

MFM Techinvest Special Situations Fund

<p>IMA Classification: UK Smaller Companies</p> <p>Fund Objective: 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: 63.04p (at close 30th December 2011)</p> <p>Performance since launch (5th July 2005): Fund Share Price: (36.96)%</p> <p>FTSE 100: 7.48% FTSE All-Share: 10.15% AIM All-Share: (30.97)%</p>
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Source: Bloomberg (Indices),
Morningstar (Fund, mid-to-mid)

Manager's Comment

Whether the stock market can perform better in 2012 than last year will heavily depend on the US economic performance, the outlook for China, and whether a resolution to the Eurozone crisis can be found. December US employment data was mildly encouraging. The Chinese economy continues to cool, albeit in an orderly way, and markets appear divided on whether the Euro can continue in its current form.

The UK looks set to remain in low growth mode for the foreseeable future. However, there are many highly cash-generative companies around that can prosper in such an environment and recent stock market weakness has left the shares of some looking very attractive indeed.

Investment Activity

Activity during the month included adding to the holding in Bank of Ireland following the announcement that the Bank had bought back securitised bonds at a discount, effectively meeting its year end capitalisation target. The shares have emerged as an interesting play on recovery in the Irish economy. The Bank secured a €1.12bn investment from a group of investors last year, which included billionaire distressed asset specialist Wilbur Ross.

Fund Performance				
	Since Launch %*	3 years %	1 year %	6 months %
MFM Techinvest Special Situations Fund	(36.96)	22.74	(5.91)	(14.27)
FTSE 100	7.48	25.67	(5.55)	(6.28)
FTSE All Share	10.15	37.47	(6.69)	(7.71)

Discrete Year Performance	Fund Performance %
01/01/2011 to 01/01/2012	(5.91)
01/01/2010 to 01/01/2011	2.17
01/01/2009 to 01/01/2010	27.69
01/01/2008 to 01/01/2009	(46.61)
01/01/2007 to 01/01/2008	(17.04)

Please remember that past performance is not a guide to the future. * Fund launched 5th July 2005. Source: Bloomberg (Indices). Morningstar (Fund, mid-to-mid). Data at close 30th December 2011.

Top 10 Holdings	
Real Good Food	3.6%
Lombard Risk Management	3.5%
Fairpoint Group	3.4%
Datalex	3.2%
Brainjuicer	3.1%
Styles & Wood	3.0%
Microgen	3.0%
AI Claims Solutions	2.9%
Fulcrum Utility Services	2.8%
Renew Holdings	2.8%

Source: Techinvest Limited. Data at close 30th December 2011.

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 Central Bank of Ireland) Merchants House, 27/30 Merchants Quay, Dublin 8, Ireland
Fund Size	£ 1.9m
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.

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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 regulated by the Central Bank of Ireland. 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.