



MFM TECHINVEST TECHNOLOGY FUND

Annual Report

For the year ending 30th April 2010

Registered Office

Marlborough House
59 Chorley New Road
Bolton BL1 4QP

Authorised Corporate Director and Registrar

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

Authorised and regulated by the Financial Services Authority

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Depositary:

HSBC Bank plc
8 Canada Square
London E14 5HQ

Authorised and regulated by the Financial Services Authority

Investment Adviser:

Techinvest Ltd
Merchants House
27/30 Merchants Quay
Dublin 8
Republic of Ireland

Authorised by the Irish Financial Regulator

Auditors:

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

MFM TECHINVEST TECHNOLOGY FUND

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MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT ADVISER'S REPORT

For the year ended 30 April 2010

Percentage change and sector position to 30 April 2010

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch**</u>
MFM Techinvest Technology Fund	25.23%	61.55%	0.85%	37.18%	76.98%
Quartile Ranking*	4	1	4	4	3

*Based on ranking within IMA Technology & Telecommunications Sector. External Source of Economic Data: Morningstar

** Launched 29.04.2003 (performance calculated from first pricing point 19.05.03)

Contrary to what one might have expected in the spring of last year, the year to 30 April 2010 turned out to be an excellent one for the Fund. During the twelve month period, the price of the shares increased by as much as 61.55% to 176.98p, well ahead of all relevant indices.

For instance, the FTSE 100 index rose by 31.52% during the same time-frame, while the techMARK All-Share turned in a gain of 33.49%. The Nasdaq Composite index, used by many as a proxy for North American tech stocks, increased by 46.27% during the year – the Fund's holdings in US and Canadian tech stocks amounted to just under 45% of the Fund's value at April 30.

Bearing in mind that most London holdings in the Fund are both small cap and on AIM, it is worth noting that, over the year, the FTSE SmallCap index rose by 33.90%, while the AIM All-Share did even better, with a gain of 52.33%. The previous year the AIM index had collapsed by as much as 50.94%.

If nothing else, this underlines the fact that successful stockmarket investment ought to be about the long-term or, at the very least, the medium-term. This applies even more to stocks at the smaller end of the spectrum, and especially those in the technology category, an area littered with many losers and a much smaller number of blockbuster winners. As a result, investing in the sector through a managed collective investment vehicle is wise, other than for those with relevant specialist knowledge and/or considerable amounts of time.

Since its inception on 19 May 2003 the unit price of shares in the Fund has increased by 76.98%. This is comfortably ahead of the FTSE 100 (+41.61%), the FTSE SmallCap (+50.47%) and the AIM AllShare (+20.49%). Over the same period, the Nasdaq Composite is up 68.27%, while the techMARK All-Share is showing an improvement of 104.75%. It should be noted that the techMARK index is made up of the largest London quoted companies in the sector, of which only a very few have ever been held by the Fund. We remain firmly focussed on small-cap stocks as we believe, taking the very long-term view, that this is where the best value is found.

This applies equally to our North American stock selections. In fact, most held by the Fund are viewed as micro-caps on the other side of the Atlantic. As such, they are little covered by analysts. This inevitably creates undervalued situations, some of which we have been successful in uncovering, leading to a number of very substantial gains in the many hundreds of percent category within the portfolio since the bear market ended.

As regular readers of the *Techinvest* monthly newsletter know, the three primary tools we use to ferret out such opportunities are PSR (price-to-sales-ratio), PRR (price-to-research ratio) and net cash per share. Naturally, we also pay due attention to a company's business fundamentals and the associated factors that can lead to a significant improvement in near-term profitability, thereby creating the conditions for a major upgrade to the market's valuation of the shares.

The Fund ended the year with a cash content of 7.5%, higher than planned. This was due to some profit-taking in several North American stocks over the previous few days. Within three weeks, this had returned to less than 4%, a more normal figure. It is the objective of the fund manager to be some 98% invested under normal conditions. It is deemed desirable to maintain a small net cash balance in order to take advantage of any unexpected market anomalies or opportunities.

The ten largest London holdings, in alphabetical order, at April 30 were: Alterian, Avanti Communications, Bango, IDOX, Innovation, KBC Advanced Technologies, Microgen, Norkom, Portrait Software and SQS Software Quality Systems. As of the date of writing this report, blinkx has risen to become the Fund's largest London holding.

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT ADVISER'S REPORT (CONTINUED)

The ten largest North American holdings, also in alphabetical order, were: Acme Packet, Bridgewater Systems, DivX (it has since agreed a cash-plus-shares takeover offer from Sonic Solutions, a company that was already on our Watch List, so we will probably keep the shares we receive), Exfo (a terrific French-Canadian telecoms test equipment company based in Quebec city), Extreme Networks, Local.com (now the largest holding in the Fund), LTX-Credence (40% of the holding since sold at \$3.29 which compares favourably with the 41.5 cents paid last July), Occam Networks (the positive impact of the Obama rural broadband stimulus program has yet to show up in the Company's results), Oclaro (originally listed as Bookham Technologies in London as far back as 2000; took almost a full decade for the Company to become profitable) and Sandvine (surely a tempting morsel for Cisco).

Local.com has been a bit of a slow burner for the Fund. The shares were originally purchased in August 2008. Within two months they had halved, along with many others at the time. We took the opportunity to increase the stake by 140%. Since then, the price has more than quadrupled.

Local.com is a search engine focused on local content and business listings. More recently, it has moved into the mobile space and reckons it is now the third fastest growing local online advertising company in North America. The company has beaten expectations in recent quarters and, only as recently as June 2, once more raised guidance. Nonetheless, based on revised forecasts, the shares at \$8.35 are on a P/E of only 10.0 for calendar year 2011. By way of comparison, Google (at \$510) is on a prospective P/E of 15.8 for the same year, although growing at the same rate.

Over the past six and twelve months, both the techMARK AllShare and the Nasdaq Composite indices have nicely outperformed the FTSE 100 index. We see no reason why this shouldn't continue for some considerable time to come. In this context, it is worth reprinting what we wrote on May 6 last year in the annual report for the Fund covering the year to 30 April 2009. We repeated this on November 9 in the subsequent half year report.

"In the most recent issue of the Techinvest newsletter posted on 1 May, we quoted data underlying the growing recognition in the US of the relative attractions of the technology sector compared to other sectors of the stockmarket. In particular, we noted the debt-free nature of most balance sheets in the sector and the relatively low valuations of most stocks compared to the market at large. We also drew parallels with the years after the end of the protracted 1973/74 bear market, up to then the worst since the 1930s, when tech stocks far outperformed general market indices for a period of over eight years.

Based on all this, we went on to write: "And with the rapidly rising importance of the Mobile Internet likely to fuel the next tech boom, the tech sector could outperform for some considerable time to come".

A more recent copy of the newsletter can be downloaded from our website (www.techinvest.ie). Click on the newsletter banner on the home page and then download the sample newsletter.

We believe the Fund is the only UK authorised one of its type available to the general public that offers significant dual exposure to both the London and North American small cap tech sectors. At April 30, over 90% was invested in these, of which 45% was in stocks primarily traded on North American exchanges.

The fund is valued once a week at 12.00pm each Wednesday. The latest price is normally posted by 5.30pm that day on the Techinvest website home-page at www.techinvest.ie. It can also be found in the Financial Times each day and at www.marlboroughfunds.com.

Techinvest Ltd.
Investment Manager
4 June 2010

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised Status: MFM Techinvest Technology Fund is an investment company with variable capital incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Company is incorporated in England and Wales with the registration number IC000219 and is authorised and regulated by the Financial Services Authority with effect from 28 March 2003. The shareholders are not liable for the debts of the Company.

Nature and Objectives of the Scheme: The investment objective is to provide capital growth from capital appreciation and the accumulation of income through a globally invested portfolio of equities and bonds. Emphasis will be placed on technology-based businesses worldwide. It is envisaged that up to 75% of the total fund value will normally be in securities quoted on the London Stock Exchange, with the balance invested elsewhere, primarily North America. The technology sector includes, but is not necessarily limited to, companies providing products and services in electronic and electrical equipment, healthcare, information technology hardware, electronic games, media services, support services and telecommunication services. The FTSE techMARK All-Share Index is the benchmark comparison against which the performance of the Fund is measured.

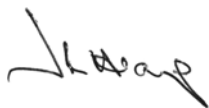
Change in Prospectus: The prospectus was revised on 1 January 2010 to reflect the name change of the Company to MFM Techinvest Technology Fund and the following appointments.
Authorised Corporate Director – Marlborough Fund Managers Ltd
Depositary – HSBC Bank plc
Registrar – Marlborough Fund Managers Ltd
Auditor – Barlow Andrews LLP
The head office of the Company changed to Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.
Also the valuation point was changed to 12 noon and the share prices, from the effective date, are published in the Financial Times and are available at www.marlboroughfunds.com, or by calling 0808 145 2500.

Up to date simplified prospectus, the full prospectus and reports and accounts for any fund can be requested by the investor at any time.

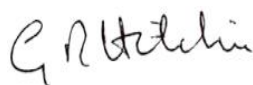
MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) as issued and amended by the Financial Services Authority.



J R HEAP
CHIEF EXECUTIVE



G R HITCHIN
INVESTMENT DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
21 June 2010

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

Marlborough Fund Managers Ltd is the Authorised Corporate Director (ACD).

The rules contained in the Collective Investment Schemes Sourcebook (COLL) and made by the Financial Services Authority pursuant to the Financial Services and Markets Act 2000 require the ACD to prepare financial statements for each annual accounting period, reporting the financial position of the Company as at the end of that period and of its income for the period. In preparing those accounts the ACD is required to:

- Comply with the Statement of Recommended Practice relating to Authorised Funds issued by the IMA, the Instrument of Incorporation, and the rules in the COLL.
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations, the Instrument of Incorporation and the Prospectus.

MFM TECHINVEST TECHNOLOGY FUND

DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF THE MFM TECHINVEST TECHNOLOGY FUND

Statement of depositary's responsibilities

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook (COLL), the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations) and the Company's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

Report of the depositary to the shareholders of the MFM Techinvest Technology Fund

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC BANK PLC

LONDON

21 June 2010

MFM TECHINVEST TECHNOLOGY FUND

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE MFM TECHINVEST TECHNOLOGY FUND

We have audited the financial statements of the MFM Techinvest Technology Fund for the year ended 30 April 2010 which comprise the statement of total return, the statement of change in net assets attributable to shareholders', the balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the fund's shareholders, as a body. Our audit work has been undertaken so that we might state to the fund's shareholders those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the funds and the funds' shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the authorised corporate director, the depositary and the auditors

As described in the Statements of Authorised Corporate Director's and Depositary's responsibilities, the depositary is responsible for safeguarding the property of the funds and the authorised corporate director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds issued by IMA, the rules contained in the Collective Investment Schemes Sourcebook and with the instrument of incorporation. We also report to you whether it is our opinion that proper accounting records have not been kept and whether the accounts are not in agreement with those records; that we have been given all the information necessary for the purpose of our audit; and that the information given in the authorised investment adviser's report and the authorised status and general information is consistent with the accounts.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the depositary's report and comparative tables, total expense ratio, portfolio turnover rate and portfolio statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Scope of the audit of the financial statements

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the authorised corporate director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the funds' circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MFM TECHINVEST TECHNOLOGY FUND

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE MFM TECHINVEST TECHNOLOGY FUND

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the fund's affairs as at 30 April 2010 and of its net revenue and net gains or losses of the fund's property for the year then ended;
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by IMA, the rules contained in the Collective Investment Schemes Sourcebook and with the instrument of incorporation.

Opinion on other matters prescribed by the Collective Investment Scheme Sourcebook

It is not our opinion that proper accounting records for the fund have not been kept, nor that the financial statements are not in agreement with those records. In our opinion:

- we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the information given in the authorised investment adviser's report and the authorised status and general information is consistent with the financial statements.

21 June 2010

BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS & STATUTORY AUDITORS
78 CHORLEY NEW ROAD
BOLTON

MFM TECHINVEST TECHNOLOGY FUND

COMPARATIVE TABLES

Price and distribution record

Accumulation shares first offered at 100p on 29 April 2003.

	Highest issue price	Lowest redemption price	Net income per accumulation share	Net income per £1,000 invested 5 January 2005
2005	152.63p	128.33p	Nil	-
2006	168.11p	139.97p	Nil	-
2007	179.95p	139.05p	Nil	-
2008	143.12p	87.91p	Nil	-
2009	154.48p	87.65p	Nil	-
2010 (up to 30 April 2010)	175.88p	153.63p	Nil	-

Number of shares in issue/Net asset value per share

	Net asset value Of scheme property	Number of accumulation shares in issue	Net asset value per accumulation share
at 30 April 2008	£10,738,712	8,496,702	126.39p
at 30 April 2009	£8,642,995	8,090,092	106.83p
at 30 April 2010	£13,457,816	7,737,378	173.93p

TOTAL EXPENSE RATIO

Total expense ratio

30 April 2009	2.01%
30 April 2010	1.80%

The Total Expense Ratio (TER) is the total expenses paid by the fund in the period as a percentage of the fund's average net asset value. Past TER data can be found on our website www.marlbroughfunds.com

PORTFOLIO TURNOVER RATE

Rate

30 April 2009	53.37%
30 April 2010	65.13%

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading over a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the fund's shares and is expressed as a percentage of the fund's average net asset value.

MFM TECHINVEST TECHNOLOGY FUND

Portfolio statement

as at 30 April 2010

Holding or nominal value as at 30 April 10	Bid value £	Percentage of total net assets %
UNITED KINGDOM		
AUTOMOBILES & PARTS (0.70%, Apr 2009 - Nil)		
105,000 Enova Systems	94,500	0.70
Total Automobiles & Parts	<u>94,500</u>	<u>0.70</u>
ELECTRONIC & ELECTRICAL EQUIPMENT (Nil, Apr 2009 - 0.99%)		
Total Electronic & Electrical Equipment	<u>0</u>	<u>0.00</u>
FIXED LINE TELECOMMUNICATIONS (Nil, Apr 2009 - 0.96%)		
Total Fixed Line Telecommunications	<u>0</u>	<u>0.00</u>
HEALTH CARE EQUIPMENT & SERVICES (1.87%, Apr 2009 - 1.61%)		
455,000 Clearstream Technologies	122,850	0.91
* 107,359 Optos	128,831	0.96
Total Health Care Equipment & Services	<u>251,681</u>	<u>1.87</u>
INDUSTRIAL TRANSPORTATION (Nil, Apr 2009 - 0.87%)		
Total Industrial Transportation	<u>0</u>	<u>0.00</u>
MEDIA (0.12%, Apr 2009 - 2.36%)		
330,000 Infoserve Group	16,500	0.12
Total Media	<u>16,500</u>	<u>0.12</u>
MOBILE TELECOMMUNICATIONS (4.59%, Apr 2009 - 0.56%)		
62,272 2 Ergo Group	61,027	0.45
68,000 Avanti Communications Group	356,320	2.65
604,545 Monitise	125,443	0.93
60,000 Win	75,000	0.56
Total Mobile Telecommunications	<u>617,790</u>	<u>4.59</u>
OIL EQUIPMENT, SERVICES & DISTRIBUTION (1.67%, Apr 2009 - 2.24%)		
450,000 KBC Advanced Technology	225,000	1.67
Total Oil Equipment, Services & Distribution	<u>225,000</u>	<u>1.67</u>
PHARMACEUTICALS & BIOTECHNOLOGY (0.12%, Apr 2009 - 0.30%)		
515,400 Cyprotex	16,751	0.12
Total Pharmaceuticals & Biotechnology	<u>16,751</u>	<u>0.12</u>
SOFTWARE & COMPUTER SERVICES (31.00%, Apr 2009 - 42.02%)		
550,000 @UK	5,500	0.04
452,879 Adamind**	10,416	0.08
* 246,000 Alphameric	66,420	0.48
* 229,672 Alterian	390,442	2.90
250,000 ANT	65,000	0.48
125,000 Avia Health Informatics	78,750	0.58
1,450,000 Arcontech Group	3,190	0.02
240,000 Bango	204,000	1.51
697,500 Blinkx	92,419	0.69
220,000 Bond International Software	154,000	1.14
500,000 Camaxys Group**	0	0.00
450,000 Cantono**	2,250	0.02
23,333 Corero	7,467	0.06

MFM TECHINVEST TECHNOLOGY FUND

Portfolio statement

as at 30 April 2010

Holding or nominal value as at 30 April 10	Bid value £	Percentage of total net assets %
continued		
30,000 Craneware	123,900	0.92
56,000 First Derivatives	170,800	1.27
260,000 Focus Solutions Group	104,000	0.77
2,500,000 Idox	281,250	2.09
* 1,676,470 Innovation Group	213,750	1.59
550,000 Invu	4,950	0.04
70,000 Maxima Holdings	68,600	0.51
* 263,700 Microgen	226,782	1.69
* 40,000 NCC Group	152,000	1.13
275,000 Netcall	42,625	0.32
150,000 Norkom Group	210,000	1.56
350,000 Patsystems	80,500	0.60
200,000 Pilat Media Global	82,000	0.61
1,450,000 Portrait Software	340,750	2.53
1,600,000 Servicepower Technologies	68,000	0.51
1,650,000 Smartfocus Group	181,500	1.35
750,000 Sopheon	56,250	0.42
126,200 SQS Software Quality Systems	246,090	1.83
300,000 Strategic Thought	87,000	0.65
450,000 System C Healthcare	184,500	1.37
3,500,000 Vialogy	166,250	1.24
Total Software & Computer Services	<u>4,171,351</u>	<u>31.00</u>
SUPPORT SERVICES (0.70%, Apr 2009 - 1.81%)		
240,000 Bglobal	94,800	0.70
Total Support Services	<u>94,800</u>	<u>0.70</u>
TECHNOLOGY HARDWARE & EQUIPMENT (9.50%, Apr 2009 - 2.88%)		
250,000 Amino Technologies	100,000	0.74
* 261,517 BATM Advanced Communications	105,914	0.79
400,000 Bede	0	0.00
850,000 Belgravium Technologies	25,500	0.19
* 20,000 Ceva	168,597	1.25
* 24,000 CSR	102,240	0.76
400,000 Innovision Research & Technology	92,000	0.68
245,000 MTI Wireless Edge	30,625	0.22
250 Multipower**	0	0.00
110,000 Nanoco	114,950	0.85
520,000 Newport Network Group**	0	0.00
200,000 Sandvine	297,065	2.21
* 130,000 Sepura	58,500	0.43
555,205 Software Radio Technology	72,177	0.54
* 500,000 Vislink	112,500	0.84
Total Technology Hardware & Equipment	<u>1,280,068</u>	<u>9.50</u>
TRAVEL & LEISURE (0.64%, Apr 2009 - 0.97%)		
200,000 Probability	86,000	0.64
Total Travel & Leisure	<u>86,000</u>	<u>0.64</u>

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Portfolio statement

as at 30 April 2010

Holding or nominal value as at 30 April 10	Bid value £	Percentage of total net assets %
CANADA (6.36%, Apr 2009 - Nil)		
65,000 Bridgewater Systems	405,156	3.01
71,000 March Networks	173,614	1.29
20,000 Miranda Technologies	64,343	0.48
400,000 Mitec Telecom	11,675	0.09
115,000 Orca Interactive	0	0.00
125,000 Peer 1 Network	89,995	0.67
110,000 Redknee Solutions	109,875	0.82
Total Canada	<u>854,658</u>	<u>6.36</u>
EUROPE (0.37%, Apr 2009 - 0.60%)		
412,500 Zamano	49,500	0.37
Total Europe	<u>49,500</u>	<u>0.37</u>
NORTH AMERICA (35.60%, Apr 2009 - 37.45%)		
21,000 Acme Packet	289,107	2.15
60,000 Actividentity	124,490	0.93
40,000 Alvarion	99,175	0.74
37,000 Arena Pharmaceuticals	76,528	0.57
20,000 Biocryst Pharmaceuticals	107,918	0.80
22,700 ClickSoftware	101,603	0.75
80,000 Combinatorx	67,334	0.50
20,000 Concurrent Computer Corp	75,033	0.55
37,184 Divx	213,984	1.59
30,000 DSP Group	170,489	1.27
50,000 Exfo	198,151	1.47
100,201 Extreme Networks	232,744	1.73
31,800 Guidance Software	122,415	0.91
40,000 Jacada	42,019	0.31
10,000 KIT Digital	95,912	0.71
75,000 Local.com	421,329	3.13
175,000 LTX-Credence	409,911	3.05
11,100 Network Equipment Technologies	39,942	0.30
8,000 Neutral Tandem	90,927	0.68
50,000 Occam Networks	212,051	1.58
15,000 Ocean Power Technologies	64,500	0.48
125,000 Oclaro	228,363	1.70
70,000 Openwave Systems	107,330	0.80
10,000 PC-Tel	45,542	0.34
6,000 Progress Software	127,231	0.95
70,000 Proxim Wireless	7,079	0.05
16,000 Radvision	67,752	0.50
13,000 Radware	178,717	1.33
5,500 Rambus	89,140	0.66
8,000 Selectica	27,560	0.20
55,000 Towerstream	64,235	0.48
45,000 Trident Microsystems	54,024	0.40
214,486 Veraz Networks	141,344	1.05
110,000 Westell Technologies 'A'	105,504	0.78
150,000 Zarlink Semiconductor	158,586	1.18
87,670 Zhone Technologies	132,136	0.98
Total North America	<u>4,790,105</u>	<u>35.60</u>

MFM TECHINVEST TECHNOLOGY FUND

Portfolio statement

as at 30 April 2010

	Bid value £	Percentage of total net assets %
Portfolio of investments	12,548,704	93.24
Net current assets on capital account	909,112	6.76
Net assets	<u>13,457,816</u>	<u>100.00</u>

All of the above securities are admitted to the Alternative Investment Market (AIM) with the exception of: the stocks marked * which are admitted to the official Stock Exchange listings; the stocks held in the overseas sections (Canada, Continental Europe and North America); and the stocks marked ** which are delisted.

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS
For the year ended 30 April 2010

Statement of total return

	Notes	30 April 2010		30 April 2009	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		5,442,324		(1,536,566)
Revenue	6	91,865		78,620	
Expenses	7	(204,545)		(182,476)	
Finance costs: Interest	9	(149)		0	
Net revenue/(expense) before taxation		<u>(112,829)</u>		<u>(103,856)</u>	
Taxation	8	<u>(5,581)</u>		<u>(5,376)</u>	
Net revenue/(expense) after taxation			<u>(118,410)</u>		<u>(109,232)</u>
Total return before distributions			5,323,914		(1,645,798)
Finance costs: Distributions	9		816		0
Change in net assets attributable to shareholders from investment activities			<u>5,324,730</u>		<u>(1,645,798)</u>

Statement of change in net assets attributable to shareholders

	30 April 2010		30 April 2009	
	£	£	£	£
Opening net assets attributable to shareholders		8,642,995		10,738,712
Amounts receivable on issue of shares	227,852		78,740	
Amounts payable on cancellation of shares	<u>(736,988)</u>		<u>(527,974)</u>	
Stamp duty reserve tax		(509,136)		(449,234)
		(773)		(685)
Change in net assets attributable to shareholders from investment activities		5,324,730		(1,645,798)
Closing net assets attributable to shareholders		<u>13,457,816</u>		<u>8,642,995</u>

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

For the year ended 30 April 2010

Balance sheet

	Notes	30 April 2010	30 April 2009
		£	£
Assets:			
Investment assets		12,548,704	8,264,457
Debtors	10	141,398	86,673
Cash and bank balances	11	932,434	425,239
Total other assets		1,073,832	511,912
Total assets		13,622,536	8,776,369
Liabilities:			
Investment liabilities		0	0
Creditors	12	(68,092)	(42,366)
Bank overdraft		(96,628)	(91,008)
Total other liabilities		(164,720)	(133,374)
Total liabilities		(164,720)	(133,374)
Net assets attributable to shareholders		13,457,816	8,642,995

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

Notes to the financial statements

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised funds issued by the Investment Management Association in November 2008.

b Valuation of investments

Bid market valuation has been used to arrive at the fair value of investments shown in the portfolio statement. Prices are market prices quoted by reputable sources with the exception of the delisted securities whose fair value has been applied by the fund manager. Where applicable investments are valued to exclude accrued income. The valuation point was 12.00 noon on 30 April 2010.

c Foreign exchange

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12.00 noon on 30 April 2010.

d Revenue

Revenue includes dividends on shares when the security is quoted ex - dividend by 30 April 2010 and interest received and accrued up to 30 April 2010. All UK dividends are disclosed net of UK tax.

e Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against income as shown in these accounts.

f Taxation/Deferred taxation

The tax accounting treatment follows that of the principal amount. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounts purposes. The deferred tax balance is not discounted.

2 DISTRIBUTION POLICIES

a Basis of distribution

The policy of the fund is to distribute any net revenue shown as such in the statement of total return. This amount therefore takes into account the treatment of accumulation shares and of management expenses as described in the accounting policies above.

b Stock dividends

In the case of an ordinary stock dividend the whole amount is recognised as revenue. In the case of an enhanced stock dividend, the value of the enhancement, calculated as the amount by which the total market value of the shares on the date they are quoted ex - dividend exceeds the cash dividend is treated as capital. The balance is treated as revenue.

c Accumulation shares

Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

d Equalisation

Equalisation applies only to shares purchased during the distribution period. It is the average amount of income included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to UK income tax but must be deducted from the cost of the shares for UK capital gains tax purposes.

FINANCIAL STATEMENTS

Notes to the financial statements

3 RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 3, the fund holds a number of financial instruments. The fund's financial instruments, other than derivatives, comprise securities and other instruments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued income.

The main risks arising from the fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the fund holds. It represents the potential loss the fund might suffer through holding market positions in the face of price movements. The fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Full Prospectus.

Investment limits set out in the Instrument of Incorporation, the Full Prospectus and in the Collective Investment Schemes Sourcebook (COLL) mitigate the risk of excessive exposure to any particular type of security or issuer.

Currency risk

The income and capital value of the fund's investments can be affected by foreign currency translation movements as some of the fund's assets and income are denominated in currencies other than the sterling which is the fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the fund. These are: movements in exchange rates affecting the value of investments; short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered and the date when settlement of the investment occurs; and movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income, received in currency, into sterling on the day of receipt.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Liquidity risk

The fund's assets comprise mainly of readily realisable securities. The main liability of the fund is the redemption of any share that investors wish to sell. Assets of the fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the fund's assets is regularly reviewed by the ACD.

Credit risk

Certain transactions in securities that the fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities. The fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty.

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

Notes to the financial statements

8 TAXATION

	30 April 2010	30 April 2009
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	0	0
Overseas tax	5,581	5,376
Total tax charge	<u>5,581</u>	<u>5,376</u>
b Factors affecting the tax charge for the period		
Net revenue/(expense) before taxation	(112,829)	(105,735)
Corporation tax at 20%	(22,566)	(21,147)
Effects of:		
Revenue not subject to taxation	(16,273)	(8,265)
Unrelieved excess management expenses	38,839	28,695
Movement in income accruals	0	341
Expenses not deductible for tax purposes	0	376
Overseas tax	5,581	5,376
Current tax charge	<u>5,581</u>	<u>5,376</u>

At 30 April 2010 the fund had surplus management expenses of £1,646,009 (30.04.09 - £1,451,814). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

9 FINANCE COSTS

	30 April 2010	30 April 2009
	£	£
Distributions and interest		
The distributions take account of revenue deducted on the creation of shares and revenue received on the cancellation of shares and comprise:		
Amounts added on cancellation of shares	(1872)	0
Amounts deducted on issue of shares	1056	0
Finance costs: Distributions	<u>(816)</u>	<u>0</u>
Finance costs: Interest	149	0
Total finance costs	<u>(667)</u>	<u>0</u>
Net deficit of revenue the year	(117,594)	(109,232)
Net expense after taxation for the year	<u>(118,410)</u>	<u>(109,232)</u>

10 DEBTORS

	30 April 2010	30 April 2009
	£	£
Amounts receivable for creation of shares	30,399	0
Sales awaiting settlement	110,980	77,224
Accrued income	19	9,449
Total debtors	<u>141,398</u>	<u>86,673</u>

11 CASH AND BANK BALANCES

	30 April 2010	30 April 2009
	£	£
Capital bank account	932,434	425,239
Total cash and bank balances	<u>932,434</u>	<u>425,239</u>

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

Notes to the financial statements

12 CREDITORS	30 April 2010	30 April 2009
	£	£
Amounts payable for cancellation of shares	0	14,310
Purchases awaiting settlement	47,057	0
Accrued expenses	21,035	27,619
Taxation	0	437
Total creditors	68,092	42,366

13 COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no commitments, contingent liabilities or contingent assets as at 30 April 2010.

14 RELATED PARTIES

The ACD is involved in all transactions in the shares of the fund, the aggregate values of which are set out in the Statement of Change in Net Assets Attributable to Shareholders on page 13.

During the year the ACD held shares in the fund and had a holding of 20.443 shares at the year end.

During the year, the scheme paid management and registration charges to the ACD as follows:

		Outstanding at year end	
	£	30 April 2010	30 April 2009
		£	£
Marlborough Fund Managers Ltd,	69,549	14,274	0
Capita Financial Managers Ltd,	113,596	0	10,550
Capita Financial Administrators Ltd,	6,764	0	844
Capita Business Services Ltd,	4,620	0	5,650

During the year the fund paid depositary and safe custody fees and transaction charges to its depositary as follows:

		Outstanding at year end	
	£	30 April 2010	30 April 2009
		£	£
HSBC Bank plc	3,179	866	0
BNY Mellon Trust & Depositary (UK) Ltd,	8,692	0	797

Capita Financial Managers Limited and its associates had the following shareholdings in the Fund:

	30 April 2010	30 April 2009
	£	£
Accumulation shares	0.00%	19.82%

BNY Mellon Trust & Depositary (UK) Limited and its associates had in their nominee accounts the following shareholding in the Fund:

	30 April 2010	30 April 2009
	£	£
Accumulation shares	0.00%	3.81%

Techinvest Limited and its associates had the following shareholdings in the fund:

	30 April 2010	30 April 2009
	£	£
Accumulation shares	3.47%	3.32%

MFM TECHINVEST TECHNOLOGY FUND

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Notes to the financial statements

15 POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

16 RISK DISCLOSURES

Currency

At the year end date a portion of the net assets of the fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure at 30 April 2010:

	Investments	Net current assets	Total
	£	£	£
Canadian Dollar	854,658	62,315	916,973
Euro	49,500	0	49,500
US Dollar	4,790,105	63,923	4,854,028
	<u>5,694,263</u>	<u>126,238</u>	<u>5,820,501</u>

Foreign currency exposure at 30 April 2009:

	Investments	Net current assets	Total
	£	£	£
Canadian Dollar	649,819	54,117	703,936
Euro	0	0	0
US Dollar	2,608,766	72,449	2,681,215
	<u>3,258,585</u>	<u>126,566</u>	<u>3,385,151</u>

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