



MARLBOROUGH CAUTIOUS FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the six month period ended 31st October 2017

MARLBOROUGH CAUTIOUS FUND

Authorised Fund Manager and Registrar

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Bolton
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Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Trustee

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London
E14 5HQ

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

Investment Adviser

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Lichfield
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WS13 8XU

Authorised and regulated by the Financial Conduct Authority.

Auditor

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Directors of Marlborough Fund Managers Limited

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

MARLBOROUGH CAUTIOUS FUND

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MARLBOROUGH CAUTIOUS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 October 2017

Percentage change and sector position to 31 October 2017

	<u>Six Months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since 2 Oct 2000*</u>
Marlborough Cautious Fund	4.20%	6.11%	23.49%	45.88%	136.81%
Quartile Ranking**	1	3	2	2	3

* Gurjit Soggi appointed investment adviser.

** Based on ranking within The Investment Association's Mixed Investment 20-60% Shares sector.

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

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



Gurjit Soggi

During the period under review the bid (selling price) of P accumulation units increased from 100.11p at the start of the period to 104.31p, an increase of 4.2%. The Morningstar Cautious Managed sector average increased by 3.11% over this period, and the Fund outperformed by 1.09%.

The MSCI Emerging Markets Index led over the reporting period by a significant margin closing up 12.28% followed by the MSCI Asia Pacific Index which closed the period up 8.06%. In Japan, the Nikkei 225 index rose 7%, and the S&P 500 Composite index increased to finish up 5.67%. The UK and Europe lagged the main markets, returning 4.22% (FTSE 100 index) and 2.5% (MSCI Europe ex-UK index) respectively. Focusing on the peripheral markets, Brazil benefited from a strong run as crude prices rallied (Brent Crude +11.23%), closing the six months up 13.59% (BOVESPA index).

From an asset allocation perspective, there were no drastic changes to the portfolio. At a higher level, we reduced the Fund's exposure to bonds by a little over 3%, and this was achieved by reducing our exposure to Gilts. Other shifts included the reduction of our exposure to UK corporates (-1.9%) in favour of Global fixed interest strategies (+1.9%). Moving onto the developed markets we reduced our

UK equity exposure in favour of the US. Finally, we reduced our exposure to Emerging Markets equities (-2.29%) with the main beneficiaries being Asia and Japan (+1.91%).

The stand out performer over the period was the Atlantis Japan Opportunities Fund which rose 28.4% and was supported by continued strength in mid and small caps in the region. The Polar Capital UK Absolute Equity fund gained an impressive 25.6% and was our second-best performer during the reporting period. The Hermes Global Emerging Market fund followed, gaining 18.04%. Japan as a region was one of our best performers from a portfolio attribution perspective, and the Baillie Gifford Japanese Smaller Companies fund and the DB X-trackers MSCI Japan ETF closed the 6 months up 17.41% and 15.63% respectively.

We are approaching the 9-year point in the bull market and despite continued expectations of a more significant pullback, markets appear content to power ahead. The thing is, despite the apparent expensive valuations in developed equity markets, particularly in the US with interest rates rising, equities may well continue to be supported with fund flows out of fixed interest assets. Therefore, we expect any pullback over the following period to be short lived and to provide an opportunity for investors to get into markets at lower levels. That said, we continue to favour Asia and the Emerging Markets as they have lagged their developed markets counterparts in recent years. We maintain a close eye on several indicators to judge market health, and remain ever vigilant about the risks ahead.

Marlborough Investment Management Ltd
7 December 2017

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MARLBOROUGH CAUTIOUS FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 31 October 2017

Distributions (pence per unit)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Class A Income</u>				
Net income paid 30 June	0.8256	0.4160	0.4412	0.6970
Net income paid 31 December	1.0668	0.6587	0.4722	0.6412
<u>Class A Accumulation</u>				
Net income paid 30 June	1.3294	0.6614	0.6940	1.0784
Net income paid 31 December	1.7331	1.0528	0.7466	1.0006
<u>Class B Income</u>				
Net income paid 30 June	0.8534	0.4280	0.4520	0.6993
Net income paid 31 December	1.1055	0.6820	0.4767	0.6467
<u>Class B Accumulation</u>				
Net income paid 30 June	0.8460	N/A	N/A	N/A
Net income paid 31 December	1.1153	N/A	N/A	N/A
<u>Class P Income</u>				
Net income paid 30 June	0.8492	0.4256	0.4480	0.7025
Net income paid 31 December	1.1037	0.6766	0.4812	0.6493
<u>Class P Accumulation</u>				
Net income paid 30 June	0.9007	0.4457	0.4641	0.7158
Net income paid 31 December	1.1808	0.7121	0.5011	0.6674

Material portfolio changes

Major purchases	Cost (£)	Major sales	Proceeds (£)
Man GLG UK Income 'D' (Inc)	490,600	iShares Core UK Gilts GBP (Dist)	314,472
Schroder Recovery 'Z' GBP (Acc)	362,500	BlackRock UK Income 'D' GBP (Acc)	288,900
Polar Capital UK Value Opportunities 'I' GBP (Dist)	315,300	Allianz Strategic Bond 'C' GBP (Inc)	278,787
Kotak India Midcap 'C' GBP (Acc)	214,700	CF Lindsell Train UK Equity (Inc)	262,207
ETFS 3x Short EUR Long USD	213,251	Source FTSE RAFI UK Equity Income Physical	253,601
GAM Star Credit Opps 'Institutional' GBP (Acc)	172,600	Fidelity American Special Situations 'W' (Acc)	207,232
PowerShares FTSE RAFI UK 100	149,793	Henderson Emerging Markets Opps 'I' (Acc)	205,909
db x-trackers MSCI Japan Index '6C' GBP	147,084	iShares MSCI EM Asia USD (Acc)	190,814
Old Mutual North American Equity 'U1' GBP (Acc)	142,000	ETFS 3x Daily Short FTSE 100	186,204
Atlantis Japan Opportunities GBP	119,000	Schroder Recovery 'Z' GBP (Acc)	167,890
First Trust Eurozone AlphaDEX® 'A' EUR	112,693	Schroder European Alpha Income 'Z' GBP (Inc)	162,200
Man GLG Continental European Growth 'C' (Acc)	106,700	PowerShares FTSE RAFI UK 100	148,854
ETFS 3x Daily Short DAX 30	106,170	Hermes Global Emerging Markets 'F' Stg£ (Acc)	139,000
iShares STOXX Europe 600 Technology	106,122	Baillie Gifford Japanese Smaller Cos 'B' (Acc)	119,200
iShares MSCI EM Asia USD (Acc)	105,209	Artemis US Extended Alpha 'I' GBP (Acc)	114,200
ETFS 3x Daily Short FTSE 100	102,798	ETFS 3x Short USD Long GBP	101,791
db x-trackers S&P 500 2x Inverse Daily '1C' USD	102,158	iShares STOXX Europe 600 Technology	101,428
M&G Optimal Income 'I' Sterling (Inc)	95,300	ETFS 3x Short EUR Long USD	97,732
M&G Global Macro Bond 'I' Sterling (Inc)	85,600	Marlborough Special Situations 'P' (Acc)	93,200
LM Western Asset Macro Opps Bnd 'X' US\$ (Acc)	81,116	ETFS 3x Daily Short DAX 30	92,639
Other purchases	316,398	Other sales	580,289
Total purchases for the period	3,647,092	Total sales for the period	4,106,549

MARLBOROUGH CAUTIOUS FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised Status

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

Investment objective

The investment objective of the Fund is to provide an above average and subsequently increasing level of income with the potential for some capital growth.

It is intended that this objective will be achieved by the Fund 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, equity linked transferable securities and fixed interest securities), on a global basis. From time to time the Fund may also invest in fixed interest securities, variable rate and index related securities issued by corporate bodies, government and local and regional agencies on a global basis. The Fund 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 the COLL.

The Fund may only invest in derivatives and forward transactions for the purposes of hedging.

It is intended that the assets of the Fund will be managed such that it is eligible for quotation within The Investment Association's (The IA) Mixed Investment 20-60% Shares sector, further details of which may be found via The IA's website at www.theinvestmentassociation.org.

Changes in prospectus

No changes have been made since the last report.

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 at any time.

Leverage

In accordance with the Alternative Investment Fund Manager's Directive (AIFMD) we are required to disclose the 'leverage' of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways: 'gross method'; and 'commitment method'. The Fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the 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 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 October 2017 is as follows:

Gross method: 94.32%

Commitment method: 94.32%

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

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

MARLBOROUGH CAUTIOUS FUND

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.

A handwritten signature in black ink, appearing to be 'A Hamer', with a long horizontal stroke extending to the left.

ALLAN HAMER
JOINT MANAGING DIRECTOR

A handwritten signature in black ink, appearing to be 'G R Hitchin', written in a cursive style.

G R HITCHIN
INVESTMENT DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
11 December 2017

MARLBOROUGH CAUTIOUS FUND

FUND INFORMATION

Income units were first offered at 50p on 31 May 1994. On 31 December 2012, the existing units were reclassified as Class A units and Class B and P units became available for purchase.

Price and distribution record

Financial year to	Highest price	Lowest price	Net income per unit
<u>Class A Income</u>			
30 April 2015	93.32p	79.02p	1.0824p
30 April 2016	91.43p	78.18p	0.8882p
30 April 2017	97.03p	81.02p	1.4843p
30 April 2018*	99.11p	90.59p	1.0668p
<u>Class A Accumulation</u>			
30 April 2015	146.80p	123.32p	1.6946p
30 April 2016	144.57p	124.31p	1.4080p
30 April 2017	156.20p	129.48p	2.3822p
30 April 2018*	161.01p	147.17p	1.7331p
<u>Class B Income</u>			
30 April 2015	94.22p	79.77p	1.0987p
30 April 2016	92.37p	79.46p	0.9047p
30 April 2017	98.92p	82.47p	1.5354p
30 April 2018*	101.34p	92.64p	1.1055p
<u>Class B Accumulation</u>			
30 April 2017**	98.91p	82.47p	0.8460p
30 April 2018*	102.25p	93.47p	1.1153p
<u>Class P Income</u>			
30 April 2015	91.08p	80.07p	1.0973p
30 April 2016	89.33p	80.01p	0.9068p
30 April 2017	96.06p	83.08p	1.5258p
30 April 2018*	98.57p	93.55p	1.1037p
<u>Class P Accumulation</u>			
30 April 2015	94.36p	82.30p	1.1315p
30 April 2016	93.01p	83.79p	0.9468p
30 April 2017	101.85p	87.45p	1.6128p
30 April 2018*	105.46p	100.09p	1.1808p

* six month period to 31 October 2017.

** period from 18 January 2017.

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FUND INFORMATION

Number of units in issue/Net asset value per unit

	Net asset value of scheme property	Number of units in issue	Net asset value per unit
<u>Class A Income</u>			
30 April 2015	£5,252,483	6,073,144	86.49p
30 April 2016	£4,404,728	5,356,843	82.23p
30 April 2017	£4,702,696	5,190,718	90.60p
31 October 2017	£4,755,722	5,113,459	93.00p
<u>Class A Accumulation</u>			
30 April 2015	£4,603,796	3,366,814	136.74p
30 April 2016	£3,386,351	2,576,911	131.41p
30 April 2017	£3,515,482	2,388,508	147.18p
31 October 2017	£3,618,983	2,368,096	152.82p
<u>Class B Income</u>			
30 April 2015	£1,313	1,500	87.54p
30 April 2016	£1,255	1,500	83.68p
30 April 2017	£1,003	1,083	92.65p
31 October 2017	£994	1,043	95.34p
<u>Class B Accumulation</u>			
30 April 2017	£1,012	1,083	93.48p
31 October 2017	£1,006	1,034	97.30p
<u>Class P Income</u>			
30 April 2015	£1,575,323	1,790,357	87.99p
30 April 2016	£1,209,647	1,435,205	84.28p
30 April 2017	£1,292,943	1,382,061	93.55p
31 October 2017	£1,278,310	1,326,112	96.40p
<u>Class P Accumulation</u>			
30 April 2015	£775,192	846,090	91.62p
30 April 2016	£970,457	1,093,954	88.71p
30 April 2017	£1,008,084	1,007,169	100.09p
31 October 2017	£1,252,274	1,200,578	104.31p

Ongoing charges

	<u>Class A</u>	<u>Class B</u>	<u>Class P</u>
30 April 2017	2.41%	1.91%	1.66%
31 October 2017	2.44%	1.94%	1.69%

The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

Synthetic risk and reward indicator

Lower risk Higher risk

←—————→

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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The 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.

This Fund has been measured as 4 because it has experienced moderate volatility historically.

MARLBOROUGH CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
UK EQUITY (13.86%, April 2017 - 9.27%)		
32,418 ETFS 3x Daily Short FTSE 100 *	95,892	0.88
386,909 Man GLG UK Income 'D' (Inc)	494,856	4.54
16,389 Marlborough Special Situations 'P' (Acc)	281,411	2.58
23,644 Polar Capital UK Value Opportunities 'I' GBP (Dist)	276,876	2.54
328,054 Schroder Recovery 'Z' GBP (Acc)	362,828	3.32
Total UK Equity	1,511,863	13.86
UK EQUITY INCOME (9.20%, April 2017 - 16.08%)		
13,243 BlackRock UK Income 'D' GBP (Acc)	216,790	1.99
327,821 CF Woodford Equity Income 'C' Sterling (Inc)	383,944	3.52
247,688 Franklin UK Equity Income 'W' (Inc)	402,468	3.69
Total UK Equity Income	1,003,202	9.20
UK GILTS (Nil, April 2017 - 3.06%)		
Total UK Gilts	0	0.00
£ CORPORATE BOND (3.87%, April 2017 - 4.01%)		
4,133 Muzinich Global Tactical Credit 'H' GBP Hedged (Inc)	422,090	3.87
Total £ Corporate Bond	422,090	3.87
£ HIGH YIELD (3.54%, April 2017 - 3.70%)		
218,531 M&G Global Floating Rate High Yield 'IH' Sterling (Inc)	221,700	2.03
181,977 Royal London Short Duration Global High Yield Bond 'M' (Inc)	164,981	1.51
Total £ High Yield	386,681	3.54
£ STRATEGIC BOND (16.85%, April 2017 - 17.15%)		
187,776 Fidelity Extra Income 'Y Gross' (Inc)	242,043	2.22
42,061 GAM Star Credit Opportunities 'Institutional' GBP (Acc)	678,416	6.22
1,444 iShares £ Ultrashort Bond GBP (Dist) *	145,006	1.33
279,873 M&G Optimal Income 'I' Sterling (Inc)	425,603	3.90
30,846 M&G Strategic Corporate Bond 'I' Sterling (Inc)	346,677	3.18
Total £ Strategic Bond	1,837,745	16.85
GLOBAL BOND (8.73%, April 2017 - 7.37%)		
5,755 Legg Mason Western Asset Macro Opportunities Bond 'X' US\$ (Acc)	554,789	5.08
306,190 M&G Global Macro Bond 'I' Sterling (Inc)	397,741	3.65
Total Global Bond	952,530	8.73
EUROPE (EX UK) EQUITIES (6.85%, April 2017 - 5.44%)		
2,491 ETFS 3x Short EUR Long USD *	113,217	1.04
4,017 First Trust Eurozone AlphaDEX® 'A' EUR *	113,561	1.04
56,230 Man GLG Continental European Growth 'C' (Acc)	310,390	2.85
93,769 Schroder European Alpha Income 'Z' GBP (Inc)	209,668	1.92
Total Europe (Ex UK) Equities	746,836	6.85
FAR EAST (EX JAPAN) EQUITIES (8.28%, April 2017 - 8.55%)		
3,816 Fidelity Asian Smaller Companies 'Y' GBP (Acc)	105,177	0.96
692 iShares MSCI EM Asia USD (Acc) *	79,912	0.73
10,230 Kotak India Midcap 'C' GBP (Acc)	161,352	1.48
3,534 Prusik Asian Equity Income '1B' USD (Inc)	557,137	5.11
Total Far Eastern (Ex Japan) Equities	903,578	8.28

MARLBOROUGH CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
JAPAN EQUITIES (6.18%, April 2017 - 4.26%)		
10,609 Aberdeen Global Japanese Equity 'R2' Base Curr Exp GBP (Acc)	131,600	1.21
3,067 Atlantis Japan Opportunities GBP	132,468	1.21
3,041 Baillie Gifford Japanese Smaller Companies 'B' (Acc)	125,605	1.15
6,722 db x-trackers MSCI Japan Index '6C' GBP *	156,522	1.44
640 Man GLG Japan CoreAlpha Equity 'IH' GBP	128,145	1.17
Total Japan Equities	674,340	6.18
NORTH AMERICA EQUITIES (8.36%, April 2017 - 9.88%)		
133,602 Artemis US Extended Alpha 'I' GBP (Acc)	250,770	2.30
53,729 db x-trackers S&P 500 2x Inverse Daily '1C' USD *	92,495	0.85
71,784 Loomis Sayles US Equity Leaders 'N' GBP (Acc)	166,439	1.52
198,039 Old Mutual North American Equity 'U1' GBP (Acc)	402,137	3.69
Total North America Equities	911,841	8.36
EMERGING MARKETS EQUITIES (2.20%, April 2017 - 3.72%)		
3,306 First Trust Emerging Markets AlphaDEX® 'A' USD *	76,898	0.70
81,376 Hermes Global Emerging Markets 'F' Stg£ (Acc)	163,077	1.50
Total Emerging Markets Equities	239,975	2.20
SPECIALIST (1.63%, April 2017 - 1.61%)		
6,661 BMO US Real Estate Equity Long/Short 'C' GBP Hedged (Acc)	65,079	0.60
18,173 JPM Natural Resources 'C Net' (Acc)	112,234	1.03
Total Specialist	177,313	1.63
ABSOLUTE RETURN (4.96%, April 2017 - 4.52%)		
126,805 F&C Global Equity Market Neutral '3' (Acc)	77,237	0.71
66,005 Henderson UK Absolute Return 'I' (Acc)	109,899	1.01
67,630 Old Mutual Global Equity Absolute Return 'R' GBP Hedged (Acc)	118,636	1.09
12,038 Polar Capital UK Absolute Equity 'S' Sterling	234,854	2.15
Total Absolute Return	540,626	4.96
Portfolio of investments	10,308,620	94.51
Net current assets on capital account	598,669	5.49
Net assets	10,907,289	100.00

All investments are units/shares in ICVCs and unit trusts which are authorised or 'recognised' by the FCA with the exception of * which are open ended exchange traded funds.

The investments of the Fund have been valued at their fair value at 12 noon on 31 October 2017. 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 authorised fund manager believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the authorised fund manager's best estimate of a fair and reasonable value for that investment. The fair value excludes any element of accrued interest.

PORTFOLIO TRANSACTIONS

for the six month period ended 31 October 2017

	£
Total purchases costs, including transaction charges	3,647,092
Total sales proceeds, net of transaction charges	4,106,549

MARLBOROUGH CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 October 2017

	31 October 2017		31 October 2016	
	£	£	£	£
Income:				
Net capital gains/(losses)		351,944		1,009,704
Revenue	133,619		89,306	
Expenses	<u>(75,672)</u>		<u>(74,498)</u>	
Net revenue/(expense) before taxation	57,947		14,808	
Taxation	<u>0</u>		<u>0</u>	
Net revenue/(expense) after taxation		<u>57,947</u>		<u>14,808</u>
Total return before distributions		409,891		1,024,512
Distributions		(121,731)		(78,339)
Change in net assets attributable to unitholders from investment activities		<u>288,160</u>		<u>946,173</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 31 October 2017

	31 October 2017		31 October 2016	
	£	£	£	£
Opening net assets attributable to unitholders		* 10,521,220		9,972,439
Amounts receivable on issue of units	553,963		352,501	
Amounts payable on cancellation of units	(511,284)		(403,917)	
Amounts payable on unit class conversions	<u>0</u>		<u>0</u>	
Renewal commission		42,679		(51,416)
		0		67
Change in net assets attributable to unitholders from investment activities		288,160		946,173
Retained distribution on accumulation units		55,230		33,699
Closing net assets attributable to unitholders		<u>10,907,289</u>		* <u>10,900,962</u>

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

MARLBOROUGH CAUTIOUS FUND

BALANCE SHEET

as at 31 October 2017

	31 October 2017	30 April 2017
	£	£
Assets:		
Fixed Assets:		
Investments	10,308,620	10,375,761
Current Assets:		
Debtors	58,639	24,891
Cash and bank balances	627,366	212,416
Total assets	<u>10,994,625</u>	<u>10,613,068</u>
Liabilities:		
Creditors:		
Distribution payable on income units	69,200	54,602
Other creditors	18,136	37,246
Total liabilities	<u>87,336</u>	<u>91,848</u>
Net assets attributable to unitholders	<u>10,907,289</u>	<u>10,521,220</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 October 2017

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 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 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 30 April 2017 and are described in those annual financial statements.



Marlborough

— Fund Managers —

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