



Marlborough Global Fund

Short Report

For the period from 1st July 2012 to 30th June 2013

Fund Details

Marlborough Global Fund

Manager and Registrar

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

Customer Support: 0808 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Authorised and regulated by the Financial Conduct Authority

Investment Adviser

Marlborough Investment Management Limited
PO Box 1852
Lichfield
Staffordshire
WS13 8XU

Authorised and regulated by the Financial Conduct Authority

Auditors

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

Directors of Marlborough Fund Managers Limited

Andrew Staley	Chairman
John R Heap	Director - Strategic Development
Nicholas F J Cooling	Deputy Chairman
B John Leyland	Finance Director
Geoffrey Hitchin	Investment Director
Keith Ounsworth	Director - Sales
Allan Hamer	Joint Managing Director
Wayne D Green	Joint Managing Director

GENERAL INFORMATION

Investment Objective

The investment objective is to provide medium to long term capital growth. It is intended that this objective will be achieved by the Scheme investing primarily in a diversified portfolio of units/shares of collective investment schemes, (including, but not restricted to, Exchange Traded Funds, collective investment schemes which themselves invest in property and/or the shares of property companies, and index-linked collective investment schemes), and transferable securities (including, but not restricted to, shares in investment companies including investment trusts which themselves invest in equities, property and/or the shares of property investment companies, and equity linked transferable securities and fixed interest securities), on a global basis. The Scheme is also permitted to invest in money market instruments, government and public securities, cash and near cash, warrants and deposits as permitted for non-UCITS retail Schemes in accordance with COLL. The Scheme may only invest in derivatives and forward transactions for the purposes of hedging. It is intended that the assets of the Scheme will be managed such that it is eligible for quotation within the Investment Management Association's Global sector, further details of which may be found via the IMA's website at www.investmentfunds.org.uk.

Reports and Accounts

The purpose of sending this Short Report is to present you with a summary of how the fund has performed during the accounting period in accordance with the FCA rules. If you wish to request further information, the more detailed long form report is available. For a copy please write to Marlborough Fund Managers Ltd, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or telephone customer services on 0808 145 2500.

Risk Profile

The fund aims to achieve capital growth over time by a spread of investments covering a mixture of equities, both in the UK and overseas and fixed interest stocks may also included. This aim is mainly to be achieved by investing in other collective investments schemes. This gives a wide spread of investments which may help to mitigate the risks. The main risks arising from the financial instruments held are foreign currency, interest rate and market price. These risks are monitored by the Manager in pursuance of the investment objective and policy set out in the prospectus. There is considered to be little exposure to either liquidity risk as the assets are mainly readily realisable or credit risk.

Change in Prospectus

From 31 December 2012 class B units and class P units became available for purchase in the Fund, the existing units were reclassified as class A units. Also from that date, the manager's periodic charge and trustee's fees are calculated on a daily basis.

Up to date key investor information documents, the full prospectus and manager's reports and accounts for any fund within the manager's range, can be requested by the investor at any time.

Risk Warning

The past is not necessarily a guide to future performance. Investments and the income derived from them can fall as well as rise and the investor may not get back the amount originally invested. The fund is subject to an initial charge and consequently charges are not made uniformly throughout the period of the investment. Changes in exchange rates between currencies may cause the value of the investment to diminish or increase.

AUTHORISED INVESTMENT ADVISER'S REPORT

For the year ended 30 June 2013

Percentage change and sector position to 30 June 2013

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since 22 Feb 1999**</u>
Marlborough Global Fund	9.00%	18.94%	18.29%	16.17%	76.30%
Quartile Ranking*	4	3	4	4	3

* Based on ranking within IMA Global Sector

** Gurjit Soggi appointed investment manager

External Source of Economic Data: Morningstar (bid to bid, net income reinvested)



During the period under review the bid (selling price) of accumulation units (with income re-invested) increased by 18.94% from 127.00p to 151.05p. The Standard & Poor's Global Growth sector average rose by 21.76% over this period.

Following a mixed first half of 2012 the second half proved very positive led by the developed markets and in particular the Japan Index which gained 26.14% during the twelve month period. Similarly the S&P 500 Composite Index followed with a rise of 24.71% whilst the MSCI Europe Ex-UK Index ended the period up 17.55%. In the UK the FTSE 100 Index closed the period with a gain of 15.81% while both Asia and the Emerging Markets lagged with returns of 9.82% and 6.47% respectively. Peripheral markets lagged, albeit with a reasonable return of 11.00% in the MSCI Golden Dragon Index (China) and 8.12% in the Indian S&P BSE Sensex Index. Within the commodities complex Oil provided investors with reasonable returns gaining of 8.32%.

We made a number of adjustments to the portfolio during the reporting period aimed at capturing the rally throughout 2012 and into 2013. We increased exposure to UK and European equities by 5.2% and 2.7% respectively at the expense of both the US and Far East. This was done to both rebalance the fund and to increase exposure to these markets which had previously lagged and were due a reversal of fortunes from oversold levels. We also increased exposure to the specialist sector, more specifically, to the Polar Capital Healthcare fund. The fund had experienced a strong bounce, however given the strong support the sector has from President Obama, we feel that the story had and still has further to run.

The portfolio underwent a significant overhaul to reflect the change in leadership. The most significant of these changes included the switch out of the JOHCM UK Opportunities fund in favour of the Cazenove UK Opportunities fund. We also switched out of the Henderson US Growth fund in favour of Polar Capital North American and in Europe we sold Argonaut European Alpha in favour of the Henderson European Special Situations and F&C European Small Cap funds. We sold the Aberdeen Emerging Markets fund in favour of the smaller and more nimble Polar Capital Emerging Markets Income and Templeton Frontier Markets funds. Aberdeen now run £16.2 billion in the emerging markets and we feel that at this level, the mandate has become too unwieldy and will at best deliver mediocre returns going forward. Will Calvert, the manager who runs the Polar Capital fund on the other hand has a strong track record of delivering strong risk adjusted returns in the region having previously worked at AXA Framlington.

From a fundamental perspective, there are a number of reasons to remain positive for the year ahead. Strong Labour market numbers are emerging from the US, UK and Japan while select Chinese data remains surprisingly positive. More recently, investor sentiment was shaken by comments from the US Federal Reserve Chairman Ben Bernanke relating to the tapering of the Quantitative Easing program which may begin later this year should economic data continue to improve as expected. Despite continued signs of a sustained economic recovery we remain cautious as a number of issues remain unresolved. In addition, the sharp correction which occurred in late May continues to point to nervousness on the part of investors. Markets remain stretched following a strong

AUTHORISED INVESTMENT ADVISER'S REPORT (CONTINUED)

run in 2012 and year to date. We should expect some degree of consolidation over the coming months and we will look to redeploy capital when the opportunity presents itself.

Gurjit Soggi BA (Hons)
6 August 2013

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TOP TEN HOLDINGS AS AT 30 JUNE 2013

	%
iShares S&P 500	9.92
Allianz RCM Continental European 'C' (Acc)	8.15
Polar North American 'I' GBP	7.97
MM US Equity Value '1G' USD (Acc)	7.65
Cazenove UK Opportunities 'X' (Acc)	6.82
CF Lindsell Train UK Equity (Acc)	6.63
Wells Fargo US All Cap Growth 'I'	6.43
Polar Healthcare Opportunities 'I' GBP	5.80
F&C European Small Cap 'A' (Eur)	4.87
JO Hambro Asia ex Japan Small & Mid Cap 'B' GBP	4.86

TOP TEN HOLDINGS AS AT 30 JUNE 2012

	%
Allianz RCM Continental European C	9.91
Wells Fargo US All Cap Growth	9.57
MM US Equity Value 1G	8.60
iShares S&P 500	8.56
Prusik Asian Equity Income B	7.79
Schroder Asian Alpha Plus Z	7.19
DB X-Trackers MSCI Philippines IM Trn Index	6.20
Aberdeen Emerging Markets A	5.71
GLG Japan Core Alpha Prof	5.11
CF Lindsell Train UK Equity	4.45

AUTHORISED INVESTMENT ADVISER'S REPORT (CONTINUED)

Material Portfolio Changes

For the year ended 30 June 2013

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
iShares FTSE XINHUA China 25	1,847,354	iShares FTSE XINHUA China 25	1,504,861
Cazenove UK Opportunities 'X' (Acc)	1,194,760	Polar North American 'I' Hedged	1,080,790
Polar North American 'I' GBP	1,163,319	Aberdeen Emerging Markets 'A' (Acc)	1,059,080
DB X-Trackers DJ Euro STOXX 50	1,042,472	Schroder Asian Alpha Plus 'Z' (Acc)	1,040,067
Polar North American 'I' Hedged	1,026,200	DB X-Trackers DJ Euro STOXX 50	1,035,473
iShares S&P 500	983,008	Cazenove European 'X' (Acc)	974,233
Aberdeen Emerging Markets 'I' (Acc)	927,220	Aberdeen Emerging Markets 'I' (Acc)	916,725
Polar Healthcare Opportunities 'I' GBP	926,500	AXA Framlington Amer Growth 'Z' (Acc)	669,000
Cazenove European 'X' (Acc)	913,810	DB X-Trackers DAX 1C	541,143
J O Hambro Asia Ex Japan Sm & Mid Cap	848,360	Aberdeen Japan Growth 'I' (Acc)	527,120
Aberdeen Japan Growth 'I' (Acc)	790,620	DB X-Trackers MSCI Philippines	498,380
F&C European Small Cap 'A' (Eur)	785,649	Wells Fargo US All Cap Growth 'I'	482,646
Prusik Asian Equity Income '2X' USD	719,029	Eldorado Gold	457,318
MM US Equity Value '1G' USD (Acc)	647,977	DB X-Trackers MSCI Japan Hedged	434,924
CF Lindsell Train UK Equity (Acc)	626,502	Allianz RCM Continental Euro 'C' (Acc)	402,800
Allianz RCM Continental Euro 'C' (Acc)	579,802	New Gold	402,165
Wells Fargo US All Cap Growth 'I'	573,692	GLG Japan Core Alpha Prof (Acc)	380,716
DB X-Trackers DAX 1C	523,333	Henderson US Growth Ret (Acc)	373,918
Eldorado Gold	513,235	J O Hambro UK Opportunities Inst (Acc)	365,529
Aberdeen Emerging Markets 'A' (Acc)	496,205	Ignis Argonaut European Alpha 'I' (Acc)	342,764
Henderson European Special Sits 'I' (Acc)	487,500	iShares MSCI Australia	339,243
Templeton Frontier Markets 'W' (Acc)	479,900	MM US Equity Value '1G' USD (Acc)	329,253
New Gold	453,135	iShares S&P 500	320,893
DB X-Trackers MSCI Japan	448,290	Prusik Asian Equity Income 'B' USD	274,758
DB X-Trackers MSCI Japan Hedged	447,863	Cazenove UK Opportunities 'X' (Acc)	270,560
AXA Framlington Amer Growth 'Z' (Acc)	368,800	Powershares EQQQ	268,372
Schroder Asian Alpha Plus 'Z' (Acc)	341,033	DB X-Trackers MSCI Korea	267,826
Polar Emerging Markets 'I' (Acc) GBP	333,340	DB X-Trackers S&P CNX Nifty	259,922
iShares MSCI Emerging Mkts Small Cap	331,609	Polar Healthcare Opportunities 'I'	188,265
iShares MSCI Australia	320,621		
DB X-Trackers MSCI Korea	264,232		
DB X-Trackers S&P CNX Nifty	257,041		
iShares FTSE 100	192,518		
Other purchases	149,505	DB X-Trackers MSCI Japan	237,919
Total purchases for the year	22,004,434	Total sales for the year	16,246,663

MARLBOROUGH GLOBAL FUND

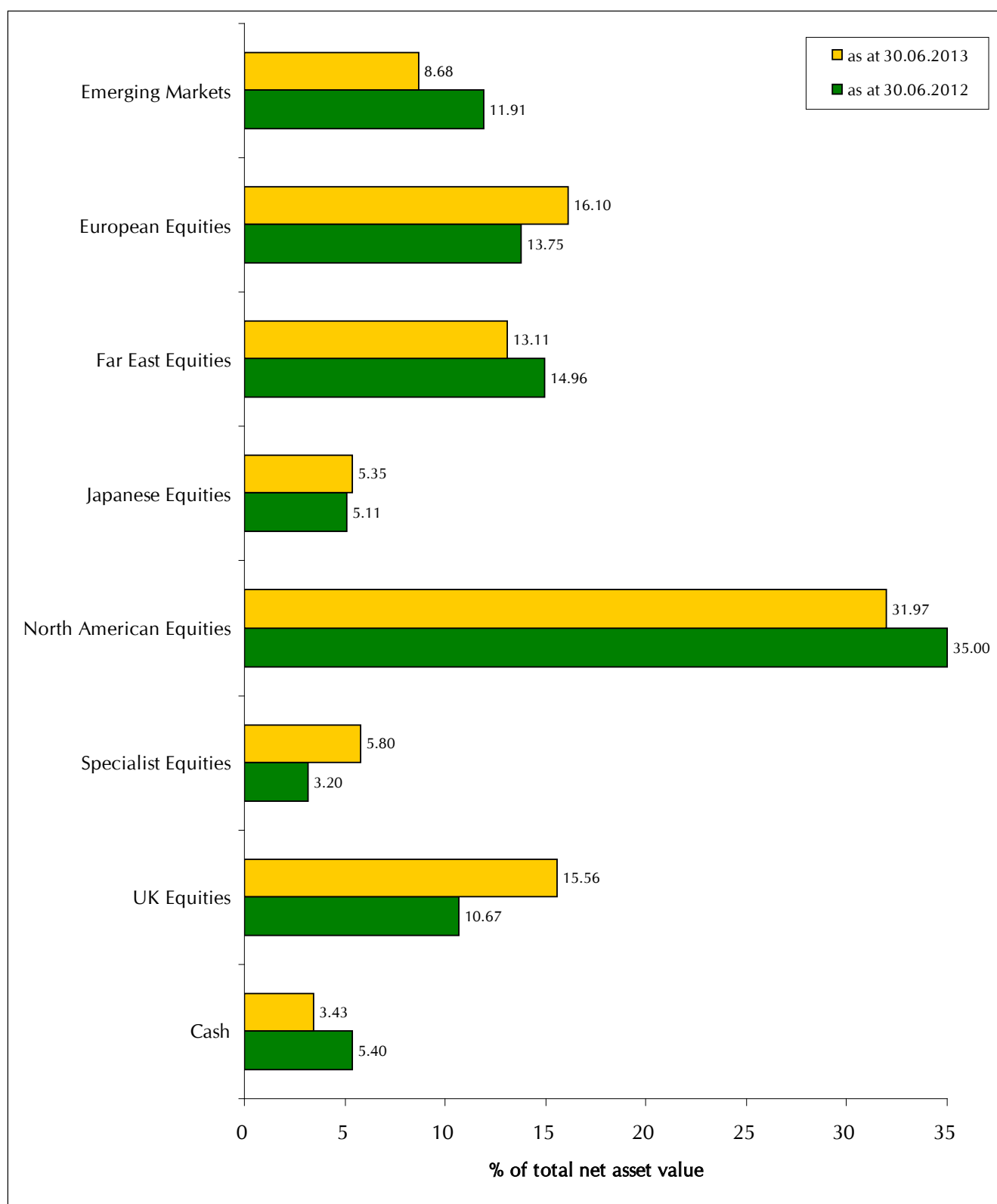
SUMMARY OF FUND PERFORMANCE

Unit Type	Year	Highest Price	Lowest Price	Distribution Per Unit
<u>Class A</u>				
Accumulation	2008	154.29p	96.42p	-
Accumulation	2009	136.57p	96.16p	-
Accumulation	2010	148.23p	124.12p	-
Accumulation	2011	149.43p	118.41p	-
Accumulation	2012	145.88p	124.53p	-
Accumulation	2013*	169.75p	138.22p	-
<u>Class B</u>				
Accumulation	2013*	169.65p	138.22p	-
<u>Class P</u>				
Accumulation	2013*	163.36p	138.22p	-

*up to 30th June 2013

	Net Asset Value of Scheme Property	Number of accumulation units in issue	Net Asset Value Per Accumulation Unit
<u>Class A</u>			
30 June 2011	£9,848,462	7,135,607	138.02p
30 June 2012	£8,268,638	6,511,274	126.99p
30 June 2013	£15,982,000	10,582,179	151.03p
<u>Class B</u>			
30 June 2013	£1,030	680	151.39p
<u>Class P</u>			
30 June 2013	£1,080	712	151.58p

PORTFOLIO BREAKDOWN



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