

Aims

The investment objective of the Marlborough UK Micro-Cap Growth Cell is primarily to provide a total return of capital and income in excess of the total return achieved by the FTSE SmallCap Index (ex Investment Companies), over the medium to long term by acting as a feeder fund into the Marlborough UK Micro-Cap Growth 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.

This rationale is especially relevant in the microcap arena, where a lack of competition from potential investors allows the fund opportunities to pick-up companies before they grow and become more widely known.

Performance



	1 year	3 years	5 years	Since Mgr appt
Fund	39.6%	80.7%	293.1%	378.2%
IMA UK Smaller Co's Sector Average	29.7%	55.7%	220.8%	190.3%
FTSE Small Cap Ex Invest Trust	32.3%	69.2%	228.7%	110.0%

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

Marlborough UK Micro-Cap Growth 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.

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

Process

The portfolio is constructed primarily on a bottom-up basis. Microcap companies are often under-researched because of their size and volatility. The investment team believes that by dedicating sufficient resource to primary research they can build a diversified portfolio and capitalise on the extraordinary growth potential of microcaps.

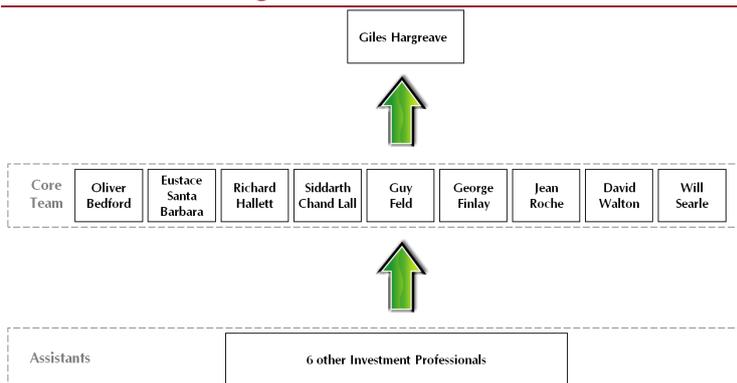
Investment Adviser

The expertise of the investment managers, Giles Hargreave and Guy Feld, and their team is the major contributor to the fund's outperformance.

Giles and Guy work 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 and Guy to construct a diversified portfolio with over 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 2.5%.

Investment Team Organisation



Key Points

- Intensive primary research of small cap companies to gain competitive advantage
- Diversified portfolio of over 200 holdings to reduce stock-specific risk and volatility
- Proven track record since launch in October 2004



Charges:	Initial charge: 5.0%, Annual Management Charge: 1.35%, plus underlying unit trust fee: 0.4%
Identification Codes: (A Class Shares)	GBP Sedol: BKM3ZS9, ISIN: GG00BKM3ZS96 EUR Sedol: BKM3ZV2, ISIN: GG00BKM3ZV26 USD Sedol: BKM3ZT0, ISIN: GG00BKM3ZT04
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

For professional investors only. 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. Data accurate as of 01/04/2014.

Top 10 Holdings

Name	% Weight
Utilitywise	1.77
Eckoh	1.57
Telit Communications	1.32
Cello Group	1.27
Optimal Payments	1.23
eServGlobal	1.22
Restore	1.18
Staffline Group	1.18
KBC Advanced Technologies	1.13
Minds + Machines Group	1.03

Monthly Fund Commentary

March saw very strong inflows into the fund which enabled us to participate in many placings and IPOs and add to a number of existing holdings.

Discounted placings where we were existing shareholders included Johnson Services, Quadrise Fuels, Redhall and Futura Medical, while we played in three successful IPOs, Horizon, XLMedia and Koovs.

Disposals included Fyffes up 35% after news of its intention to merge, where there is a chance it may not happen, Sinclair Pharma, where we didn't like the build-up of debt, and SQS, where we top-sliced on valuation grounds. Failed stocks sold or being sold were CSF and Hightex, which came back from the dead but is loaded with debt.

Winners in the month, more than 25% up included Minds + Machines (previously Top Level Domain) up 35%, XLMedia up 35%, LPA up 32%, Brady up 31%, Learning Tech up 30%, Earthport up 27%, Ideagen up 25% and Flowgroup up 25% while losers included Snoozebox down 32%, Filtronic down 30% after a warning, Haike down 28%, Optimal Payments, where we took a little profit down 25% after a great run and Cloudbuy down 25%.

Looking forward, our cash balance will allow us to participate in many of the placings offered to us and to add to those of our existing holdings where we see more potential. Meantime as usual we are casting our net widely to find tomorrow's winners.

Giles Hargreave – 06/04/2014

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 UK Micro-Cap Growth 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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