

SHAREHOLDER ENGAGEMENT POLICY

September 2020

1. Introduction

Marlborough Fund Managers Ltd. (Marlborough) are Authorised Fund Managers ('AFM') for a number of authorised and regulated collective investment schemes (the 'Funds'). These includes Funds which are run by our own internal investment managers, as well as Funds where Investment Management has been delegated to another firm This Policy sets out how we systematically integrate stewardship and investment to the benefit of our customers.

Our approach to investment looks to promote the long-term success of the investments that we make on behalf of our customers. Our clients are drawn from the UK and international locations and invest predominantly in collectivised vehicles, which are domiciled in the UK and elsewhere.

Poor governance and a disregard of the workforce and surrounding environment is a significant investment risk and as such is an integral part of our due diligence processes. This is true both at the initial investment stage and in subsequent monitoring.

We are committed to carrying out our responsibilities to ensure compliance with our regulator's expectations and this document explains how this naturally aligns with our investment values; the long-term interests of our investors; and recent legislation (detailed in the appendix to this document) on shareholder rights and stewardship.

Amongst other items, it details how we engage with investee entities. This ranges from our initial assessment of potential investments to our monitoring and subsequent stewardship thereafter. This document describes how we select votes for disclosure and lists them if significant. It also describes the extent to which we use proxy adviser services.

Over the years, the outcomes we have achieved for our clients and investors have been acknowledged in a long list of nominations and awards from a wide range of industry bodies, which can be found on our website. At 31st December 2019, of the funds which have been operating for more than 5 years, 12 of the 17 Marlborough MFM funds (70%) were in the top half of their respective IA sector groupings.

To read more about the our culture and investment beliefs, please see our statement in our "About Us" page on our website: <https://www.marlboroughfunds.com/about-us/>. These are also expressed in greater detail in the Statement of Investment Principles. This document should be read in conjunction with all of the regulatory disclosures for each of our funds, which are available on our website.

2. Stewardship

In managing our customers' money, we aim to produce investment returns that are repeatable over the long term as per the investment objectives of the funds and in doing so, we consider our stewardship role to be an integral part of our responsibility for our customers' capital. To do that means investing in companies and assets whose management run their business in a way which we believe will allow them to grow long into the future.

Investing in stock markets should be considered on a long-term basis, by which we mean at least 5-10 years, which naturally smooths the inherent volatility of returns, but your capital remains at risk, as explained in the documentation for all of our funds.

In order to align our interests with those of our clients, our managers are also incentivised based on the investment objectives. Our company has a culture of valuing its staff which has resulted in industry-leading staff turnover of only 5.06%, significantly below the UK All Employers average of 20.9% (XpertHR, June 2019).

For us, good management means not only respecting the laws and regulations of the countries in which they operate but working closely with the people in the communities around them and giving their own workforce an appropriate level of respect.

As stewards of our clients' assets, it is important that we mutually engages with the management of its investee companies on all relevant or applicable investment issues, whether financial or otherwise.

Financial factors remain critically important to the investment decision-making process but are only a part of it. Other non-financial factors include aspects of Environmental, Social and Governance (ESG), which are an integral part of our much wider due diligence process to ensure that:

- stakeholders' best interests are considered appropriately by the Directors or Trustees of our investee entities
- management are striving to operate in line with best practice for their given industry
- companies interact with their workforces and local communities appropriately, giving regard to their entire chain of suppliers and distributors as they do so
- companies strive to either actively improve or not damage the environment in the course of their normal operations.

Our ESG approach is embedded in our Funds through our:

- investment strategies,
- voting practices,
- non-voting engagement and
- oversight.

It is our belief that management who have a proven focus on each of these elements, acting ethically, transparently and accountably in their work, ultimately build stronger companies which endure over the long term. Further, that this ESG integration leads to better informed investment decisions and can produce superior risk adjusted returns throughout an economic cycle, contributing to investment results and society.

As part of our approach to engagement, we consider stock lending in order to short securities as inconsistent with a long-term intention to engage with investee companies. Consequently, we do not lend out stock to other market participants.

Our approach to stewardship is to provide a consistent high-level policy framework across all our funds regardless of asset class. In so doing, we aim to meet our customers' investment expectations whilst ensuring a sustainable environment for future generations. Each desk will then tailor this to the specific characteristics of their area.

How we resource our stewardship

We have a relatively broad view of fund management activity, therefore, we have studied a very wide range of possible approaches to stewardship and come to the conclusion that evolution, not revolution is the most appropriate approach for the nature of the portfolios we manage.

We have decided not to opt for separate ESG teams, as we prefer to keep the approach to engagement fully integrated with investment decision-making. In this way, we hope to focus on what is truly material to a company's long-term success, whether in investment terms or in the context of its wider community and environmental impact.

Our teams of managers bring an average of more than 22 years of combined experience to their understanding of what makes a company successful over the long term and which aspects of ESG reporting are the most material for their given industries. We have used this to create our own individual ESG policies for every fund that will be published on our website. We are also aiming to create investment process documents for every fund which will detail how ESG considerations are incorporated into investment research and decisions.

3. Investment Strategies

Funds of Funds

We offer a number of funds of funds which invest in other portfolios managed by both MFM and external ACDs. The investment management of these funds of funds is delegated to Marlborough Investment Management Ltd. (MIM). MIM takes care that the investment strategies, duration, risk, incentives and profiles of the funds in which they invest, are suitably collectively aligned with ours, blending the characteristics appropriately according to mandate.

Fund of funds arrangements are not in scope for either the SRD II or The Stewardship code, however, in the normal course of MIM's due diligence, their investment team considers both financial and non-financial factors. This includes asking managers of current and potential investee funds to disclose how ESG is integrated into their investment processes, checking the nature of their ESG verification and methodologies, as they do so, which also includes analysis of their investee company voting and engagement, where appropriate.

The Funds do not have specific ESG mandates, but because companies and portfolios with a greater ESG slant have been proven to outperform their peers, ESG has become an integral part of their selection process over time.

Securities Funds

Our Securities Funds have a wide range of investor time horizons, expectations and characteristics. The investment processes which managers use to run each Fund is specific to that Fund and its mandate and can be found on our website under the relevant Fund name.

As previously mentioned, each Fund also describes its investment process in separate documents, which describe how Stewardship and ESG are integrated into the normal process. Investment process documents will be reviewed on an ongoing basis. We take great care to ensure that our incoming and existing investors have appropriate documentation to enable them to align their own investment goals with those of our Funds.

4. Voting

As part of the wider stewardship of our customers' assets we consider that voting at Annual and Extraordinary General Meetings (AGM's and EGM's) is essential, although only equities provide an opportunity to do so.

We prefer managers to take the decision on proposed resolutions as a fully integrated part of the investment process. Consequently, we do not employ proxy advisors to tell us how to vote, but we do utilise the services of a proxy voting company, ISS, and the Funds' custodian, HSBC, in the administrative process of casting our votes.

Whilst we vote on many more company resolutions than shown in our examples, we display votes which we regard as significant. They may be found in the appendix to this document, alongside a description of the extent to which each investment team use default votes.

We regard the threshold at which we will disclose individual votes by each Fund to be the level of declarable ownership set by the exchange on which any given investee company is listed, when aggregated at the portfolio/team level. For illustrative purposes, in most countries in which we invest, this has been set at between 3 and 5% of the outstanding shares of any given listed entity. Votes on holdings below these thresholds are considered not to be significant. In addition, we have disclosed votes where a Fund holds in excess of 5% of its Net Asset Value at the time of the vote in any given stock.

When we vote, our aim is to always consider its effects on the Funds' interests first. The following list, which is not exhaustive, covers the types of matters on which we are given an opportunity to have our say and to which we pay particular attention:

- Matters which might change the investee company's financial position, operations or dividend;
- Requests by the company to approve large purchases / sales of assets or to approve takeovers or mergers;
- Changes of Directors and Auditors;
- Requests to change the nature of the business or its capital structure;
- Related party transactions, which may cause a conflict of interest between shareholders and management;
- We also closely scrutinise the remuneration plans of the company where they have the potential to harm its future sustainability, or dilute our clients' ownership and other matters which might impact the value of the assets owned.

The investment teams always address the issues raised on a company by company basis, but do have issues which we will routinely vote against. In general, however, we have a preference for supporting management, wherever appropriate.

Appendix 1 shows a list of how the investment teams have voted by region or Fund in the last calendar year.

A further log of voting and corporate action history is available on request. Our contact details can be found on our website.

5. Non-Voting Engagement

Each investment team engages with the management of its portfolio investments in different ways, which, depending on the nature of the portfolios managed, may include:

- Meeting with Boards, senior management and Investor Relations representatives of investee companies
- Telephone conversations with investee companies
- Letters / emails to investee companies
- Collaboration with other industry bodies or shareholders

Engagement for fixed income assets is necessarily different than for equities because it is not normally possible to express disapproval at general meetings for fixed income assets. Instead, we engage with companies through 'corporate actions' such as repurchase offers, exchanges of instruments and changes to underlying covenants of the issues we hold. The growth in the sustainable bond market is increasingly highlighting the importance of ESG considerations to bond investors, with companies ranked more highly in sustainability indices often attracting narrower spreads. Our fixed income teams consider the sustainability of any given issuer in the context of both financial and non-financial factors, such as ESG, as an integral part of their investment process. In assessing an entity's potential to maintain or enhance its credit quality, the team combine their financial analysis with both internal ESG scores and third-party data to achieve the goal of investing in companies, that will stand the test of time.

We offer fund of funds arrangements where the investment management is delegated to MIM and within which Fund objectives are met through investment in other funds operated both by us and other third-party fund management companies. As a result, engagement with investee companies in those portfolios and the exercise of our vote on behalf of those Fund investors is at arm's length, as is any escalation appropriate to their portfolios arising from their engagement activities. Each of these third-party fund managers discloses their own voting records on their respective websites.

Sometimes, our engagement fails to achieve the outcomes which we would ideally seek. We are actively developing our escalation policies, to improve the effectiveness of our dialogue.

In order to overcome the imperfect nature of publicly available ratings, MFM has devised a series of methodologies/policies specific to individual funds, some of which rely on ratings available from specialised ratings bodies such as Morningstar. Some of our investment teams have also developed independent ESG templates to rate their funds for example, for Marlborough's Far East Growth Fund, we have created templates for each investment sector, which focus on the elements of ESG which in our opinion are material to the investment prospects for each industry. In compiling these, we have been guided by the Sustainability Accounting Standards Board (SASB) materiality map (<https://www.sasb.org/standards-overview/materiality-map/>), which highlights the most pertinent financially material issues in ESG disclosure.

Having individual ESG mechanisms has enabled us to better understand the ESG characteristics of investee companies and their peers prior to investment and throughout the monitoring process. Our ESG policies and methodologies are expected to evolve and mature over time as we progress along our ESG journey together with our investee companies

6. Working with other shareholders

As one of the leading fund management companies, in the UK market, we work with a large number of other fund management houses to ensure that ESG is an appropriate part of their investment processes.

We integrate our approach to ESG in the fund processes of our Delegates and our own internal managers, through its policies and via seminars for the investment managers.

7. How we monitor portfolios managed on our behalf

All Funds are monitored continuously to ensure that they meet the highest standards. Our monitoring takes place over a variety of time horizons and at all levels of seniority.

Time Horizon	Items monitored	Monitored by
Daily	Portfolio assets, best execution, adherence to mandate, trades and trade compliance.	Investment managers and Risk
Weekly	Performance on both absolute and relative bases.	Investment managers and CIO
Monthly	Factsheets and charges.	Marketing, CIO and Product Governance Committee
Quarterly	Portfolio turnover; Yield relative to target; performance relative to prospectus objectives; risk structure and trends in fund value.	Investment Committee
Annually	Value Assessments	Board

8. Identifying and responding to market-wide and systemic risks

As part of our investment process, our investment managers carefully monitor current and potential investments, assessing them on material issues including strategy, capital structure, financial and non-financial performance, and risk factors amongst other measures.

As a natural part of our fund management process, our managers monitor developments in a wide range of factors which include, but are not limited to, the following areas:

- Macro-Economic data
- Geopolitical nuances
- Regional, domestic and country-specific political and regulatory matters
- Global and regional themes
- Sector-specifics
- Company-specific financial and non-financial data, such as ESG

They blend the analysis of company valuations and market metrics with these factors and their deeper knowledge of each entity and its management strategies and engage with investees in order to improve outcomes over the longer term.

As our teams conduct their due diligence, they continuously set their analysis in the context of likely risks. These include both systemic risk, such as climate change and market or company-specific risk.

The investment managers share their knowledge with each other at regular quarterly investment seminars as well as the routine dissemination of information in monthly reports.

Investment managers' activities are monitored to keep the funds within the risk boundaries agreed at the outset and in doing so maintaining the customer's agreed risk profile, tolerance, capacity for loss and time horizons or other constraints.

9. Managing conflicts of interest in Stewardship requirements

We define a conflict of interest as a situation which arises when:

1. our firm's interests or the interests of our owners, a director or employee conflict with the duties we owe to our client(s); or
2. the duties we owe to one client conflict with the duties we owe to another client;

We manage any potential or actual conflict with the aim of ensuring the investors in our Funds are not disadvantaged.

Specific areas where conflicts of interest could arise in relation to stewardship as follows:

- We may have other business relationships with a company in relation to securities our Funds may invest in.
- We may hold the same security in more than one Fund with differing objectives and policies.

We take all reasonable steps to avoid conflicts arising in the first place, then to identify conflicts that do arise, and finally to manage conflicts in a way that is fair to our investors.

To prevent the risk of damage to our investors' interests, we have organisational and administrative arrangements, as follows:

- A Conflict of Interest Policy, that sets out how we identify and manage potential or actual conflicts of interest.
- A conflict of interest register that is reviewed regularly to ensure there is awareness of new conflicts and procedures are in place to manage these.
- Investment managers may execute trades for different Funds which only part-complete. In these instances, we have a policy to ensure the fair allocation of stock between the funds, to ensure that all parties are fairly treated.
- Disclosing in accordance with market practice, where potential conflicts inherent to the nature of our business and the structure of the market are disclosed in our written contracts.

- Appropriate and transparent charging policies.
- Restricting the flow of information between teams / individuals, where conflicts could arise. We have physical and technical barriers, known as 'information barriers', to prevent information held by other parts of the Marlborough Group, which could restrict dealing, from reaching our Investment Managers.
- Investment managers may cast proxy votes independently of one another taking into account the objectives and policies of the Fund(s) they manage.
- A policy to ensure gifts and inducements received from or given to third parties by members of staff are declared and pre-approved, as appropriate.
- We restrict employees own personal trading, through adherence to our personal account dealing policy and the operation of an insider list and restricted list. This prevents employees from making a personal gain on trades.
- We do not engage in securities lending.

10. Reporting disclosures

We will publish regularly on our website how we have implemented and met the objectives of this Engagement Procedure, along with a summary of our voting activity at least annually. Each of our Delegates also publishes details of their own engagement and voting policies as part of their own compliance with the European Shareholder Rights Directive II.

11. Oversight of investment management activities

We have robust systems and controls in place to carry out regular oversight and reviews of the performance of both our in-house and delegated investment managers' processes.

We ensure that all our investment managers have implemented and follow appropriate controls, not only in engagement matters, but in all aspects of our business, as part of our ongoing oversight and monitoring.

The nature of this oversight, monitoring and due diligence activity varies, depending on the type on investments and the fund manager concerned.

We take steps to ensure that the services we receive in the course of our investment management are regularly reviewed for their accuracy and quality. We use dual sources of pricing when valuing our portfolios and those of the funds which we oversee. We regularly review the quality of ESG data provided by Bloomberg and other providers, which has led us to develop our own in-house templates to supplement what appears to be a very incomplete dataset and we review the research provided to our managers at least annually.

Appendix 1

How we voted in 2019 across our funds

The following describes the different approaches to voting employed across our different strategies, along with a representative example of our voting in 2019.

UK

Interaction with our investee companies is a core element of our success as fund managers. Whilst we do not seek to vote on every issue, we do seek to do so where we consider the item to be significant in the context of the company concerned.

We do not see that issues are sufficiently delineated that we can say we will always vote for or against an issue for every company, but we do see key areas that warrant further consideration and are more likely for us to exercise our voting rights on.

Examples of these areas would be:

- Non rotation of, or excessive tenure of auditors
- Issues of 'non-independence' from Directors
- De-listing of the company
- Items linked to manufacture or supply of weapons
- Remuneration / incentive packages
- Management issuing shares with no pre-emption rights
- Material related party transactions
- Share buy backs where the market is already illiquid

This is by no means an exhaustive list.

In addition, we also consider ESG (environmental, social and governance) issues when considering whether we should vote and in which way.

As we predominantly invest in smaller companies, we do consider this when considering whether to vote, and consider the issues in the context of the specific company and their unique circumstances.

Diversified Gas & Oil - felt that the company was doing too many acquisitions in a short space of time despite our conversations where we made it clear we would prefer them to have a period of no M&A so that we could see the underlying business performance without exceptional items. We therefore voted against their ability to issue new equity.

Cenkos - it is a very illiquid share already so we did not think that they should be buying back their own shares in the market.

Origin Enterprises - continued underperformance and failure to deliver on our suggestion that they provide a clear medium-term strategy with specific KPIs to deliver against (to be aligned with the LTIP). Voted against the CEO and non-exec Chairman. We are no longer shareholders.

2019 Proxy Voting Record

MARLBOROUGH MULTI CAP GROWTH FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Capitalisation				3		3	0.00%
Reorg. and Mergers				1		1	0.00%
Grand Total	0	0	0	4	0	4	0.00%

MARLBOROUGH MULTI CAP INCOME FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related			1	5	0	6	0.00%
Capitalisation	1	3	5	43	4	52	5.77%
Directors Related	13	2	3	50	15	68	2.94%
Non-Salary Comp.	1	1	1	8	2	11	9.09%
Preferred/Bondholder			1	9	0	10	0.00%
Reorg. and Mergers				5	0	5	0.00%
Routine/Business	2		6	42	2	50	0.00%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				1			
<i>Approve Political Donations</i>				4			
Grand Total	17	6	17	162	23	202	2.97%

MARLBOROUGH SPECIAL SITUATIONS FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related				6	0	6	0
Capitalisation	4			95	4	99	0
Directors Related	7			129	7	136	0
Non-Salary Comp.	1			23	1	24	0
Preferred/Bondholder				2	0	2	0
Reorg. and Mergers	2			17	2	19	0
Routine/Business	3			86	3	89	0
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				1			
<i>Approve Political Donations</i>				4			
<i>Adopt New Articles of Association/Charter</i>				2			
Grand Total	17			358	17	375	0.00%

MARLBOROUGH UK MICRO-CAP GROWTH FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related				5	0	6	0.00%
Capitalisation	4			122	4	99	0.00%
Directors Related	7	2	1	129	9	136	1.47%
Non-Salary Comp.	1			26	1	24	0.00%
Preferred/Bondholder			1	15	0	2	0.00%
Reorg. and Mergers	2			23	2	19	0.00%
Routine/Business	3	1		103	4	89	1.12%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				1			
<i>Approve Political Donations</i>				4			
<i>Adopt New Articles of Association/Charter</i>				2			
<i>Approve Delisting of Shares from Stock Exchange</i>				1			
Grand Total	17	3	2	423	20	375	0.80%

MARLBOROUGH NANO-CAP GROWTH FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related				1	0	1	0.00%
Capitalisation				78	0	78	0.00%
Directors Related		2		76	2	78	2.56%
Non-Salary Comp.				14	0	14	0.00%
Preferred/Bondholder				16	0	16	0.00%
Reorg. and Mergers		1		62	1	63	1.59%
Routine/Business	3	1		103	4	89	1.12%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				1			
<i>Amend Articles/Bylaws/Charter -- Routine</i>				1			
<i>Approve Delisting of Shares from Stock Exchange</i>				1			
<i>Approve Political Donations</i>				1			
Grand Total	0	3	0	247	3	250	1.20%

MARLBOROUGH EUROPEAN MULTI-CAP FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related				2	0	2	0.00%
Capitalisation				98	0	98	0.00%
Directors Related				104	0	104	0.00%
Non-Salary Comp.	1			77	1	78	0.00%
Preferred/Bondholder				3	0	3	0.00%
Reorg. and Mergers				8	0	8	0.00%
Routine/Business				151	0	151	0.00%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				1			
<i>Other Business</i>				1			
<i>Approve Charitable Donations</i>				1			
Grand Total	1	0	0	443	1	444	0.00%

Marlborough US Multi-Cap Income Fund Voting Record

Our Policy is to disclose votes on holdings which are in excess of 5% of the fund's NAV at the time of voting or where, as a house, we hold a stake large enough to warrant disclosure to its local stock exchange.

The proxy voting guidelines summarize our position on various issues of concern to shareholders and investors.

Proxy Voting Guidelines

Election of the Board of Directors:

We will generally vote for the company's nominees, provided that the Board maintains a majority of independent directors. We will vote on a case-by-case basis for contested elections.

Classified Board Structure:

We are generally against the adoption of classified board structures, where the board of directors is elected on a staggered basis instead of each director elected annually. We are generally against proposals to declassify boards unless there are special circumstances where shareholders would benefit from the declassification.

Cumulative Voting:

We are generally against proposals to allow cumulative voting by shareholders.

Supermajority Voting:

We are generally against proposals to require a supermajority for shareholder votes.

Election of Auditors:

Our policies generally support the re-election of auditors unless an auditor has a financial interest in or association with the company, and is therefore not independent, or there is reason to believe that the auditor rendered an opinion that is either inaccurate or not indicative of the company's financial position if appropriate, we will review fees paid by a company for non-audit services on a case-by-case basis to determine if they are so excessive as to impair the auditor's appearance of independence.

Executive Compensation:

We are generally in favor of proposals that link executive compensation to both the company's long term performance and to the performance of its peer group. We will vote on a case-by-case basis on proposals to re-price options and to institute or amend employee stock purchase plans.

Golden Parachutes:

We are for shareholder proposals to require a shareholder vote to approve any plans greater than two times salary and bonus. We will review any proposals to repeal or cancel existing plans on a case-by-case basis.

Poison Pills:

These are anti-takeover provisions that generally make it more difficult for an outside party to take control of a company without the approval of the board of directors. We are generally for any shareholder proposals to require a company to submit its poison pill plan for shareholder approval. We will review on a case-by-case basis any proposals to redeem or revise any existing plans.

Common Stock Authorization:

We generally vote for the authorization to increase shares of common stock for routine corporate purposes such as for stock splits or share repurchase programs. Any non-routine issuances or issuances in connection with corporate restructurings are voted on as a case-by-case basis.

Preferred Stock:

We generally vote against proposals to create a new class of preferred stock with unspecified voting, conversion, dividend distribution, and other rights - "blank check" stock. We review requests for issuances of preferred stock on a case-by-case basis.

State of Incorporation:

We vote on a case-by-case basis on any proposals to change a company's state or country of incorporation.

Corporate Restructurings:

We vote on all mergers, acquisitions, spin-offs, liquidations and any other corporate restructurings on a case-by-case basis.

Social Issues and Corporate Responsibility Issues:

As there are many variations on these types of issues, we evaluate all shareholder proposals individually and vote for each on a case-by-case basis.

Example of engagement in 2019

2019 Proxy Voting Record

MARLBOROUGH US MULTI-CAP INCOME

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Share Capital				1	0	1	0.00%
Directors Related		2		325	2	327	0.61%
Non-Salary Comp.		3		33	3	36	8.33%
Routine/Business				39	0	39	0.00%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				3			
SH-Dirs' Related		2			2	2	100.00%
SH-Routine/Business		24		3	24	27	88.89%
Grand Total	0	31	0	401	31	432	7.18%

Marlborough Far East Growth Fund Voting Record

Our Policy is to disclose votes on holdings which are in excess of 5% of the fund's NAV at the time of voting or where, as a house, we hold a stake large enough to warrant disclosure to its local stock exchange.

In 2019, the Marlborough Far East Fund did not have any positions which fell into these categories at the time of voting and could be described as significant on that basis.

The Far East Fund did, however, vote against resolutions proposed by fifteen companies which would have allowed management to issue more than 10% of the share capital without reference to shareholders. It is our policy to oppose issuance of significant amounts of new share capital which do not have a specific, pre-defined usage. With the advent of COVID 19 and the widespread distress caused by the lockdown, we plan to be more flexible on this standard restriction if deemed appropriate in 2020, before reverting to this level in 2021.

The following is a sample list of issues which we would routinely vote against.

- Issuance of more than 10% of the share capital, pre-defined usage, without reference to shareholders, or which does not have a specific purpose.
- Related party transactions which are disadvantageous to minority shareholders.
- Unusual remuneration.

Example

An example of this came in March 2019, when we voted against the proposal by China Railway Signal to list on the new Shanghai Science and Technology Board, which was to dilute existing minority shareholders by 20%. The company's balance sheet was strong and as a railway signalling company, we felt that it did not naturally fit the brief for the new exchange. The new listing of domestic Chinese A shares went ahead, duly diluting the H share minority shareholders. The shares subsequently performed very poorly, after being pushed up 24% ahead of the announcement of the resolution to list, before falling by one third to the end of calendar 2019. We no longer hold the stock.

Our Voting Record in 2019

MARLBOROUGH FAR EAST GROWTH FUND

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Capitalisation		15		69	15	84	17.86%
Directors Related		1		220	1	221	0.45%
Miscellaneous				2	0	2	0.00%
Non-Salary Comp.			1	27	0	28	0.00%
Reorg. and Mergers	1			21	1	22	0.00%
Routine/Business				157	0	157	0.00%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				19			
<i>Approve Charitable Donations</i>				1			
<i>Other Business</i>				1			
SH-Dirs' Related				7	0	7	0.00%
SH-Routine/Business				1	0	1	0.00%
Grand Total	1	16	1	504	17	522	3.07%

Marlborough Emerging Markets Trust Voting Record

Our Policy is to disclose votes on holdings which are in excess of 5% of the fund's NAV at the time of voting or where, as a house, we hold a stake large enough to warrant disclosure to its local stock exchange.

In 2019, we did not have any positions which fell into these categories at the time of voting and could be described as significant on that basis.

We did, however, vote against resolutions proposed by twelve companies which would have allowed management to issue more than 10% of the share capital without reference to shareholders. It is our policy to oppose issuance of significant amounts of new share capital which do not have a specific, pre-defined usage. With the advent of COVID 19 and the widespread distress caused by the lockdown, we plan to be more flexible on this standard restriction if deemed appropriate in 2020, before reverting to this level in 2021.

The following is a non-exhaustive list of issues which we would routinely vote against.

- Issuance of more than 10% of the share capital, pre-defined usage, without reference to shareholders, or which does not have a specific purpose.
- Related party transactions which are disadvantageous to minority shareholders.
- Unusual remuneration.

Example

A good example of this came in November 2019, when we voted against the proposal by Pacific Basin Shipping to issue a convertible bond which, if converted to equity, would have diluted existing shareholders by almost 20%. As the company was caught out in 2008-9 with a similar issue, we felt that we were uncomfortable allowing this much dilution, despite this issue having a clear usage for purchase of new ships.

Our Voting Record in 2019

MARLBOROUGH EMERGING MARKETS TRUST

Proposal Type	Abstain	Against	Do Not Vote	For	Against/ Abstain Total	Total Items	% Against
Antitakeover Related				1	0	1	0.00%
Capitalisation		13		88	13	101	12.87%
Directors Related		1	14	273	1	288	0.35%
Miscellaneous				2	0	2	0.00%
Non-Salary Comp.			1	36	0	37	0.00%
Reorg. and Mergers	1			22	1	23	0.00%
Routine/Business				196	0	196	0.00%
<i>Of which includes:</i>							
<i>Amend Articles/Bylaws/Charter -- Non-Routine</i>				22			
<i>Approve Charitable Donations</i>				1			
<i>Other Business</i>				1			
SH-Dirs' Related				5	0	5	0.00%
SH-Routine/Business				1	0	1	0.00%
Grand Total	1	14	15	624	15	654	2.14%

Marlborough Technology Fund

In 2019, it was felt by the investment team that the holdings in the fund were not of sufficient size to warrant voting. In 2020, the fund has been moved to another part of the group and will in future adopt the voting policies and disclosure of the UK and European securities funds.