

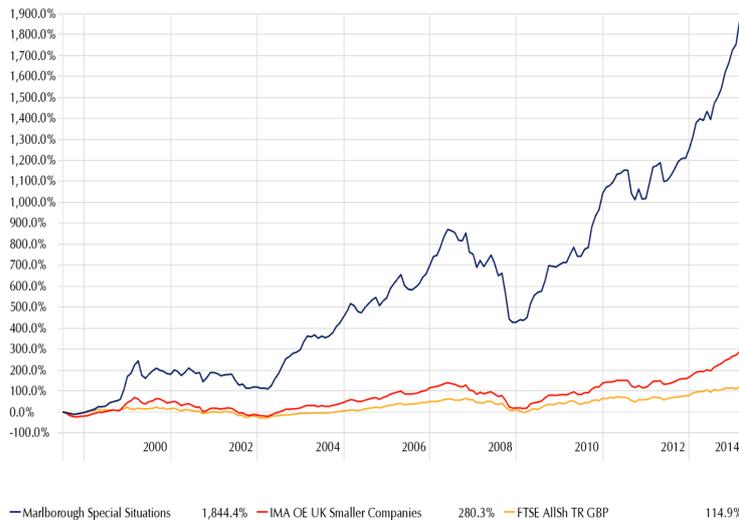
Aims

The investment objective of the Marlborough Special Situations Cell is primarily to achieve capital growth by acting as a feeder fund into the Marlborough Special Situations Fund, a UCITS fund authorised by the Financial Conduct Authority.

Philosophy

The investment philosophy is premised upon the fact that UK smaller companies tend to outperform their larger counterparts over the long term. By conducting its own primary research the investment team believes it can exploit the market information shortfalls and inefficiencies associated with small cap analysis.

Performance



	1 year	3 years	5 years	10 years	Since Mgr appt
Fund	29.8%	62.2%	253.5%	324.7%	1844.4%
IMA UK Smaller Co's Sector Average	29.7%	55.7%	220.8%	193.1%	280.3%
FTSE All-Share Index	8.8%	28.8%	113.3%	128.7%	114.9%

All performance data as at 31/03/2014. Source: Morningstar, bid-bid, GBP, Net Inc Reinvested

Marlborough Special Situations is a cell of Marlborough International Fund PCC Limited, a Class B collective investment scheme authorised by the Guernsey Financial Services Commission. All performance data relates to the master fund.

The Marlborough Special Situations Fund is the top performer of all UK authorised Unit Trust/OEICs investing in UK equities since Giles Hargreave was appointed investment adviser in July 1998.

To view additional portfolio information visit:
<http://www.marlboroughfunds.com/Uploads/FFS-MSSI.pdf>

Process

The portfolio is constructed primarily on a bottom-up basis. However the team is not solely driven by bottom-up factors, there is a macro-economic consensus within the team which generates top-down drivers to the creation of the portfolio.

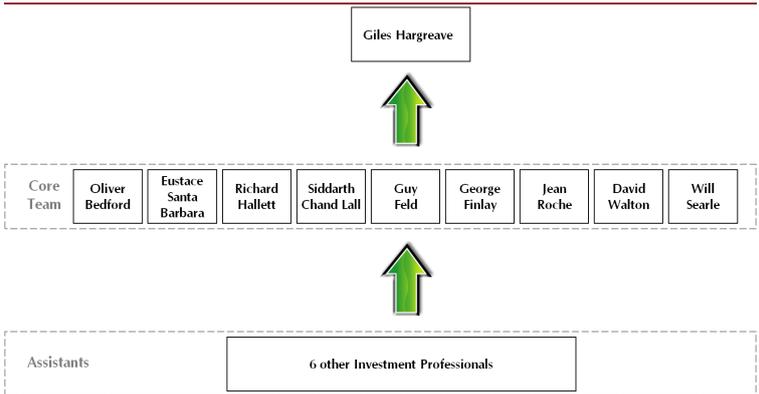
Investment Adviser

The expertise of the investment manager, Giles Hargreave, and his team is the major contributor to the fund's outperformance.

Giles works as part of a ten-strong investment team, which has a combined 150 years of market experience. The size and experience of the team allows them to effectively evaluate a broad range of companies, many of which are out of scope for other research teams. The team meets an average of 25 companies each week.

This breadth of resource allows Giles to construct a diversified portfolio of c.200 holdings. Stock-specific risk is controlled by taking relatively small initial positions and then 'averaging up' as the company management delivers on plans. The maximum position size is usually no more than 2-2.5%.

Investment Team Organisation



Key Points

- Intensive primary research of small cap companies to gain competitive advantage
- Diversified portfolio of c.200 holdings to reduce stock-specific risk and volatility
- Excellent long term track record



Charges:	Initial charge: 5.0%, Annual Management Charge: 1.35%, plus underlying unit trust fee: 0.4%
Identification Codes:	GBP Sedol: BCF5N93, ISIN: GG00BCF5N936
(A Class Shares)	EUR Sedol: BKM3ZN4, ISIN: GG00BKM3ZN42
	USD Sedol: BKM3ZM3, ISIN: GG00BKM3ZM35
Group Details:	Marlborough International Management Limited, Tudor House, Le Bordage, St. Peter Port, Guernsey GY1 1DB
Administrator:	Louvre Fund Services Limited, Suite 7 Provident House, Havilland Street, St. Peter Port, Guernsey GY1 2QE

Top 10 Holdings

Name	% Weight
Plus500	2.11
Restore	1.39
RPC Group	1.37
Regeneris	1.36
TT Electronics	1.32
Advanced Computer Software Group	1.31
Sports Direct International	1.23
Amerisur Resources	1.22
Renew Holdings	1.21
Booker Group	1.20

Monthly Fund Commentary

Top performers during March included commodity software solutions provider Brady (up 31%) whose full year results pointed to strong recent performance and record contracts for the company in the US and Asia. There were also solid performances from Regeneris (+21%) whose first acquisition in the software space was taken well and low cost regional airline Flybe (+21%) which announced it was on track to deliver targets in its turnaround plan. Detractors in the month included ASOS whose heavy investment in warehousing and IT offset a significant increase in sales.

March was another busy month for corporate activity and we participated in IPOs to varying degrees including those of discount retailer Poundland, online retailer Boohoo.com and payment and data processor SafeCharge. We also took part in placings in Hellermannntyton, the electrical component manufacturer, and Goals Soccer Centres, the five-a-side football operator who raised money to fund its expansion in the UK and the US. Partial sales in the month included fashion retailer SuperGroup and exhibition operator ITE. The former was top-sliced following strong performance, while the latter has been hit due to its exposure to Russia.

We remain positive about the outlook for UK equities, though note that the market has made strong gains over the past 18 months with relatively modest earnings growth. As such we need to see improved earnings in 2014 if stock markets are going to rise further in the shorter term.

Giles Hargreave - 08/04/2014

For professional investors only. Investment may only be made on the basis of the current Prospectus. The following is a summary only of some key items in the Prospectus. Investors in Protected Cell Company (PCC) must have the financial expertise and willingness to accept the risks inherent in this investment. These risks include inter alia, the fact that neither the past performance nor operating history of the Company is a guarantee of future performance. It should be appreciated that the value of Shares is not guaranteed and may go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they originally invested. Investors should consult their professional advisers about the consequences to them, and inform themselves of the legal requirements for, acquiring, holding, exchanging redeeming or disposing of Shares under the relevant laws of the jurisdictions to which they are subject, including any tax consequences, exchange control requirements, requisite governmental or other consents and any other formalities. If you are in any doubt about the action you should take, you should consult a suitably qualified and licensed or authorised professional adviser who specialises in advising on the acquisition of shares and other securities. Investment in the Company should only be undertaken as part of a diversified investment portfolio. Investment in the Shares should be viewed as a medium term investment. Shares may not be redeemed otherwise than on any Dealing Day. The Shares of the Company are not listed on any stock exchange and it is not anticipated that there will be any secondary market in the Shares. The Marlborough Special Situations Fund invests in smaller companies which carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The Fund invests mainly in the UK. Therefore it may be more vulnerable to market sentiment in that country.

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