029)
Unrelieved excess management expenses	33,181	27,151
Current tax charge	<u><u>0</u></u>	<u><u>0</u></u>

At 31 March 2019 the sub-fund has deferred tax assets of £482,336 (31.03.18 - £449,155) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

9 DISTRIBUTIONS

	31 March 2019	31 March 2018
	£	£
The distributions take account of revenue deducted on the issue of shares and revenue received on the cancellation of shares, and comprise:		
Amounts added on cancellation of shares	(12,845)	(4,818)
Amounts deducted on issue of shares	8,029	14,391
Equalisation on conversions	(108)	(370)
Distributions	<u>(4,924)</u>	<u>9,203</u>
Net deficit of revenue for the year	(84,900)	(124,814)
Net expense after taxation for the year	<u><u>(89,824)</u></u>	<u><u>(115,611)</u></u>

10 DEBTORS

	31 March 2019	31 March 2018
	£	£
Amounts receivable for issue of shares	2,033	84,916
Accrued income	213	94
Total debtors	<u><u>2,246</u></u>	<u><u>85,010</u></u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 OTHER CREDITORS

	31 March 2019 £	31 March 2018 £
Amounts payable for cancellation of shares	93,158	8,567
Accrued expenses	17,028	15,003
Total other creditors	<u>110,186</u>	<u>23,570</u>

12 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders.

Amounts payable to the ACD in respect of the ACD's periodic charge and registration fees are disclosed in note 7. The total amounts due to/(from) the ACD at the year end were as follows:

	Outstanding at year end 31 March 2019 £	31 March 2018 £
Marlborough Fund Managers Ltd	102,825	(64,488)

13 SHAREHOLDERS' FUNDS

The sub-fund currently has four share classes: Class A (minimum investment £1,000); Class B (minimum investment £50,000); Class C (minimum investment £10,000,000); and Class P (minimum investment £1,000,000). The annual management charges are 1.5%, 1%, 0.375% and 0.75% respectively.

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	Class A	Class B	Class C	Class P
Opening shares in issue at 1 April 2018	2,074,058	116,257	84,377	17,275,330
Share issues	680,295	35,129	0	3,784,245
Share cancellations	(171,419)	(3,787)	(54,792)	(4,835,451)
Share conversions	(114,696)	21,188	(795)	89,460
Closing shares in issue at 31 March 2019	<u>2,468,238</u>	<u>168,787</u>	<u>28,790</u>	<u>16,313,584</u>

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £729,101 (31.03.18 - £722,631). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 31 March 2019:

	Investments £	Net current assets £	Total £
US Dollar	1,481,088	0	1,481,088
	<u>1,481,088</u>	<u>0</u>	<u>1,481,088</u>

Foreign currency exposure at 31 March 2018:

	Investments £	Net current assets £	Total £
US Dollar	4,105,294	0	4,105,294
	<u>4,105,294</u>	<u>0</u>	<u>4,105,294</u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF COMMODITY FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

14 RISK DISCLOSURES

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £74,054 (31.03.18 - £205,265). A five per cent increase would have an equal and opposite effect.

Liquidity risk

The following table provides a maturity analysis of the sub-fund's financial liabilities:

	31 March 2019	31 March 2018
	£	£
Within one year:		
Bank overdrafts	68,513	109,197
Other creditors	110,186	23,570
	<u>178,699</u>	<u>132,767</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

	31 March 2019		31 March 2018	
Basis of valuation	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	14,582,016	0	14,452,621	0
Level 2 - Observable market data	0	0	0	0
Level 3 - Unobservable data	0	0	0	0
	<u>14,582,016</u>	<u>0</u>	<u>14,452,621</u>	<u>0</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

Level 1 - Unadjusted quoted price in an active market for an identical instrument;

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 - Valuation techniques using unobservable inputs.

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the year ended 31 March 2019

Sub-fund performance to 31 March 2019

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
Marlborough ETF Global Growth Fund	-3.83%	0.61%	20.69%	27.81%	74.03%
MSCI World PR LCL	-2.95%	7.81%	38.45%	54.59%	90.38%

* from launch 09.01.2007 (Class A and B shares). Class C shares launched 12.07.2006. Class P shares launched 31.12.2012.

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

Class P shares first priced on 02.01.2013. In the period to that date, the past performance information for the Class A shares has been used.

2018 was a difficult year for the iFunds investment process as political events had a significant impact on the ebb and flow of financial markets.

The year had started in a positive manner with US equities, particularly those in the technology sector, continuing the positive performance we witnessed during 2017. However, the positive start proved to be short lived as we saw some sharp falls at the end of January and early February. Whilst markets staged a recovery in late February and early March, they fell sharply again in the second half of March. In the build up to these falls there had not been any significant increase in market volatility; however, in response to the falls and the rise in volatility, we significantly reduced market exposure and moved to cash at the start of April. The main drivers behind this market correction appear to be political factors with trade tensions between the US, China and to some extent Europe, unsettling investors. US President, Donald Trump, began to ramp up his rhetoric regarding the imbalance of trade between China and the US, which many fear will have a negative impact on global growth. In addition, the Trump Presidency continued to come under intense domestic scrutiny with an investigation and possible impeachment hanging over its head. Despite this backdrop, markets started to stabilise during April and rallied strongly over the summer, although the Fund missed out on the majority of the rally due to the defensive positioning. Only once longer-term trends had moved back to being positive and volatility decreased, did we move away from cash and back into equities in late August.

The strong summer rally in equities was again broken by sharp declines following comments made by the new US Federal Reserve chairman about a shortening of the interest rate cycle. This news came as a shock to investors with sentiment settled on fewer and slower interest rate rises. These falls were so abrupt that we had little time to react and the Fund fell in line with the market during this period. However, once the Fund had reacted, it was positioned to protect from the sharpest of falls which came during the Christmas period, a period that has historically been a strong one for equity markets.

Overall the sequence of sharp market falls punctuated by rebounds and low volatility in such close proximity is a scenario our process has not witnessed since inception. In twenty-five years of testing, 2018 stands out as an outlier; however, we are mindful of the impact it has had and are working to address and limit the impact should this scenario recur.

Nigel Baynes
iFunds Asset Management Limited
18 June 2019

Distributions (pence per share)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Class A</u>				
Net income paid 31 July	0.0000	0.2742	0.0000	0.0000
<u>Class B</u>				
Net income paid 31 July	0.3029	1.2461	0.3607	0.0000
<u>Class C</u>				
Net income paid 31 July	1.2000	2.4560	1.6410	0.6503
<u>Class P</u>				
Net income paid 31 July	0.7876	1.7358	0.8974	0.0479

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

AUTHORISED INVESTMENT ADVISER'S REPORT
for the year ended 31 March 2019

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Lyxor Comm Thomson Reuters/CoreComm CRB TR UCITS ETF 'C' EUR	1,184,518	Lyxor Comm Thomson Reuters/CoreComm CRB TR UCITS ETF 'C' EUR	1,185,467
SPDR S&P 400 US Mid Cap UCITS ETF	557,563	SPDR S&P 400 US Mid Cap UCITS ETF	1,054,764
iShares UK Gilts 0-5yr UCITS ETF GBP	553,995	iShares MSCI EM Latin America UCITS ETF USD	811,453
iShares Asia Property Yield UCITS ETF USD	529,278	Invesco EQQQ NASDAQ-100 UCITS ETF	799,203
iShares Oil & Gas Exploration & Production UCITS ETF USD	523,309	Lyxor Smart Cash UCITS ETF 'C' GBP	560,272
SPDR S&P US Dividend Aristocrats UCITS ETF	479,495	iShares Oil & Gas Exploration & Production UCITS ETF USD	521,818
iShares MSCI Japan Small Cap UCITS ETF USD	461,141	SPDR S&P US Dividend Aristocrats UCITS ETF	489,957
iShares S&P SmallCap 600 UCITS ETF USD	454,758	iShares S&P SmallCap 600 UCITS ETF USD	458,647
iShares Core S&P 500 UCITS ETF USD	415,325	iShares MSCI Japan Small Cap UCITS ETF USD	454,309
iShares Core UK Gilts UCITS ETF GBP	413,640	iShares Core S&P 500 UCITS ETF USD	394,236
Other purchases	2,598,049	Other sales	1,231,511
Total purchases for the year	8,171,071	Total sales for the year	7,961,637

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

COMPARATIVE TABLE

Accumulation shares (Class A, B and C) were first offered at 100p on 12 July 2006. On 31 December 2012, Class P shares became available for purchase.

<u>Class A accumulation shares</u>	Year to	Year to	Year to
Change in net assets per share	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	178.82	177.46	151.40
Return before operating charges*	3.65	5.27	29.51
Operating charges	(3.86)	(3.91)	(3.45)
Return after operating charges*	(0.21)	1.36	26.06
Distributions on accumulation shares	0.00	(0.27)	0.00
Retained distributions on accumulation shares	0.00	0.27	0.00
Closing net asset value per share	178.61	178.82	177.46

* after direct transaction costs of: 0.55 0.60 0.89

Performance

Return after charges -0.12% 0.77% 17.21%

Other information

Closing net asset value	£113,271	£160,960	£100,935
Closing number of shares	63,419	90,013	56,876
Operating charges	2.13%	2.07%	2.09%
Direct transaction costs	0.30%	0.32%	0.54%

Prices

Highest share price	192.76p	198.81p	180.66p
Lowest share price	173.14p	174.13p	144.98p

<u>Class B accumulation shares</u>	Year to	Year to	Year to
Change in net assets per share	31.03.2019	31.03.2018	31.03.2017
	pence	pence	pence
Opening net asset value per share	185.84	183.51	155.83
Return before operating charges*	3.76	5.40	30.31
Operating charges	(3.07)	(3.07)	(2.63)
Return after operating charges*	0.69	2.33	27.68
Distributions on accumulation shares	(0.30)	(1.25)	(0.36)
Retained distributions on accumulation shares	0.30	1.25	0.36
Closing net asset value per share	186.53	185.84	183.51

* after direct transaction costs of: 0.57 0.62 0.89

Performance

Return after charges 0.37% 1.27% 17.76%

Other information

Closing net asset value	£3,786	£4,511	£4,543
Closing number of shares	2,030	2,427	2,476
Operating charges	1.63%	1.57%	1.59%
Direct transaction costs	0.30%	0.32%	0.54%

Prices

Highest share price	200.75p	206.39p	186.79p
Lowest share price	180.42p	180.12p	149.32p

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

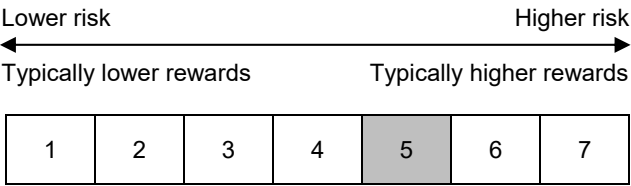
COMPARATIVE TABLE

<u>Class C accumulation shares</u>	Year to 31.03.2019	Year to 31.03.2018	Year to 31.03.2017
Change in net assets per share	pence	pence	pence
Opening net asset value per share	197.39	193.83	163.52
Return before operating charges*	3.73	5.52	32.05
Operating charges	(2.02)	(1.96)	(1.74)
Return after operating charges*	1.71	3.56	30.31
Distributions on accumulation shares	(1.20)	(2.46)	(1.64)
Retained distributions on accumulation shares	1.20	2.46	1.64
Closing net asset value per share	199.10	197.39	193.83
* after direct transaction costs of:	0.61	0.66	0.97
Performance			
Return after charges	0.87%	1.84%	18.54%
Other information			
Closing net asset value	£20	£954	£1,017
Closing number of shares	10	483	525
Operating charges	1.00%	0.95%	0.97%
Direct transaction costs	0.30%	0.32%	0.54%
Prices			
Highest share price	213.67p	218.92p	197.24p
Lowest share price	192.16p	190.30p	156.79p
<u>Class P accumulation shares</u>	Year to 31.03.2019	Year to 31.03.2018	Year to 31.03.2017
Change in net assets per share	pence	pence	pence
Opening net asset value per share	185.38	182.61	154.62
Return before operating charges*	3.78	5.34	30.29
Operating charges	(2.60)	(2.57)	(2.30)
Return after operating charges*	1.18	2.77	27.99
Distributions on accumulation shares	(0.79)	(1.74)	(0.90)
Retained distributions on accumulation shares	0.79	1.74	0.90
Closing net asset value per share	186.56	185.38	182.61
* after direct transaction costs of:	0.57	0.62	0.92
Performance			
Return after charges	0.64%	1.52%	18.10%
Other information			
Closing net asset value	£1,857,347	£1,900,923	£2,132,567
Closing number of shares	995,579	1,025,404	1,167,813
Operating charges	1.38%	1.32%	1.34%
Direct transaction costs	0.30%	0.32%	0.54%
Prices			
Highest share price	200.48p	205.77p	185.85p
Lowest share price	180.23p	179.25p	148.21p

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

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

SYNTHETIC RISK AND REWARD INDICATOR



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

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

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

PORTFOLIO STATEMENT

as at 31 March 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
EMERGING MARKETS (27.95%, March 2018 - 21.29%)		
24,061 iShares Asia Property Yield UCITS ETF USD	551,839	27.95
Total Emerging Markets	551,839	27.95
UNITED KINGDOM (69.88% March 2018 - 12.09%)		
31,327 iShares Core UK Gilts UCITS ETF GBP	423,149	21.43
4,177 iShares UK Gilts 0-5yr UCITS ETF GBP	555,541	28.14
7,842 SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF	401,040	20.31
Total United Kingdom	1,379,730	69.88
UNITED STATES OF AMERICA (Nil, March 2018 - 48.98%)		
Total United States of America	0	0.00
Portfolio of investments	1,931,569	97.83
Net other assets	42,855	2.17
Total net assets	1,974,424	100.00

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2019

	Notes	31 March 2019		31 March 2018	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		5,595		29,410
Revenue	6	29,884		41,962	
Expenses	7	(22,262)		(22,927)	
Net revenue/(expense) before taxation		<u>7,622</u>		<u>19,035</u>	
Taxation	8	<u>0</u>		<u>0</u>	
Net revenue/(expense) after taxation			<u>7,622</u>		<u>19,035</u>
Total return before distributions			13,217		48,445
Distributions	9		(8,006)		(19,035)
Change in net assets attributable to shareholders from investment activities			<u>5,211</u>		<u>29,410</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 March 2019

	31 March 2019		31 March 2018	
	£	£	£	£
Opening net assets attributable to shareholders		2,067,348		2,239,062
Amounts receivable on issue of shares	170,418		210,050	
Amounts payable on cancellation of shares	(276,364)		(429,263)	
Amounts payable on share class conversions	<u>(36)</u>		<u>0</u>	
		(105,982)		(219,213)
Change in net assets attributable to shareholders from investment activities		5,211		29,410
Retained distribution on accumulation shares		7,847		18,089
Closing net assets attributable to shareholders		<u>1,974,424</u>		<u>2,067,348</u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

BALANCE SHEET
as at 31 March 2019

	Notes	31 March 2019	31 March 2018
		£	£
Assets:			
Fixed Assets:			
Investments	15	1,931,569	1,702,714
Current Assets:			
Debtors	10	17	1,244,616
Cash and bank balances		71,225	21,434
Total assets		<u>2,002,811</u>	<u>2,968,764</u>
Liabilities:			
Creditors:			
Bank overdraft		0	11,880
Other creditors	11	28,387	889,536
Total liabilities		<u>28,387</u>	<u>901,416</u>
Net assets attributable to shareholders		<u>1,974,424</u>	<u>2,067,348</u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Notes 1 to 3 are on pages 7 to 9.

4 NET CAPITAL GAINS/(LOSSES)

The net gains/(losses) on investments during the year comprise:

	31 March 2019 £	31 March 2018 £
Realised gains/(losses) on investments	(70,764)	133,568
Unrealised gains/(losses) on investments	82,864	(104,724)
Currency gains/(losses)	(5,440)	1,930
Transaction charges	(1,065)	(1,364)
Net capital gains/(losses)	5,595	29,410

5 PURCHASES, SALES AND TRANSACTION COSTS

(All purchases and sales are in exchange traded funds)

	31 March 2019 £	31 March 2018 £
Purchases excluding transaction costs	8,167,846	7,352,270
Commissions	3,225	3,328
Total purchase transaction costs	3,225	3,328
Purchases including transaction costs	8,171,071	7,355,598

Purchase transaction costs expressed as a percentage of the principal amount: 0.04% 0.05%

Sales excluding transaction costs	7,964,621	7,901,541
Commissions	(2,984)	(4,024)
Total sale transaction costs	(2,984)	(4,024)
Sales net of transaction costs	7,961,637	7,897,517

Sale transaction costs expressed as a percentage of the principal amount: 0.04% 0.05%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year: 0.30% 0.32%

Transaction handling charges

These are charges payable to the depositary in respect each transaction. £1,065 £1,364

Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date 0.15% 0.23%

6 REVENUE

	31 March 2019 £	31 March 2018 £
Overseas dividends	27,472	41,947
Overseas dividends taxable	2,268	0
Bank interest	144	15
Total revenue	29,884	41,962

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

7 EXPENSES

	31 March 2019	31 March 2018
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	16,341	18,413
Registration fees	553	537
	<u>16,894</u>	<u>18,950</u>
Payable to the depositary or associate:		
Depositary's fees	737	830
Safe Custody fees	491	429
Interest	143	12
	<u>1,371</u>	<u>1,271</u>
Other expenses:		
Financial Conduct Authority Fee	158	67
Audit fee	3,839	2,639
	<u>3,997</u>	<u>2,706</u>
Total expenses	<u><u>22,262</u></u>	<u><u>22,927</u></u>

8 TAXATION

	31 March 2019	31 March 2018
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	0	0
Total tax charge	<u><u>0</u></u>	<u><u>0</u></u>
b Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	7,622	19,035
Corporation tax at 20%	1,524	3,807
Effects of:		
Revenue not subject to taxation	(5,494)	(8,389)
Unrelieved excess management expenses	3,970	4,582
Current tax charge	<u><u>0</u></u>	<u><u>0</u></u>

At 31 March 2019 the sub-fund has deferred tax assets of £36,435 (31.03.18 - £32,465) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

9 DISTRIBUTIONS

	31 March 2019	31 March 2018
	£	£
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Final	7,847	18,089
Amounts deducted on cancellation of shares	308	1,253
Amounts added on issue of shares	(113)	(307)
Equalisation on conversions	(36)	0
Distributions	<u>8,006</u>	<u>19,035</u>
Net deficit of revenue for the year	(384)	0
Net revenue/(expense) after taxation for the year	<u><u>7,622</u></u>	<u><u>19,035</u></u>

10 DEBTORS

	31 March 2019	31 March 2018
	£	£
Amounts receivable for issue of shares	0	20,000
Sales awaiting settlement	0	1,223,902
Accrued income	17	714
Total debtors	<u><u>17</u></u>	<u><u>1,244,616</u></u>

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 OTHER CREDITORS

	31 March 2019	31 March 2018
	£	£
Amounts payable for cancellation of shares	26,036	32,923
Purchases awaiting settlement	0	852,534
Accrued expenses	2,351	4,079
Total other creditors	28,387	889,536

12 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders.

Amounts payable to the ACD in respect of the ACD's periodic charge and registration fees are disclosed in note 7. The total amounts due to/(from) the ACD at the year end were as follows:

	Outstanding at year end	
	31 March 2019	31 March 2018
	£	£
Marlborough Fund Managers Ltd	27,427	14,547

13 SHAREHOLDERS' FUNDS

The sub-fund currently has four share classes: Class A (minimum investment £1,000); Class B (minimum investment £50,000); Class C (minimum investment £10,000,000); and Class P (minimum investment £1,000,000). The annual management charges are 1.5%, 1%, 0.375% and 0.75% respectively.

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	Class A	Class B	Class C	Class P
Opening shares in issue at 1 April 2018	90,013	2,427	483	1,025,404
Share issues	29,498	102	0	63,418
Share cancellations	(52,589)	(539)	(506)	(96,529)
Share conversions	(3,503)	40	33	3,286
Closing shares in issue at 31 March 2019	63,419	2,030	10	995,579

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £96,578 (31.03.18 - £85,136). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the start of the year a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return could have been affected by exchange rate movements.

There is no foreign currency exposure at 31 March 2019.

Foreign currency exposure at 31 March 2018:

	Investments	Net current assets	Total
	£	£	£
US Dollar	492,360	713	493,073
	492,360	713	493,073

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by nil (31.03.18 - £24,654). A five per cent increase would have an equal and opposite effect.

THE MARLBOROUGH ETF OEIC
MARLBOROUGH ETF GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

14 RISK DISCLOSURES

Liquidity risk

The following table provides a maturity analysis of the sub-fund's financial liabilities:

	31 March 2019 £	31 March 2018 £
Within one year:		
Bank overdraft	0	11,880
Other creditors	28,387	889,536
	<u>28,387</u>	<u>901,416</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

	31 March 2019		31 March 2018	
Basis of valuation	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	1,931,569	0	1,702,714	0
Level 2 - Observable market data	0	0	0	0
Level 3 - Unobservable data	0	0	0	0
	<u>1,931,569</u>	<u>0</u>	<u>1,702,714</u>	<u>0</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

Level 1 - Unadjusted quoted price in an active market for an identical instrument;

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 - Valuation techniques using unobservable inputs.

16 DISTRIBUTION TABLE

For the year ended 31 March 2019

ACCUMULATION SHARES

Group 1: shares purchased prior to 1 April 2018

Group 2: shares purchased on or after 1 April 2018

		Net revenue to 31-Mar-19	Equalisation to 31-Mar-19	Distribution payable 31-Jul-19	Distribution paid 31-Jul-18
Class A	Group 1	0.0000p	0.0000p	0.0000p	0.2742p
	Group 2	0.0000p	0.0000p	0.0000p	0.2742p
Class B	Group 1	0.3029p	0.0000p	0.3029p	1.2461p
	Group 2	0.0399p	0.2630p	0.3029p	1.2461p
Class C	Group 1	1.2000p	0.0000p	1.2000p	2.4560p
	Group 2	1.2000p	0.0000p	1.2000p	2.4560p
Class P	Group 1	0.7876p	0.0000p	0.7876p	1.7358p
	Group 2	0.4526p	0.3350p	0.7876p	1.7358p



Marlborough

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