



**CF Techinvest Special
Situations Fund**

Interim Unaudited Report and Financial Statements
31 October 2009

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INVESTMENT MANAGER'S REPORT FOR THE HALF YEAR ENDED 31 OCTOBER 2009

INVESTMENT OBJECTIVE AND POLICY

The objective of the CF Techinvest Special Situations Fund ('the Fund') is to provide long term capital growth and the accumulation of income through an actively managed portfolio of equities whose future prospects do not appear to be fully reflected yet in the current stockmarket price. The focus is on smaller UK companies, although opportunities outside the UK may also be included, where appropriate. Particular attention will be paid to new emerging growth stocks and to recovery situations where change in a company's underlying dynamics or direction can be expected to lead to an improvement in its reported results. There may be occasions when the Investment Manager, in order to ensure liquidity or stability, chooses to hold bonds, government securities, collective investment schemes or a high level of cash or money market instruments.

INVESTMENT REVIEW

The half year to 31 October saw a useful recovery for the Fund. The price of the shares increased by 22.76% during the six months, a far better result than the previous six months when the shares recorded an actual decline of 0.4%.

The Fund outpaced both the FTSE 100 and the FTSE All-Share over the six months to 31 October. Their respective gains were a very similar 18.87% and 18.94%. However, both the FTSE SmallCap and the AIM All-Share did better, recording increases of 26.20% and 35.32% respectively.

The longer-term picture is less satisfactory. Since inception on 5 July 2005, the Fund is down by 31.89%. While this is better than the 35.38% decline in the AIM All-Share index, it is quite a bit off the 4.96% decrease by the FTSE SmallCap. The corresponding falls in the FTSE 100 and the FTSE All-Share are 2.80% and 0.38%.

Clearly, the Fund has suffered from the fact that 50 of its 62 holdings are listed on AIM. However, we continue to believe that the best long-term small cap opportunities are to be found on AIM. The Fund Manager has a very clear recollection that in the first major recovery phase in 1975 on the London Stock Exchange, after the long and painful 1973/74 bear market had come to a sudden end, small cap stocks seriously lagged the market until well into the second half of 1975.

The Fund ended the half year with a cash content of 5.6%. The equivalent amount at 30 April last was 9.5%.

The ten largest holdings, in alphabetical order, at 31 October were: Avanti Communications (second largest holding), Caretech, Connaught (this holding is the result of the acquisition by Connaught on a share exchange basis of the Fund's stake in Fountains), Fairpoint, Greencore (shares in the Irish food group increased by 58% during the half year), Healthcare Locums (the Fund's largest holding at 8.0% and a classic special situations growth story), Melorio, Renew, Ten Alps and Tenon, perhaps the stockmarkets most direct play on companies hit badly by the economic downturn. Five of these were also in the top ten as of 30 April.

Twenty of the 62 holdings in the portfolio could be broadly described as tech companies. Most of these are too small for liquidity reasons to be sensibly included in the much larger *CF Techinvest Technology Fund*.

Only four new stocks were added to the portfolio during the half year. Two are in the tech category, Imaginatik (a designer of collaboration software, with some very big multinationals as clients) and NetDimensions, an AIM listed cash-rich Austin, Texas based company that provides performance, knowledge and learning management systems.

Outside the tech category, the only two new names are both specialist property companies. Public Service Properties Investments is almost exclusively invested in care homes in the UK and Germany, based on a policy of long-term leases to public sector clients.

The other is Local Shopping REIT, a real estate investment trust that, at last count, owned a total of 627 properties with 1,991 letting units, spread over a wide variety of local shopping parades throughout the UK.

Both companies have considerable borrowings comfortably secured on their property holdings. Outside of these and the cash-rich tech sector, we have had considerable difficulty in finding new attractive growth situations that weren't burdened with borrowings that detracted considerably from their appeal.

Since the end of the half year, we have invested in one such interesting long-term turnaround situation. Costain is a venerable old-name in the UK construction sector that has been revived by a new management team after it lost its way some years ago. Costain has landed some major public sector contracts this year and has net cash equal to around 75% of its market capitalisation.

Signs of a pickup in the UK economy have become more apparent over the past couple of months, although the longer-term sustainability of any such recovery remains the subject of much debate. Our own view is that the extent of the upheavals in the general world economy, especially in the financial sector, over the past 18 months or so are such that any economic recovery is likely to be muted.

As a result, we think it unlikely that a strong classic bull market will get underway at any time over the next year or two. Instead, we expect something more akin to the second half of the 70s which saw some stuttering advances by the market, punctuated by occasional downturns of relatively mild magnitude.

In such an environment, stock selection will be crucial and, with economic growth relatively depressed, we would expect select small cap stocks to shine more and more. We would expect tech stocks to outperform, although not to the spectacular extent they did in the US during the flat markets of the second half of the seventies. It is worth remembering that back then, there was no meaningful tech sector in London; in fact, companies going public in those days needed to have a 5-year profits record and to be paying a dividend.

With its near 30% exposure to the tech sector and its focus on small cap stocks in general, we feel the CF Special Situations Fund is well placed to benefit from these market trends over the next few years.

The Fund is valued once a week at 10.00am each Wednesday. The latest price is normally posted by 5:30pm that day on the *Techinvest* website home-page at www.techinvest.ie.

All investors in the Fund should have received before the end of October a letter from Capita Financial Managers, who are the ACD (Authorised Corporate Director) to the Fund, informing them that from 1 January 2010 Marlborough Fund Managers will be taking over the ACD function. The changeover is being carried out in conformance with all relevant FSA (Financial Services Authority) procedures and requirements.

INVESTMENT REVIEW *(continued)*

From that date on, Marlborough Fund Managers will be handling all back-office functions on behalf of the Fund. As a result of this, and in accordance with FSA regulations, the official title of the Fund becomes MFM Techinvest Special Situations Fund. We would emphasise that Techinvest will remain fully responsible for all stockmarket investment decision-making on behalf of the Fund.

One small procedural change means that from January 1 on, the time of the weekly valuation of the Fund will change from 10.00am each Wednesday to 12.00am on the same day. We continue to expect that the latest price will still normally be posted by 5.30pm that day on the Techinvest home-page at www.techinvest.ie.

TECHINVEST LIMITED
Investment Manager
19 November 2009

AUTHORISED STATUS

The Fund is an investment company with variable capital incorporated in England and Wales under registration number IC385 and authorised by the Financial Services Authority with effect from 7 April 2005.

Shareholders are not liable for the debts of the Fund.

It is a UCITS scheme and the currency of the Fund is pound sterling.

DIRECTORS' STATEMENT

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

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Techinvest Special Situations Fund
21 December 2009

FUND INFORMATION

PERFORMANCE RECORD

Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2005#	104.97	99.73	–
2006	115.96	98.46	–
2007	129.73	95.30	–
2008	97.29	51.08	–
2009*	69.11	46.45	–

From 5 July 2005.

* To 31 October 2009.

NET ASSET VALUE PER SHARE

Date	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.04.07	4,225,399	3,429,700	123.20
30.04.08	2,567,853	3,135,616	81.89
30.04.09	1,685,907	3,220,864	52.34
31.10.09	2,184,412	3,322,891	65.74

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TOTAL EXPENSE RATIO

Expense Type	31.10.09 %	30.04.09 %
ACD's periodic charge	1.50	1.50
Other expenses	1.31	1.31
Total expense ratio	2.81	2.81

The Total Expense Ratio represents the total expenses of the Fund, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the depositary and auditors, printing costs, registration fees and safe custody and other related bank charges.

PORTFOLIO TURNOVER RATE

	31.10.09 %	30.04.09 %
Portfolio turnover rate	29.37	40.32

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading over a twelve month period. The PTR is calculated by taking the total transactions in securities by the Fund, less the total transactions in shares in the Fund, expressed as a percentage of the average net assets during the preceding twelve month period.

DISTRIBUTIONS

There were no distributions for the half year.

FUND PERFORMANCE TO 31 OCTOBER 2009 (%)

	6 months	1 year	3 years	Since launch*
CF Techinvest Special Situations	25.60	23.22	-39.80	-34.26
FTSE 100 Index#	18.87	15.24	-17.70	-2.81
FTSE All-Share#	18.94	18.36	-17.70	-0.38

* Launch date 5 July 2005.

Source: Lipper Hindsight capital return only.

The performance of the Fund is based on the net asset value per Accumulation share which includes income reinvested.

PORTFOLIO STATEMENT

AS AT 31 OCTOBER 2009

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.09 %	30.04.09 %
	EQUITIES			
	UNITED KINGDOM			
	OIL & GAS			
	<i>OIL EQUIPMENT, SERVICES & DISTRIBUTION</i>			
100,000	KBC Advanced Technologies	41,000	1.88	2.55
	BASIC MATERIALS			
	<i>CHEMICALS</i>			
11,000	Plant Health Care	24,970	1.14	1.30
	<i>MINING</i>			
90,000	Connemara Mining	15,300	0.70	0.43
	TOTAL BASIC MATERIALS	40,270	1.84	1.73
	INDUSTRIALS			
	<i>CONSTRUCTION & MATERIALS</i>			
270,000	Archial Group	25,650	1.17	
400,000	Hightex	31,000	1.42	
55,000	PowerFilm	13,750	0.63	
		70,400	3.22	2.33
	<i>GENERAL INDUSTRIALS</i>			
30,000	Avon Rubber	24,000	1.10	0.98
	<i>ELECTRONIC & ELECTRICAL EQUIPMENT</i>			
5,368	Minorplanet Systems	1,181	0.05	
125,000	Pipehawk	6,250	0.29	
		7,431	0.34	0.62
	<i>INDUSTRIAL ENGINEERING</i>			
175,000	Gas Turbine Efficiency	40,250	1.84	2.75

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.09 %	30.04.09 %
	<i>SUPPORT SERVICES</i>			
55,000	Augean	22,000	1.01	
1,000,000	Business Direct Group*	–	–	
14,016	Connaught	56,484	2.58	
25,000	eaga	36,425	1.67	
70,000	Healthcare Locums	180,600	8.27	
18,000	Interior Services Group	33,300	1.52	
1,500,000	Legion Group	22,500	1.03	
40,000	Melorio	54,000	2.47	
60,000	Parkwood Holdings	19,800	0.91	
60,000	Spice Holdings	47,850	2.19	
750,000	Tangent Communications	46,875	2.15	
		519,834	23.80	25.60
	TOTAL INDUSTRIALS	661,915	30.30	32.28
	CONSUMER GOODS			
	<i>FOOD PRODUCERS</i>			
100,000	Real Good Food	5,750	0.26	0.27
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
160,000	Renew Holdings	56,000	2.56	1.17
	<i>PERSONAL GOODS</i>			
80,000	Theo Fennell	39,200	1.80	0.66
	TOTAL CONSUMER GOODS	100,950	4.62	2.10
	HEALTH CARE			
	<i>HEALTH CARE EQUIPMENT & SERVICES</i>			
16,000	CareTech Holdings	66,400	3.04	2.89
	CONSUMER SERVICES			
	<i>GENERAL RETAILERS</i>			
60,000	Alexon Group	24,000	1.10	
50,000	Forminster*	–	–	
17,000	N Brown Group	44,268	2.02	
		68,268	3.12	5.05

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.09 %	30.04.09 %
<i>MEDIA</i>				
65,000	Cello Group	24,050	1.10	
90,000	Infoserve	6,300	0.29	
50,000	Motivcom	34,000	1.56	
12,000	Research Now	49,200	2.25	
200,000	Ten Alps	55,000	2.52	
		<u>168,550</u>	<u>7.72</u>	<u>5.82</u>
<i>TRAVEL & LEISURE</i>				
265,000	AI Claims Solutions	38,425	1.76	
105,000	Best of the Best	36,750	1.68	
200,000	Cains Beer*	–	–	
10,000	Goals Soccer Centres	21,275	0.97	
250,000	Playgolf Holdings	625	0.03	
125,000	Richoux Group	10,000	0.46	
900,000	Western & Oriental	29,250	1.34	
		<u>136,325</u>	<u>6.24</u>	<u>4.84</u>
TOTAL CONSUMER SERVICES		<u>373,143</u>	<u>17.08</u>	<u>15.71</u>
TELECOMMUNICATIONS				
<i>FIXED LINE TELECOMMUNICATIONS</i>				
12,600	Daisy Group	12,726	0.58	0.34
<i>MOBILE TELECOMMUNICATIONS</i>				
25,000	Avanti Communications Group	96,688	4.43	2.65
TOTAL TELECOMMUNICATIONS		<u>109,414</u>	<u>5.01</u>	<u>2.99</u>
FINANCIALS				
<i>NON-LIFE INSURANCE</i>				
40,000	CBG Group	24,000	1.10	2.24
<i>LIFE INSURANCE</i>				
25,000	Hansard Global	42,938	1.97	2.25

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.09 %	30.04.09 %
<i>REAL ESTATE INVESTMENT & SERVICES</i>				
50,000	Metro Baltic Horizons	3,500	0.16	
65,000	Public Service Properties Investments	40,950	1.88	
		<u>44,450</u>	<u>2.04</u>	<u>1.61</u>
<i>REAL ESTATE INVESTMENT TRUSTS</i>				
70,000	Local Shopping REIT (The)	42,000	1.92	–
<i>FINANCIAL SERVICES</i>				
135,000	Fairpoint Group	83,700	3.83	
25,000	Network Data Holdings	750	0.03	
100,000	Tenon Group	59,250	2.72	
		<u>143,700</u>	<u>6.58</u>	<u>7.21</u>
<i>EQUITY INVESTMENT INSTRUMENTS</i>				
400,000	Spark Ventures	26,000	1.19	1.48
TOTAL FINANCIALS		<u>323,088</u>	<u>14.80</u>	<u>14.79</u>
TECHNOLOGY				
<i>SOFTWARE & COMPUTER SERVICES</i>				
200,000	@UK	2,600	0.12	
90,000	Alphameric	26,550	1.22	
50,000	ANT	16,000	0.73	
55,000	Bango	22,000	1.01	
95,000	Cantono	237	0.01	
450,000	Imaginatik	24,750	1.13	
350,000	Lombard Risk Management	14,000	0.64	
55,000	Microgen Holdings	42,350	1.93	
100,000	NetDimensions Holdings	18,500	0.85	
115,000	Proactis Holdings	35,650	1.63	
85,000	Prologic	25,500	1.17	
65,000	Vimio*	–	–	
		<u>228,137</u>	<u>10.44</u>	<u>9.95</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.09 %	30.04.09 %
	<i>TECHNOLOGY HARDWARE & EQUIPMENT</i>			
25,000	Enova Systems	17,500	0.80	0.91
	TOTAL TECHNOLOGY	245,637	11.24	10.86
	TOTAL UNITED KINGDOM	1,961,817	89.81	85.90
	REPUBLIC OF IRELAND			
200,000	Datalex	41,175	1.88	
40,000	Greencore Group	54,959	2.52	
	TOTAL REPUBLIC OF IRELAND	96,134	4.40	4.82
	Portfolio of investments	2,057,951	94.21	90.72
	Net other assets	126,461	5.79	9.28
	Net assets	2,184,412	100.00	100.00

All investments are ordinary shares unless stated otherwise.

* In administration.

PORTFOLIO CHANGES
FOR THE HALF YEAR ENDED 31 OCTOBER 2009

Total purchases for the half year		£251,459
Purchases		Cost £
Local Shopping REIT (The)		32,074
Renew Holdings		30,226
Imaginatik		27,000
Ten Alps		22,759
Western & Oriental		20,770
Prologic		17,128
Archial Group		16,617
Proactis Holdings		16,121
Public Service Properties Investments		14,148
AI Claims Solutions		14,106
Research Now		13,317
NetDimensions Holdings		11,581
Legion Group		9,567
ANT		6,045

Portfolio Changes (continued)

Total sales for the half year	£157,423
Sales	Proceeds
	£
Alphameric	43,393
Eckoh	38,671
eaga	32,370
Connaught	21,246
Alexon Group	19,560
Redstone	2,183

The portfolio changes represent all of the purchases and sales during the half year.

INTERIM FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 OCTOBER 2009

	31.10.09	31.10.08
	£	£
Income:		
Net capital gains/(losses)	441,491	(893,632)
Revenue	18,987	18,639
Expenses	(28,031)	(29,221)
Finance costs: Interest	—	—
Net expense before taxation	(9,044)	(10,582)
Taxation	—	—
Net expense after taxation	(9,044)	(10,582)
Total return before distributions	432,447	(904,214)
Finance costs: Distributions	—	—
Change in net assets attributable to shareholders from investment activities	432,447	(904,214)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 31 OCTOBER 2009

	31.10.09	31.10.08
	£	£
Opening net assets attributable to shareholders	1,685,907	2,567,853
Amounts receivable on issue of shares	77,385	94,049
Amounts payable on cancellation of shares	(11,304)	(41,118)
	66,081	52,931
Stamp duty reserve tax	(23)	(115)
Change in net assets attributable to shareholders from investment activities	432,447	(904,214)
Closing net assets attributable to shareholders	2,184,412	1,716,455

The above statement shows the comparative closing net assets at 31 October 2008 whereas the current accounting period commenced 1 May 2009.

Comparative figures have been restated for the presentational changes following adoption of the Statement of Recommended Practice for Authorised Funds issued by the IMA in November 2008 (see Note 1).

Interim Financial Statements (continued)
BALANCE SHEET
AS AT 31 OCTOBER 2009

	31.10.09	30.04.09
	£	£
ASSETS		
Investment assets	2,057,951	1,529,528
Other assets		
Debtors	4,986	5,184
Cash and bank balances	<u>144,250</u>	<u>177,100</u>
Total other assets	149,236	182,284
Total assets	<u>2,207,187</u>	<u>1,711,812</u>
LIABILITIES		
Other liabilities		
Creditors	(22,775)	(17,646)
Bank overdrafts	<u>-</u>	<u>(8,259)</u>
Total other liabilities	(22,775)	(25,905)
Total liabilities	<u>(22,775)</u>	<u>(25,905)</u>
Net assets attributable to shareholders	<u>2,184,412</u>	<u>1,685,907</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2009 and are described in those annual financial statements.

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

During the half year the Fund adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains/losses and transaction charges are now classified as capital gains/losses.

GENERAL INFORMATION

VALUATION POINT

The valuation point of the Fund is 10.00am on each business Wednesday. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.30pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 922 0044 during the ACD's normal business hours. The price is also available at www.techinvest.ie.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Fund and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION ACT

Shareholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.