

**MFM Techinvest Special Situations Fund**

<p><b>IMA Classification:</b> UK Smaller Companies</p> <p><b>Fund Objective:</b> The MFM Techinvest Special Situations Fund is a UK-based open-ended investment company. The aim of 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 in the current stockmarket price. The focus will be on smaller UK companies, although opportunities outside the UK may also be included, where appropriate. Particular attention will be paid to new and 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.</p>	<p>Share Price: 58.47p (as at 31<sup>st</sup> August 2010)</p> <p><b>Performance since launch (5<sup>th</sup> July 2005):</b> Fund Share Price: (41.53)%</p> <p>FTSE 100: 0.79% FTSE All-Share: 3.94% AIM All-Share: (31.22)%</p>
--	---

Source: Bloomberg (Indices),  
Morningstar (Fund, mid-to-mid)

**Manager's Comment**

Despite markets experiencing their usual summer weakness, many share prices have held up well. Looking ahead, signs that corporate activity is picking up and that banks are tentatively beginning to lend again bode well for equities. Corporate cash levels have also improved and the time is right in the economic cycle for some gearing up of balance sheets through mergers and acquisitions.

**Investment Activity**

Interim results from construction and engineering solutions provider Costain beat expectations, with pre tax profits up 19% to £8.2m. Despite tough conditions, the order book was maintained at £2.5 billion and £400m of new work secured during the period. The Fund is 1.7% weighted in Costain.

Proactis, a provider of spend control software which has a 2.1% weighting in the Fund, reported profit for the year ended July 31 that was in line with expectations. Licence upgrades are showing strong growth and the Company reports business pipeline is stronger than at any time in its history.

<b>Fund Performance</b>				
	<b>Since Launch %*</b>	<b>3 years %</b>	<b>1 year %</b>	<b>6 months %</b>
<b>MFM Techinvest Special Situations Fund</b>	(41.53)	(48.24)	(8.15)	(7.60)
<b>FTSE 100</b>	0.79	(17.10)	6.44	(2.41)
<b>FTSE All Share</b>	3.94	(18.70)	2.35	(1.46)

<b>Discrete Year Performance</b>	<b>Fund Performance %</b>
<b>01/09/2009 to 01/09/2010</b>	(8.15)
<b>01/09/2008 to 01/09/2009</b>	(16.41)
<b>01/09/2007 to 01/09/2008</b>	(32.58)
<b>01/09/2006 to 01/09/2007</b>	12.82
<b>01/09/2005 to 01/09/2006</b>	(2.59)

Please remember that past performance is not a guide to the future. \* Fund launched 5<sup>th</sup> July 2005. Source: Bloomberg (Indices). Morningstar (Fund, mid-to-mid). Data at close 31<sup>st</sup> August 2010.

<b>Top 10 Holdings</b>	
Avanti Communications	6.3%
Fairpoint Group	5.3%
Bango	5.0%
Real Good Food	3.6%
Hightex	3.5%
AI Claims Solutions	3.4%
Renew Holdings	3.0%
Caretech Holdings	2.9%
RSM Tenon	2.7%
Public Service Properties	2.6%

Source: Techinvest Limited. Data at close 31<sup>st</sup> August 2010.

Authorised Corporate Director	Marlborough Fund Managers Ltd (Authorised and regulated by the Financial Services Authority) Head Office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Telephone: +44 (0) 1204 380 060
Investment Manager	Techinvest Limited (Regulated by the Irish Financial Regulator) Merchants House, 27/30 Merchants Quay, Dublin 8, Ireland
Fund Size	£1.8m
Fund Launch	5th July 2005
Minimum Investment	£1,000
Initial Charge	5%
Contact	Marlborough Fund Managers Ltd Marlborough House, 59 Chorley New Road Bolton, BL1 4QP Telephone: +44 (0)1204 380 060  The Simplified Prospectus and Full Prospectus are available free of charge.

The contents of this document are purely for information purposes only, and are not to be considered as an offer or solicitation to deal in investments. Opinions expressed, whether in general or on the performance of individual securities and in a wider economic context, represent the views of *Techinvest* at the time of preparation. They are subject to change and should not be interpreted as investment advice. The price of shares in the Fund can go down as well as up and therefore investors may not get back all they have invested.

The Fund is subject to an initial charge and consequently charges are not made uniformly throughout the period of investment. Changes in exchange rates between currencies may cause the value of investments to diminish or increase. The Fund invests in smaller companies and companies listed on AIM, which carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods.

Issued and approved by Techinvest Limited. Techinvest Ltd is authorised by the Irish Financial Regulator under the Investment Intermediaries Act, 1995. The MFM Techinvest Special Situations Fund is authorised by the Financial Services Authority. The Fund is not authorised for sale in the Republic of Ireland. Techinvest is the Investment Manager of the Funds and is separately remunerated for its services.