

MFM Techinvest Technology Fund

IMA Classification: Technology and Telecommunications	Share Price: 168.49p (at close 31 st August 2010)
Fund Objective: The aim of the MFM Techinvest Technology Fund is to provide capital growth and the accumulation of income through a globally invested portfolio of equities and bonds. Emphasis is placed on technology-based businesses worldwide. It is envisaged that up to 75% of the total fund value is normally invested in securities quoted on the London Stock Exchange, with the balance invested elsewhere, primarily North America.	Performance since launch (19 May 2003): Fund Share Price: 68.49% FTSE 100: 29.05% FTSE TechMARK All-Share: 103.06% AIM All-Share: 13.92%

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

Managers Comment

Over recent weeks, takeover activity within the technology space has stepped up. Cash balances in the sector have reached historically high levels and - with share prices low on a number of measures, particularly in relation to the current cost of funding acquisitions - this activity looks set to continue. Takeovers can create something of a virtuous circle in terms of impact on share prices. Each completed acquisition releases funds that are available to invest in other stocks, while new money is also attracted by hopes of catching the next takeover target.

The Fund is leading the Technology & Telecoms IMA classification table with a 89.4% return since the end of 2008. (source: Bloomberg, close 26th August 2010)

Investment Activity

Recent activity includes adding to the holding in marketing software specialist Alterian, following IBM's acquisition of Unica. Unica, like Alterian, has exposure to the fast-growing social media space.

In the US, the Fund bought a holding in RuggedCom, a leader in the burgeoning smartgrid sector, following excellent quarterly results. RuggedCom has a 50 per cent market share and is seeing significant order growth.

Salary.com, a US provider of human resources software, has announced it is to be acquired by Kenexa for \$4.07 a share in cash. The Fund paid \$2.84 per share for its holding on August 11th.

Fund Performance				
	Since Launch %*	3 years %	1 year %	6 months %
MFM Techinvest Technology Fund	68.49	5.12	25.36	3.90
FTSE 100	29.05	(17.10)	6.44	(2.41)
FTSE TechMARK All Share	103.06	4.60	14.92	4.14

Discrete Year Performance	Fund Performance %
01/09/2009 to 01/09/2010	25.36
01/09/2008 to 01/09/2009	2.41
01/09/2007 to 01/09/2008	(18.12)
01/09/2006 to 01/09/2007	12.09
01/09/2005 to 01/09/2006	(3.04)

Please remember that past performance is not a guide to the future. * Fund launched 19th May 2003. Source: Bloomberg (Indices), MorningStar (Fund, mid-to-mid). Data at close 31st August 2010.

Top 10 Holdings		Geographic Breakdown	
Blinkx	5.5%	<p>■ UK & Ireland ■ United States ■ Canada</p>	
Alterian	3.6%		
Avanti Communications	2.9%		
Bango	2.6%		
Acme Packet	2.5%		
SQS Software Quality Systems	2.0%		
IDOX	1.8%		
Microgen	1.8%		
Radware	1.7%		
SmartFOCUS	1.6%		

Source: Techinvest Limited. Data at close 31st August 2010.

Authorised Corporate Director	Marlborough Fund Managers Limited (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	£12.65m
Fund Launch	19 th May 2003
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 authorised by the Irish Financial Regulator under the Investment Intermediaries Act, 1995. The MFM Techinvest Technology 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.