



MARLBOROUGH SPECIAL SITUATIONS FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 20 June 2019

MARLBOROUGH SPECIAL SITUATIONS FUND

Authorised Fund Manager and Registrar

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

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

Directors of Marlborough Fund Managers Ltd

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

MARLBOROUGH SPECIAL SITUATIONS FUND

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MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 20 June 2019

Percentage change and sector position to 20 June 2019

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since 01.07.1998*</u>
Marlborough Special Situations Fund	12.21%	-7.91%	38.67%	70.79%	2975.14%
Quartile Ranking**	3	3	3	2	1

* Giles Hargreave appointed as Investment Adviser 01.07.1998 (fund launched 12 July 1995).

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

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

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



During the half year period under review, the bid price of the 'P' unit class rose 12.21% from 1527.64p to 1714.24p compared to rises of 7.88% for the Small Cap index excluding investment trusts, 11.13% for the FTSE 250 and 9.84% for AIM.

At the end of the period the total net asset value of the Fund, based on the bid prices of the underlying shares was £1489m including £18m in cash, spread over 190 positions.

Biggest risers over the period were Future, Safecharge, Greggs, Games Workshop, JD Sports Fashion, Tarsus, AB Dynamics, Boku, and First Derivatives. Largest detractors were Mereo Biopharma, acceso Technology, Autolus Therapeutics, Redde, Just Group, Arena Events, Quixant, Scapa Group, Escape Hunt and Finsbury Food.

The period saw a number of fund holdings receive takeovers approaches. BCA marketplace, the vehicle remarketing company that owns *WeBuyAnyCar.com* received an all cash bid from Private Equity firm TDR. WYG, the engineering services company received an all cash bid from US peer, Tetra Tech. Tarsus, the international exhibitions and business-to-business media group received an all cash bid from Private Equity firm Charterhouse. Lastly, Safecharge, the payment processing company, received an all cash bid from Canadian trade peer, Nuvei. The Fund also participated in one Initial Public Offering (IPO) in the period: Watches of Switzerland. This is the leading retailer of luxury watches in the UK with a complementary jewellery offer. Attractive characteristics of the equity thesis include: good growth, partly attributable to its strong relationship with major brands such as Rolex (which accounts for 50% of revenue); a well invested store profile; the scale advantage of having leading market positions; as well as there being no current disruption threat from the online channel.

Equity markets have had a strong first half of the year. In part, this is a rebound from the difficult fourth quarter of 2018. More importantly, however, has been the unprecedented change in the United States Federal Reserve's (Fed) rhetoric. In December 2018, the Fed signalled it would sell approximately \$50bn of bonds per month to reduce its balance sheet and the market was anticipating four interest rate rises in 2019. Now, Quantitative Tightening is not occurring, and the market expects no interest rate increases. This dramatic reversal has bolstered equity markets globally.

However, several political and economic uncertainties exist. The US and China trade disputes and disagreements regarding alleged currency manipulation have not yet been resolved. Escalated trade tensions have caused the IMF (International Monetary Fund), the World Bank and OECD (Organisation for Economic Cooperation and Development) each to cut their global growth estimates in 2019. A deteriorating trade outlook has been cited in each instance and the overriding concern is that tit-for-tat measures emerge. Add slowing macroeconomic indicators and an inverted yield curve in numerous countries and prospects do not augur particularly well. Markets are for now reacting positively to the prospect of the Fed reversing its prior intentions and cutting interest rates when it next moves them. However, some resolution of global trade disputes and a palatable Brexit outcome would put equity markets on firmer foundations.

Giles Hargreave / Eustace Santa Barbara
4 July 2019

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MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 20 June 2019

Distributions (pence per unit)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Class A</u>				
Net income paid 20 February	0.0000	0.8909	4.6674	2.3088
Net income paid 20 August	6.6680	4.4438	3.5745	2.4818
<u>Class B</u>				
Net income paid 20 February	4.2328	5.0841	8.0301	5.3267
Net income paid 20 August	11.0606	9.0002	7.4167	5.5925
<u>Class P</u>				
Net income paid 20 February	6.4490	7.1556	9.6005	6.7612
Net income paid 20 August	13.1262	11.1865	9.2533	7.1335

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
AB Dynamics	11,084,555	Burford Capital	26,884,286
Watches of Switzerland Group	9,519,372	Plus500	15,418,919
TT Electronics	8,786,055	Future	10,886,269
CVS Group	6,882,206	Urban&Civic	10,612,988
Spirent Communications	5,495,283	M&C Saatchi	9,792,507
Focusrite	5,440,453	FDM Group (Holdings)	8,835,004
Watkin Jones	5,210,401	Hansa Medical	8,018,824
Team17 Group	4,769,104	SANNE Group	7,652,440
First Derivatives	4,742,827	Bodycote	7,369,778
ADES International Holding	4,491,862	Faroe Petroleum	6,240,000
Other purchases	106,699,599	Other sales	104,001,071
Total purchases for the period	173,121,717	Total sales for the period	215,712,086

MARLBOROUGH SPECIAL SITUATIONS FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

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

Investment objective

The investment objective of the Fund is to provide capital growth by following a speculative policy investing in smaller companies, new issues and companies going through a difficult period but with good recovery prospects. The Fund is marketable to all retail investors. The Fund may invest in derivatives and forward transactions for the purposes of hedging only.

Rights and terms attaching to each unit class

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

Changes in prospectus

With effect from 1 April 2019 the Fund has changed from a dual priced unit trust to a single priced unit trust and is operating a 'swinging' single price mechanism.

Also, on that date, the initial service charge that applied to class P units was removed. An initial service charge will still be applied to class A and class B units. 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.

DIRECTORS' STATEMENT

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



ALLAN HAMER
JOINT MANAGING DIRECTOR



G R HITCHIN
INVESTMENT DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
12 August 2019

MARLBOROUGH SPECIAL SITUATIONS FUND

COMPARATIVE TABLE

Income units were first offered at 50p on 12 July 1995. On 24 April 2009, all income units were converted to accumulation units on a 1:1 basis. On 16 November 2009, the units were reclassified as class A units and class B units became available for purchase. Class P units became available for purchase on 31 December 2012.

<u>Class A accumulation units</u>	Period to	Year to	Year to	Year to
Change in net assets per unit	20.06.2019	20.12.2018	20.12.2017	20.12.2016
	pence	pence	pence	pence
Opening net asset value per unit	1,462.41	1,636.74	1,299.93	1,178.37
Return before operating charges*	171.65	(148.49)	360.29	140.32
Operating charges	(11.98)	(25.84)	(23.48)	(18.76)
Return after operating charges*	159.67	(174.33)	336.81	121.56
Distributions on accumulation units	(6.67)	(4.44)	(4.47)	(7.15)
Retained distributions on accumulation units	6.67	4.44	4.47	7.15
Closing net asset value per unit	1,622.08	1,462.41	1,636.74	1,299.93
* after direct transaction costs of:	1.07	1.93	3.35	2.83
Performance				
Return after charges	10.92%	-10.65%	25.91%	10.32%
Other information				
Closing net asset value	£407,782,707	£411,481,714	£470,787,391	£388,893,128
Closing number of units	25,139,570	28,137,184	28,763,723	29,916,411
Operating charges	1.53% ^A	1.53%	1.54%	1.55%
Direct transaction costs	0.14% ^A	0.11%	0.22%	0.23%
Prices				
Highest unit price	1,655.53p	1,897.27p	1,786.94p	1,401.78p
Lowest unit price	1,449.76p	1,459.38p	1,314.36p	1,074.05p
<u>Class B accumulation units</u>	Period to	Year to	Year to	Year to
Change in net assets per unit	20.06.2019	20.12.2018	20.12.2017	20.12.2016
	Pence	pence	pence	pence
Opening net asset value per unit	1,526.93	1,700.28	1,343.70	1,212.00
Return before operating charges*	179.35	(155.24)	373.04	144.74
Operating charges	(8.44)	(18.11)	(16.46)	(13.04)
Return after operating charges*	170.91	(173.35)	356.58	131.70
Distributions on accumulation units	(11.06)	(13.23)	(12.50)	(13.62)
Retained distributions on accumulation units	11.06	13.23	12.50	13.62
Closing net asset value per unit	1,697.84	1,526.93	1,700.28	1,343.70
* after direct transaction costs of:	1.12	2.01	3.47	2.90
Performance				
Return after charges	11.19%	-10.20%	26.54%	10.87%
Other information				
Closing net asset value	£15,427,554	£13,905,191	£15,078,050	£11,275,419
Closing number of units	908,659	910,663	886,799	839,134
Operating charges	1.03% ^A	1.03%	1.04%	1.05%
Direct transaction costs	0.14% ^A	0.11%	0.22%	0.23%
Prices				
Highest unit price	1,726.46p	1,899.99p	1,784.18p	1,392.13p
Lowest unit price	1,513.88p	1,523.74p	1,365.46p	1,107.63p

^A These figures have been annualised.

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COMPARATIVE TABLE

Class P accumulation units	Period to	Year to	Year to	Year to
Change in net assets per unit	20.06.2019	20.12.2018	20.12.2017	20.12.2016
	pence	pence	pence	pence
Opening net asset value per unit	1,529.92	1,699.31	1,339.59	1,205.20
Return before operating charges*	179.65	(155.67)	372.21	144.36
Operating charges	(6.40)	(13.72)	(12.49)	(9.97)
Return after operating charges*	173.25	(169.39)	359.72	134.39
Distributions on accumulation units	(13.13)	(17.64)	(16.41)	(16.73)
Retained distributions on accumulation units	13.13	17.64	16.41	16.73
Closing net asset value per unit	1,703.17	1,529.92	1,699.31	1,339.59

* after direct transaction costs of: 1.12 2.01 3.47 2.91

Performance

Return after charges 11.32% -9.97% 26.85% 11.15%

Other information

Closing net asset value	£1,066,215,364	£976,826,820	£1,010,386,719	£730,039,970
Closing number of units	62,601,921	63,848,184	59,458,732	54,497,145
Operating charges	0.78% ^A	0.78%	0.79%	0.80%
Direct transaction costs	0.14% ^A	0.11%	0.22%	0.23%

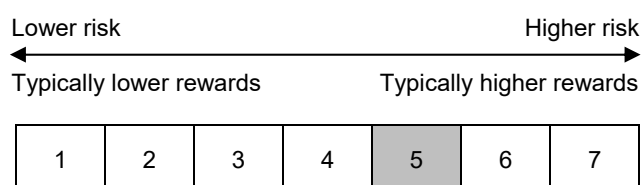
Prices

Highest unit price	1,731.44p	1,900.90p	1,782.38p	1,386.99p
Lowest unit price	1,516.92p	1,526.70p	1,361.13p	1,102.94p

^A These figures have been annualised.

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

SYNTHETIC RISK AND REWARD INDICATOR



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

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

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PORTFOLIO STATEMENT

as at 20 June 2019

Holding or nominal value		Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENSE (0.69%, Dec 2018 - 0.97%)			
100,000	Avon Rubber	1,402,000	0.09
2,023,605	Cohort	9,005,042	0.60
	Total Aerospace and Defense	10,407,042	0.69
BEVERAGES (1.89%, Dec 2018 - 2.00%)			
825,000	Fever-Tree Drinks	19,362,750	1.30
500,000	Nichols	8,775,000	0.59
	Total Beverages	28,137,750	1.89
CHEMICALS (0.22%, Dec 2018 - 0.36%)			
150,000	Victrex	3,273,000	0.22
	Total Chemicals	3,273,000	0.22
CLOSED END INVESTMENTS (1.63%, Dec 2018 - 1.60%)			
2,250,000	Crystal Amber Fund	4,725,000	0.32
8,500,000	Syncona	19,465,000	1.31
	Total Closed End Investments	24,190,000	1.63
CONSTRUCTION AND MATERIALS (3.60%, Dec 2018 - 3.14%)			
2,250,000	Marshalls	15,221,250	1.02
2,870,000	Norcros	6,256,600	0.42
2,768,000	Renew Holdings	11,597,920	0.78
1,100,000	Ricardo	7,920,000	0.53
500,000	SIG	673,000	0.05
3,660,287	Tyman	8,638,277	0.58
6,150,000	WYG	3,321,000	0.22
	Total Construction and Materials	53,628,047	3.60
CONSUMER SERVICES (1.77%, Dec 2018 - 1.19%)			
5,570,000	BCA Marketplace	13,167,480	0.89
2,000,000	CVS Group	13,170,000	0.88
	Total Consumer Services	26,337,480	1.77
ELECTRONIC AND ELECTRICAL EQUIPMENT (2.42%, Dec 2018 - 2.27%)			
350,000	Halma	7,119,000	0.48
4,100,000	Melrose Industries	7,363,600	0.50
284,659	Oxford Instruments	3,432,988	0.23
7,955,000	Thruvision Group	2,402,410	0.16
700,000	XP Power	15,680,000	1.05
	Total Electronic and Electrical Equipment	35,997,998	2.42
FINANCE AND CREDIT SERVICES (1.53%, Dec 2018 - 3.08%)			
902,562	Charter Court Financial Services Group	2,820,506	0.19
678,250	Craneware	20,008,375	1.34
	Total Finance and Credit Services	22,828,881	1.53
FOOD PRODUCERS (2.73%, Dec 2018 - 3.04%)			
8,423,633	Bakkavör Group	10,344,221	0.69
250,000	Cranswick	6,355,000	0.43
3,125,000	Finsbury Food Group	2,156,250	0.14
1,950,000	Hilton Food Group	18,603,000	1.25
484,433	MP Evans Group	3,265,078	0.22
	Total Food Producers	40,723,549	2.73

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PORTFOLIO STATEMENT

as at 20 June 2019

Holding or nominal value		Bid value £	Percentage of total net assets %
GENERAL INDUSTRIALS (1.08%, Dec 2018 - 1.14%)			
19,750,000	Coats Group	16,106,125	1.08
	Total General Industrials	16,106,125	1.08
HEALTH CARE PROVIDERS (2.96%, Dec 2018 - 2.74%)			
5,050,000	CareTech Holdings	19,089,000	1.28
590,000	NMC Health	14,484,500	0.97
4,300,000	Sensyne Health	5,160,000	0.35
700,000	UDG Healthcare	5,435,500	0.36
	Total Health Care Providers	44,169,000	2.96
HOUSEHOLD GOODS AND HOME CONSTRUCTION (1.52%, Dec 2018 - 1.11%)			
3,000,000	Countryside Properties	8,748,000	0.59
1,118,000	MJ Gleeson	8,653,320	0.58
2,500,000	Watkin Jones	5,187,500	0.35
	Total Household Goods and Home Construction	22,588,820	1.52
INDUSTRIAL ENGINEERING (3.51%, Dec 2018 - 2.49%)			
485,491	AB Dynamics	12,137,275	0.81
2,823,700	Northbridge Industrial Services	4,292,024	0.29
18,316,247	Renold	5,971,097	0.40
4,409,073	Somero Enterprises	12,345,404	0.83
1,500,000	The Vitex Group	17,550,000	1.18
	Total Industrial Engineering	52,295,800	3.51
INDUSTRIAL MATERIALS (0.44%, Dec 2018 - 0.90%)			
3,155,000	Scapa Group	6,515,075	0.44
	Total Industrial Materials	6,515,075	0.44
INDUSTRIAL METALS AND MINING (1.82%, Dec 2018 - 2.33%)			
2,000,000	Central Asia Metals	4,460,000	0.30
700,000	Hill & Smith Holdings	8,358,000	0.56
970,000	Kenmare Resources	1,746,000	0.12
3,035,000	Tricorn Group	546,300	0.04
5,342,500	Trifast	11,967,200	0.80
	Total Industrial Metals and Mining	27,077,500	1.82
INDUSTRIAL SUPPORT SERVICES (8.18%, Dec 2018 - 7.46%)			
1,400,000	Alpha Financial Markets Consulting	3,136,000	0.21
2,222,600	Boku 'Reg S'	2,511,538	0.17
500,000	Diploma	7,935,000	0.53
779,000	Impellam Group	3,552,240	0.24
1,000,000	Midwich Group	5,900,000	0.40
1,704,041	Mind Gym	2,044,849	0.14
5,000,000	Restore	19,300,000	1.30
2,800,000	Robert Walters	18,480,000	1.24
2,621,010	RWS Holdings	17,036,565	1.14
2,600,000	SafeCharge International Group	11,180,000	0.75
3,360,000	Science Group	6,585,600	0.44
2,400,000	Smart Metering Systems	12,108,000	0.81
2,250,000	Vesuvius	12,138,750	0.81
	Total Industrial Support Services	121,908,542	8.18
INDUSTRIAL TRANSPORTATION (5.61%, Dec 2018 - 5.98%)			
727,233	Clarkson	18,071,740	1.21
105,816,900	DX (Group)	14,338,190	0.96
795,000	Eddie Stobart Logistics	580,350	0.04

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as at 20 June 2019

Holding or nominal value		Bid value £	Percentage of total net assets %
INDUSTRIAL TRANSPORTATION (continued)			
790,255	Fisher (James) & Sons	14,667,133	0.99
1,900,000	Gama Aviation	1,653,000	0.11
144,232,953	Mercantile Ports & Logistics	2,884,659	0.19
1,252,500	Ocean Wilsons (Holdings)	13,527,000	0.91
4,288,250	Redde	4,339,709	0.29
1,555,750	Vp	13,566,140	0.91
	Total Industrial Transportation	83,627,921	5.61
INVESTMENT BANKING AND BROKERAGE SERVICES (3.04%, Dec 2018 - 4.69%)			
2,258,936	Cenkos Securities	1,287,594	0.09
875,000	City of London Investment Group	3,570,000	0.24
3,747,829	Draper Esprit	19,638,624	1.32
2,291,607	IntegraFin Holdings	8,672,587	0.58
1,725,000	SANNE Group	12,109,500	0.81
	Total Investment Banking and Brokerage Services	45,278,305	3.04
LEISURE GOODS (3.36%, Dec 2018 - 1.92%)			
3,300,000	Codemasters Group Holdings	7,854,000	0.53
2,850,000	Focusrite	15,105,000	1.02
100,000	Frontier Developments	1,080,000	0.07
250,000	Games Workshop Group	12,525,000	0.84
475,000	Keywords Studios	7,913,500	0.53
2,000,000	Team17 Group	5,560,000	0.37
	Total Leisure Goods	50,037,500	3.36
LIFE INSURANCE (0.23%, Dec 2018 - 0.41%)			
6,200,000	Just Group	3,431,700	0.23
	Total Life Insurance	3,431,700	0.23
MEDIA (8.04%, Dec 2018 - 7.34%)			
350,000	4imprint Group	9,240,000	0.62
1,337,000	Ebiquity	668,500	0.04
4,663,894	Everyman Media Group	7,695,425	0.52
2,109,716	Future	22,869,322	1.54
1,188,000	GlobalData	9,028,800	0.61
17,119,094	Huntsworth	17,632,667	1.18
1,200,000	Next Fifteen Communications Group	7,416,000	0.50
15,570,000	S4 Capital	25,534,800	1.71
4,582,492	Tarsus Group	19,613,066	1.32
	Total Media	119,698,580	8.04
MEDICAL EQUIPMENT AND SERVICES (1.90%, Dec 2018 - 1.79%)			
3,800,000	Advanced Medical Solutions Group	12,103,000	0.81
9,200,000	Creo Medical Group	16,192,000	1.09
	Total Medical Equipment and Services	28,295,000	1.90
NON-RENEWABLE ENERGY (1.70%, Dec 2018 - 2.16%)			
50,000,000	Amerisur Resources	6,100,000	0.41
8,800,000	Enteq Upstream	2,552,000	0.17
11,629,098	Hurricane Energy	6,419,262	0.43
175,570	Indus Gas	456,482	0.03
4,000,000	Premier Oil	3,035,200	0.20
5,250,000	Serica Energy	6,825,000	0.46
	Total Non-Renewable Energy	25,387,944	1.70

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PORTFOLIO STATEMENT

as at 20 June 2019

Holding or nominal value		Bid value £	Percentage of total net assets %
OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (0.06%, Dec 2018 - 0.11%)			
4,373,736	Geiger Counter	809,141	0.05
2,762,500	Geiger Counter Sub Shares	104,975	0.01
	Total Open End and Miscellaneous Investment Vehicles	914,116	0.06
PERSONAL CARE, DRUG AND GROCERY STORES (0.42%, Dec 2018 - 0.56%)			
275,000	Greggs	6,286,500	0.42
	Total Personal Care, Drug and Grocery Stores	6,286,500	0.42
PERSONAL GOODS (0.69%, Dec 2018 - Nil)			
3,500,000	Watches of Switzerland Group	10,325,000	0.69
	Total Personal Goods	10,325,000	0.69
PHARMACEUTICALS, BIOTECHNOLOGY AND MARIJUANA PRODUCERS (7.15%, Dec 2018 - 6.94%)			
800,000	Abcam	11,576,000	0.78
1,650,000	Clinigen Group	17,176,500	1.15
500,000	Dechra Pharmaceuticals	13,850,000	0.93
2,688,742	Destiny Pharma	2,097,219	0.14
1,250,000	ECO Animal Health Group	4,375,000	0.29
848,850	Genus	22,273,824	1.50
7,855,000	Horizon Discovery Group	11,421,170	0.77
1,250,000	Mereo BioPharma Group	687,500	0.05
3,100,000	Oxford BioMedica	22,940,000	1.54
	Total Pharmaceuticals, Biotechnology and Marijuana Producers	106,397,213	7.15
PRECIOUS METALS AND MINING (1.05%, Dec 2018 - 0.81%)			
1,700,000	Polymetal International	15,585,600	1.05
	Total Precious Metals and Mining	15,585,600	1.05
REAL ESTATE INVESTMENT AND SERVICES (1.67%, Dec 2018 - 2.38%)			
3,000,000	CLS Holdings	6,480,000	0.44
4,175,313	Grainger	10,179,413	0.68
1,640,000	Lok'nStore Group	8,134,400	0.55
	Total Real Estate Investment and Services	24,793,813	1.67
REAL ESTATE INVESTMENT TRUSTS (1.49%, Dec 2018 - 1.52%)			
400,000	Big Yellow Group	4,048,000	0.27
1,807,000	Safestore Holdings	11,122,085	0.75
800,000	Workspace Group	7,032,000	0.47
	Total Real Estate Investment Trusts	22,202,085	1.49
RETAILERS (3.05%, Dec 2018 - 2.45%)			
1,940,000	Applegreen	9,021,000	0.61
4,032,343	JD Sports Fashion	23,677,918	1.59
3,750,000	Joules Group	9,787,500	0.66
4,000,000	Lookers	2,836,000	0.19
	Total Retailers	45,322,418	3.05
SOFTWARE AND COMPUTER SERVICES (9.15%, Dec 2018 - 8.14%)			
6,848,859	1Spatial	2,123,146	0.14
675,425	accesso Technology Group	4,525,348	0.30
4,265,000	Aptitude Software Group	18,296,850	1.23
3,750,000	Ascential	13,417,500	0.90
625,000	Bango	518,750	0.03
2,369,612	Blancco Technology Group	3,151,584	0.21
4,600,000	Brady	2,622,000	0.18
417,868	EMIS Group	4,914,128	0.33

MARLBOROUGH SPECIAL SITUATIONS FUND

PORTFOLIO STATEMENT

as at 20 June 2019

Holding or nominal value		Bid value £	Percentage of total net assets %
SOFTWARE AND COMPUTER SERVICES (continued)			
525,250	FDM Group (Holdings)	4,874,320	0.33
175,000	First Derivatives	5,923,750	0.40
2,407,077	GB Group	12,853,791	0.86
10,000,000	GoCo Group	9,700,000	0.65
19,270,390	Idox	6,590,473	0.44
2,519,572	K3 Business Technology Group	5,291,101	0.36
1,427,503	Kape Technologies	1,142,002	0.08
4,500,000	Learning Technologies Group	4,113,000	0.28
1,000,000	LoopUp Group	2,950,000	0.20
32,000,000	Minds + Machines Group	1,760,000	0.12
7,100,000	NCC Group	11,615,600	0.78
2,463,484	Sanderson Group	2,857,641	0.19
3,200,000	SDL	17,024,000	1.14
	Total Software and Computer Services	136,264,984	9.15
TECHNOLOGY HARDWARE AND EQUIPMENT (1.83%, Dec 2018 - 1.46%)			
5,400,000	Concurrent Technologies	3,996,000	0.27
375,000	Gooch & Housego	3,993,750	0.27
2,714,029	IQE	1,924,247	0.13
2,506,185	Quixant	5,513,607	0.37
5,000,000	TT Electronics	11,800,000	0.79
	Total Technology Hardware and Equipment	27,227,604	1.83
TELECOMMUNICATIONS EQUIPMENT (0.91%, Dec 2018 - 0.45%)			
9,000,000	Spirent Communications	13,608,000	0.91
	Total Telecommunications Equipment	13,608,000	0.91
TELECOMMUNICATIONS SERVICE PROVIDERS (0.90%, Dec 2018 - 0.78%)			
650,000	Gamma Communications	7,182,500	0.48
639,000	Maintel Holdings	2,811,600	0.19
3,302,858	Zegona Communications	3,368,915	0.23
	Total Telecommunications Service Providers	13,363,015	0.90
TRAVEL AND LEISURE (6.77%, Dec 2018 - 7.36%)			
2,550,000	888 Holdings	4,034,100	0.27
7,432,500	Arena Events Group	2,675,700	0.18
6,000,000	Cineworld Group	15,906,000	1.07
3,003,668	City Pub Group (The)	6,157,519	0.41
1,550,598	Escape Hunt	930,359	0.06
1,400,000	GVC Holdings	8,904,000	0.60
2,966,825	Hollywood Bowl Group	6,823,698	0.46
100,000	JPJ Group	737,000	0.05
4,250,000	On the Beach Group	20,102,500	1.35
900,000	PPHE Hotel Group	17,370,000	1.17
11,485,000	Sportech	3,491,440	0.23
3,019,078	The Gym Group	7,245,787	0.49
247,725	Young & Co's Brewery 'A'	4,335,188	0.29
200,000	Young & Co's Brewery 'NV'	2,100,000	0.14
	Total Travel and Leisure	100,813,291	6.77
OVERSEAS SECURITIES (2.06%, Dec 2018 - 2.82%)			
1,050,000	ADES International Holding	11,387,928	0.77
344,800	Autolus Therapeutics	4,479,365	0.30
952,998	Cobalt 27 Capital	2,265,164	0.15
30,955	EastCoal	1,106	0.00
160,000	Hansa Medical	2,144,221	0.14

MARLBOROUGH SPECIAL SITUATIONS FUND

PORTFOLIO STATEMENT

as at 20 June 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
OVERSEAS SECURITIES (continued)		
139,102,000 IRC	3,328,870	0.22
118,836 Kalina Power	1,422	0.00
5,600,000 Summit Germany	6,268,016	0.42
2,000,000 Symphony International Holdings	935,241	0.06
Total Overseas Securities	30,811,333	2.06
UNQUOTED SECURITIES (1.69%, Dec 2018 - 1.71%)		
2,200,000 Ambrian	0	0.00
590,000 Avanti Capital	0	0.00
779,000 Carlisle Support Services Group	0	0.00
4,800,000 Genagro	78,613	0.01
3,215,000 Goals Soccer Centres	0	0.00
1,000,000 Lamaune Iron	0	0.00
14,479,167 Moxico Resources	3,475,000	0.23
1,641,000 New Finsaga	0	0.00
2,940,000 Normandy	205,800	0.01
7,547,170 Norseman Gold	0	0.00
4,694,056 Patisserie Holdings	0	0.00
420,018 Red Lambda	2,079,624	0.14
327,593 SCA Investments	17,359,153	1.17
1,000,000 Tottenham Hotspur	1,950,000	0.13
11 Walter Energy	0	0.00
Total Unquoted Securities	25,148,190	1.69
Portfolio of investments	1,471,004,721	98.76
Net current assets	18,420,904	1.24
Total net assets	1,489,425,625	100.00

Ambrian is suspended and currently pending bankruptcy.

Avanti Capital is delisted and is being valued at the last traded price until further information is received.

Carlisle Support Services Group shares are a spin off from Impellam, being valued at nil pending receipt of further information.

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

Goals Soccer Centres is suspended pending further information from the company.

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

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

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

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

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

Patisserie Holdings is delisted and is in administration.

Red Lambda is being valued, based on the price of the latest share placing.

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

Tottenham Hotspur is delisted and is being valued using the last auction price of the shares.

Walter Energy is delisted and is in bankruptcy.

PORTFOLIO TRANSACTIONS

for the six month period ended 20 June 2019

	£
Total purchases cost, including transaction charges	173,121,717
Total sales proceeds, net of transaction charges	215,712,086

MARLBOROUGH SPECIAL SITUATIONS FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 20 June 2019

	20 June 2019		20 June 2018	
	£	£	£	£
Income:				
Net capital gains/(losses)		145,018,212		112,976,484
Revenue	17,574,096		16,592,546	
Expenses	<u>(7,331,780)</u>		<u>(7,983,925)</u>	
Net revenue/(expense) before taxation	10,242,316		8,608,621	
Taxation	<u>(135,124)</u>		<u>(260,021)</u>	
Net revenue/(expense) after taxation		<u>10,107,192</u>		<u>8,348,600</u>
Total return before distributions		155,125,404		121,325,084
Distributions		<u>(10,107,192)</u>		<u>(8,348,600)</u>
Change in net assets attributable to unitholders from investment activities		<u>145,018,212</u>		<u>112,976,484</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 20 June 2019

	20 June 2019		20 June 2018	
	£	£	£	£
Opening net assets attributable to unitholders		* 1,402,213,725		1,496,252,160
Amounts receivable on issue of units	12,282,675		82,074,467	
Amounts payable on cancellation of units	(80,038,416)		(9,462,667)	
Amounts payable on unit class conversions	<u>(44,616)</u>		<u>(19,629)</u>	
		(67,800,357)		72,592,171
Change in net assets attributable to unitholders from investment activities		145,018,212		112,976,484
Retained distribution on accumulation units		9,994,045		8,465,835
Closing net assets attributable to unitholders		<u>1,489,425,625</u>		* <u>1,690,286,650</u>

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

MARLBOROUGH SPECIAL SITUATIONS FUND

BALANCE SHEET

as at 20 June 2019

	20 June 2019	20 December 2018
	£	£
Assets:		
Fixed Assets:		
Investments	1,471,004,721	1,368,514,991
Current Assets:		
Debtors	6,619,536	3,002,524
Cash and bank balances	17,967,277	36,053,207
Total assets	<u>1,495,591,534</u>	<u>1,407,570,722</u>
Liabilities:		
Creditors:		
Other creditors	<u>6,165,909</u>	<u>5,356,997</u>
Total liabilities	<u>6,165,909</u>	<u>5,356,997</u>
Net assets attributable to unitholders	<u><u>1,489,425,625</u></u>	<u><u>1,402,213,725</u></u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 20 June 2019

Basis for preparation

The interim financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

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

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

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 20 December 2018 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 20 June 2019.

Marlborough

— Fund Managers —

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