

The top half of the page features a background of soft, out-of-focus green and yellow bokeh lights. Overlaid on this is a dark green horizontal band containing the fund's name in white text.

MFM
TECHINVEST TECHNOLOGY FUND

**ANNUAL REPORT
AND AUDITED FINANCIAL STATEMENTS**

for the year ended 30 April 2019

MFM TECHINVEST TECHNOLOGY FUND

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

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Depository

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Investment Adviser

Techinvest Ltd
7/8 Mount Street Upper
Dublin 2
Republic of Ireland

Authorised and regulated by the Central Bank of Ireland.

Auditor

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

MFM TECHINVEST TECHNOLOGY FUND

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MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2019

Percentage change and sector position to 30 April 2019

	<u>Six Months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
MFM Techinvest Technology Fund	12.00%	23.34%	73.80%	70.46%	484.75%
Quartile Ranking**	4	2	4	4	3

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

** Based on ranking within The Investment Association's Technology & Telecommunications sector.

External Source of Economic Data: Morningstar.

The price of shares in your Fund at the end of its year to 30 April 2019 was 584.80p, a record year-end high and an increase of 23.34% over the year.

The total gain since inception on 19 May 2003 is now 484.75%. This compares favourably with the advance of 88.22% by the FTSE 100 index over the same time-interval, during which the Nasdaq Composite index was up 442.31%. Over this full period since inception, sterling has declined by 20.17% against the US dollar. The Fund does not use any form of hedging to offset currency moves.

The Fund ended the year with a North American content of 89.02%, up from the previous year end's 85.65%. The vast majority of these holdings are very much in the small/micro-cap category. By North American content, we mean stocks whose most active trading venue is a US or Canadian stock exchange.

Over the past twelve-month period, the Nasdaq Composite index was ahead by 14.56% while the Russell 2000 index, arguably a more relevant North American benchmark for a small cap focussed fund such as this one, was up by only 3.20%. Since the inception of the Fund, the Russell 2000 index has recorded a total gain of 289.70%. Based on long-term history, we continue to firmly believe that a spread of carefully selected small and micro-cap tech stocks provides the best long-term returns for investors. In addition, as we have previously pointed out, a prime attraction for a Fund of our size investing primarily in the smaller cap end of North American markets is the relative ease of trading in and out of positions. From our experience, the degree of liquidity in nearly all such stocks is at least an order of magnitude better than for those of equivalent market cap in London, whether it be AIM or the main market.

It is our belief that this is largely due to the much greater participation in North American markets by smaller investors. This is boosted no end by the transparency and timely regularity of frequent quality information flows and by the formal interactions between quoted companies and interested parties, including investors of all shapes and sizes.

This means that price-sensitive information is made available at the same time and with the same detail to all interested parties. The inevitable end-result is a more level playing-field for all investors and a lower cost of capital for companies, especially at the smaller cap end of the market.

The Fund ended the year with a cash content of 3.37%, a little bit more than the norm throughout most of the year. Our usual policy is to remain pretty close to fully invested – this forces us to be ever-questioning of positions held and their respective individual weightings. In addition, we are not aware of any source with a proven consistent long-term record of accuracy in predicting short or medium-term directional shifts in equity markets.

The ten largest positions in the Fund at April 30 were, in alphabetical order: Aviat Networks (this US microcap with a long history is, in our opinion, extremely well positioned to capitalise on the forthcoming 5G megacycle in cellular mobile communications); Ceragon Networks (the Israel-based but Nasdaq-listed company is similarly well placed for the 5G opportunity, albeit nearly all of its sales come from outside North America); Ceva (a cash-rich chip designer for the connected car, 5G and Internet of Things markets); Invitae (a fast-growing specialist in genetic screening and related diagnostic services); Mitek Systems (the identity capture and verification software specialist has successfully rejected several takeover approaches over the past year); Nokia (the Finland-based stock remains our preferred mega cap play on the multi-year 5G megacycle in mobile cellular communications that is only now in the very early stages of getting under way); Pure Storage (the Company is an all-flash data platform provider for the Cloud); Radware (a cash-rich cybersecurity solutions provider for the Cloud and data centres); Rapid7 (over 80% of overall revenue is now of a recurring nature for this cybersecurity specialist); and Sapiens International, a provider of software solutions and services for the insurance industry; for better value in our opinion than its much larger and higher profile rival Guidewire (GWRE;Nasdaq).

We continue to remain very optimistic about the technology sector and its vast and ever-expanding range of attractive investment choices and opportunities. Admittedly, investor optimism does at times become over-inflated, but our current view is that, while this may be true in the case of certain mega caps, it is far from being so at the smaller cap end of the North American market where we continue to find a never ending choice of attractive candidates for inclusion in the Fund.

As always, we focus on what our tried and trusted metrics are telling us – PSR (price-sales ratio), PRR (price-research ratio), balance-sheet strength in the form of net cash per share and the PEG (price-earnings ratio divided by the underlying growth rate of the business as a whole, looking at least one and preferably two/three years out).

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AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2019

We also pay close attention to the short interest in a stock (latest data on this is issued every two weeks for all North American traded stocks). If it is high or steadily trending higher, we always try to figure out why; our experience is that shorters in general do their homework extremely thoroughly.

We also make considerable use of technical analysis to assist in the timing of investment decisions, always keeping in mind that the more liquid a stock is, the greater the credibility that can be attached to such indicators.

A key area of focus for us at the moment is stocks offering exposure to the forthcoming multi-year 5G megacycle. This huge cycle is still in its very early stages, but we have been steadily raising the exposure of the Fund to this theme for some time now. Very few people seem to realise that the detailed 5G rules and standards are essentially defined and mandated by the ITU (International Telecommunications Union), an entity of the United Nations. As such, definitions and regulations mandated by this body become de facto worldwide standards that are adopted and applied by relevant rule-making regulators North, South, East and West, and by companies all over the world. Such as they were away back then, 1G rules were first mandated in the early 80s. A new generation of rules have been issued and mandated every 8/10 years since then, each triggering off a new major international mobile wave larger than the one before. 5G will be far and away the most influential and impactful of all the G waves and will generate a tsunami of competitive opportunities for an almost endless variety of companies. Anyone wishing to start reading up on the subject could initially and beneficially go to Wikipedia and do a 5G search.

Over 85% of the Fund is invested in North American markets where, in general, we see very few signs of the frothiness that has, at times in the past, characterised the tech sector. In turn, this means the Fund has relatively little exposure to whatever London/Dublin market uncertainties Brexit may evoke over the next year or two. In any event, most of the more successful London market tech stocks have a very distinct international dimension to their business models.

We believe the Fund is the only UK authorised entity of its type available to the general public that offers significant dual exposure to both London and North American small cap tech stocks. At April 30, some 90% was invested in these, with the majority headquartered in North America.

The Fund is valued once a week at 12:00 each Wednesday. The latest price is normally posted by 5:30pm that day on the Techinvest home-page at www.techinvest.ie. It can also be found each weekday in the Financial Times and at www.marlbroughfunds.com. A factsheet is updated each month on the Fund and can be found on the Techinvest website.

Techinvest Ltd.
Investment Manager
23 May 2019

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Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Nokia ADR	1,758,648	Attunity	4,679,154
FireEye	1,385,596	Datawatch	2,167,080
CEVA	1,253,497	Apptio 'A'	1,395,074
Silicom	1,216,778	Etsy	1,312,030
OneSpan	1,079,275	Learning Technologies Group	1,252,914
Allot Communications	1,026,709	Quantenna Communications	1,174,956
Aviat Networks	1,017,583	Vicor	1,144,773
Hortonworks	993,514	First Derivatives	1,068,079
Quantenna Communications	940,929	ConvergeOne Holdings	951,726
EXFO	888,591	Box 'A'	950,636
Other purchases	15,207,933	Other sales	15,388,296
Total purchases for the year	26,769,053	Total sales for the year	31,484,718

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

MFM Techinvest Technology Fund (the 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 Conduct Authority with effect from 28 March 2003. The shareholders are not liable for the debts of the Company.

Investment objective

The investment objective of the Fund 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.

Rights and terms attaching to each share class

Each share of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each share in the event the Fund is wound up are on the same proportional basis.

Changes in prospectus

With effect from 1 April 2019, the initial service charge that applied to P class shares was removed. An initial service charge will still be applied to class A and class B shares. Details of these charges can be found in the Prospectus.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the manager's range can be requested by the investor at any time.

Remuneration policy

In line with the requirement of UCITS V, Marlborough Fund Managers Ltd is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under UCITS V. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The quantitative remuneration disclosures as at 30 September 2018 are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the Authorised Fund Manager (AFM) who have a material impact on the risk profile of the Fund				
Senior management	8	676,276	489,569	186,707
Risk takers and other identified staff	5	273,120	236,242	36,878
Allocation of total remuneration of the employees of the AFM to the Fund				
Senior management	0.03	4,866	3,522	1,344
Risk takers and other identified staff	1.60	119,720	112,653	7,067

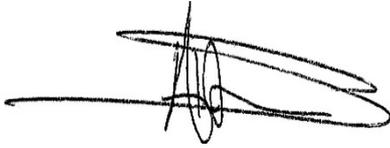
The total number of staff employed by the AFM was 148 as at 30 September 2018. The total remuneration paid to those staff was £6,491,736, of which £3,831,649 is attributable to the AFM.

The allocation of remuneration to the AFM is based on Assets Under Management (AUM), as staff work for two AFM's. The allocation of remuneration to the Fund is based on AUM where staff are not directly allocated to the Fund. The way these disclosures are calculated may change in the future.

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 as issued and amended by the Financial Conduct Authority.



**ALLAN HAMER
JOINT MANAGING DIRECTOR**



**G R HITCHIN
INVESTMENT DIRECTOR**

**MARLBOROUGH FUND MANAGERS LTD
7 June 2019**

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company and of its net revenue and the net gains/(losses) for the year.

In preparing the Financial Statements the ACD is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 COLL rules, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the auditor is unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

MFM TECHINVEST TECHNOLOGY FUND

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of MFM Techinvest Technology Fund ("the Company") for the period ended 30 April 2019

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked in the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of the shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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 AFM:

(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 the Regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC BANK PLC

LONDON

7 June 2019

MFM TECHINVEST TECHNOLOGY FUND

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MFM TECHINVEST TECHNOLOGY FUND

Opinion

We have audited the financial statements of MFM Techinvest Technology Fund (the 'company') for the year ended 30 April 2019 which comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its net expense and net capital gains or losses on the company property for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the authorised corporate director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the authorised corporate director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The authorised corporate director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report of the authorised corporate director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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.

MFM TECHINVEST TECHNOLOGY FUND

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MFM TECHINVEST TECHNOLOGY FUND

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the fund and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the authorised corporate director.

We have nothing to report in respect of the following matters to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the fund have not been kept; or
- the financial statements are not in agreement with those records.

Responsibilities of the authorised corporate director

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 4, the authorised corporate director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the authorised corporate director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the authorised corporate director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authorised corporate director either intends to liquidate the fund or to cease activity, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Barlow Andrews LLP
Chartered Accountants
Statutory Auditor
Carlisle House
78 Chorley New Road
Bolton

7 June 2019

MFM TECHINVEST TECHNOLOGY FUND

COMPARATIVE TABLE

Accumulation shares were first offered at 100p on 29 April 2003. On 31 December 2012, the existing shares were reclassified as Class A shares and Class B and P shares became available for purchase.

<u>Class A accumulation shares</u>	Year to 30.04.2019	Year to 30.04.2018	Year to 30.04.2017
Change in net assets per share	pence	pence	pence
Opening net asset value per share	472.18	467.73	335.06
Return before operating charges*	120.18	12.49	139.74
Operating charges	(9.34)	(8.04)	(7.07)
Return after operating charges*	110.84	4.45	132.67
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	583.02	472.18	467.73
* after direct transaction costs of:	0.80	1.18	0.90
Performance			
Return after charges	23.47%	0.95%	39.60%
Other information			
Closing net asset value	£31,051,071	£29,120,902	£34,233,539
Closing number of shares	5,325,894	6,167,279	7,319,061
Operating charges	1.71%	1.71%	1.71%
Direct transaction costs	0.15%	0.25%	0.22%
Prices			
Highest share price	595.83p	501.30p	478.28p
Lowest share price	481.95p	437.32p	338.48p
<u>Class B accumulation shares</u>			
Change in net assets per share	Year to 30.04.2019	Year to 30.04.2018	Year to 30.04.2017
	pence	pence	pence
Opening net asset value per share	485.42	478.44	341.02
Return before operating charges*	123.77	12.82	142.53
Operating charges	(6.82)	(5.84)	(5.11)
Return after operating charges*	116.95	6.98	137.42
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	602.37	485.42	478.44
* after direct transaction costs of:	0.82	1.21	0.92
Performance			
Return after charges	24.09%	1.46%	40.30%
Other information			
Closing net asset value	£2,391,105	£1,635,910	£1,869,956
Closing number of shares	396,950	337,009	390,844
Operating charges	1.21%	1.21%	1.21%
Direct transaction costs	0.15%	0.25%	0.22%
Prices			
Highest share price	613.59p	513.38p	489.00p
Lowest share price	495.47p	449.47p	344.58p

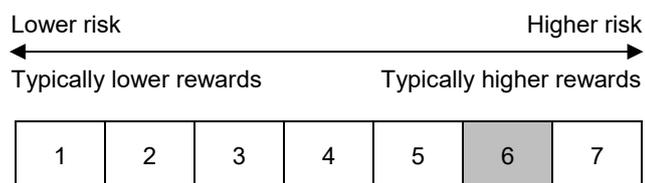
MFM TECHINVEST TECHNOLOGY FUND

COMPARATIVE TABLE

Class P accumulation shares	Year to 30.04.2019	Year to 30.04.2018	Year to 30.04.2017
Change in net assets per share	pence	pence	pence
Opening net asset value per share	491.02	482.75	343.24
Return before operating charges*	125.26	12.94	143.62
Operating charges	(5.47)	(4.67)	(4.11)
Return after operating charges*	119.79	8.27	139.51
Distributions on accumulation shares	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	610.81	491.02	482.75
* after direct transaction costs of:	0.83	1.22	0.93
Performance			
Return after charges	24.40%	1.71%	40.65%
Other information			
Closing net asset value	£11,533,356	£8,098,716	£7,181,255
Closing number of shares	1,888,214	1,649,354	1,487,570
Operating charges	0.96%	0.96%	0.96%
Direct transaction costs	0.15%	0.25%	0.22%
Prices			
Highest share price	621.20p	518.32p	493.30p
Lowest share price	501.20p	454.59p	346.86p

Operating charges are the same as the ongoing charges and are the total expenses paid by each share class in the period. Direct transaction costs are the total charges for the period, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

SYNTHETIC RISK AND REWARD INDICATOR



The synthetic risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

The Fund has been measured as 6 because it has experienced high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

MFM TECHINVEST TECHNOLOGY FUND
PORTFOLIO STATEMENT

as at 30 April 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED KINGDOM		
FIXED LINE TELECOMMUNICATIONS (Nil, April 2018 - 1.78%)		
Total Fixed Line Telecommunications	0	0.00
SOFTWARE & COMPUTER SERVICES (5.16%, April 2018 - 8.39%)		
703,920 dotDigital Group	689,842	1.53
658,402 Ideagen	967,851	2.15
524,000 StatPro Group	665,480	1.48
Total Software & Computer Services	2,323,173	5.16
SUPPORT SERVICES (Nil, April 2018 - 3.54%)		
Total Support Services	0	0.00
TECHNOLOGY HARDWARE & EQUIPMENT (2.45%, April 2018 - Nil)		
5,150,000 Filtronic	386,250	0.86
450,000 Spirent Communications	713,700	1.59
Total Technology Hardware & Equipment	1,099,950	2.45
CANADA (3.92%, April 2018 - 3.90%)		
336,600 EXFO	1,165,038	2.59
273,100 NexJ Systems	210,229	0.47
435,500 Redline Communications	384,908	0.86
Total Canada	1,760,175	3.92
UNITED STATES (85.10%, April 2018 - 81.75%)		
255,000 Aerohive Networks	661,169	1.47
205,210 Allot Communications	1,158,596	2.58
64,152 American Software 'A'	637,288	1.42
287,042 Aptose Biosciences	424,970	0.94
195,391 Aviat Networks	2,018,960	4.49
153,000 BlackBerry	1,077,432	2.39
190,000 Castlight Health 'B'	543,648	1.21
452,260 Ceragon Networks	1,328,748	2.95
64,628 CEVA	1,247,346	2.77
145,558 Cloudera	1,241,642	2.76
80,905 DSP Group	881,912	1.96
22,000 Etsy	1,139,659	2.53
83,000 FireEye	1,019,991	2.27
81,096 Frequency Electronics	749,622	1.67
245,000 Infinera	813,785	1.81
225,000 Inovio Pharmaceuticals	648,972	1.44
150,000 Inseego	525,851	1.17
108,000 Invitae	1,956,029	4.35
369,900 Mitek Systems	3,368,144	7.49
325,000 Nokia ADR	1,316,355	2.93
85,000 OneSpan	1,206,927	2.68
12,250 PayPal Holdings	1,059,706	2.36
40,000 Pluralsight 'A'	1,088,064	2.42
68,460 Points International	681,659	1.52
72,000 Pure Storage 'A'	1,262,596	2.81
571,331 QuickLogic	320,859	0.71
130,493 RADCOM	861,878	1.92
110,000 Radware	2,196,456	4.88
33,323 Rapid7	1,389,055	3.09
119,015 Sapiens International	1,402,325	3.12

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 30 April 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED STATES (continued)		
50,000 Sierra Wireless	512,427	1.14
43,000 Silicom	1,009,359	2.24
139,960 Telenav	666,732	1.48
38,480 Vicor	1,107,230	2.46
120,000 Zix	749,310	1.67
Total United States	<u>38,274,702</u>	<u>85.10</u>
UNQUOTED SECURITIES (0.00%, April 2018 - 0.00%)		
330,000 Infoserve Group	0	0.00
64,600 NexJ Health	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
Portfolio of investments	43,458,000	96.63
Net other assets	<u>1,517,532</u>	<u>3.37</u>
Total net assets	<u>44,975,532</u>	<u>100.00</u>

MFM TECHINVEST TECHNOLOGY FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 April 2019

	Notes	30 April 2019		30 April 2018	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		9,545,391		978,279
Revenue	6	74,787		67,431	
Expenses	7	<u>(660,007)</u>		<u>(641,275)</u>	
Net revenue/(expense) before taxation		(585,220)		(573,844)	
Taxation	8	<u>(6,096)</u>		<u>(6,323)</u>	
Net revenue/(expense) after taxation			<u>(591,316)</u>		<u>(580,167)</u>
Total return before distributions			8,954,075		398,112
Distributions	9		11,832		20,685
Change in net assets attributable to shareholders from investment activities			<u>8,965,907</u>		<u>418,797</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 April 2019

	30 April 2019		30 April 2018	
	£	£	£	£
Opening net assets attributable to shareholders		38,855,528		43,284,750
Amounts receivable on issue of shares	1,640,865		103,687	
Amounts payable on cancellation of shares	(4,484,545)		(4,949,608)	
Amounts payable on share class conversions	<u>(2,223)</u>		<u>(2,098)</u>	
		(2,845,903)		(4,848,019)
Change in net assets attributable to shareholders from investment activities		8,965,907		418,797
Closing net assets attributable to shareholders		<u>44,975,532</u>		<u>38,855,528</u>

MFM TECHINVEST TECHNOLOGY FUND

BALANCE SHEET

as at 30 April 2019

	Notes	30 April 2019	30 April 2018
		£	£
Assets:			
Fixed Assets:			
Investments	15	43,458,000	38,607,640
Current Assets:			
Debtors	10	10,967	216,895
Cash and bank balances		1,801,443	526,618
Total assets		<u>45,270,410</u>	<u>39,351,153</u>
Liabilities:			
Creditors:			
Bank overdrafts		232,469	391,900
Other creditors	11	62,409	103,725
Total liabilities		<u>294,878</u>	<u>495,625</u>
Net assets attributable to shareholders		<u><u>44,975,532</u></u>	<u><u>38,855,528</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

b Going concern

The authorised corporate director (ACD) has at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

c Revenue

Dividends from shares are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

d Expenses

All expenses are accounted for on an accruals basis and, other than those relating to purchase and sale of investments, are charged against income as shown in these accounts.

e Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on net revenue for the year. The taxable amount differs from net revenue as reported in the Statement of Total Return (SOTR) because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the SOTR. Deferred tax assets and liabilities are offset when the Fund has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

f Valuation of investments

The investments of the Fund have been valued at their fair value at close of business on 30 April 2019. Fair value is normally the bid value of each security by reference to quoted prices from reputable sources; that is the market price. If the ACD believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the ACD's best estimate of a fair and reasonable value for that investment.

g Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange ruling at the date of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the net capital gains/(losses) for the period.

MFM TECHINVEST TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

ACCOUNTING POLICIES

h Cash and bank balances

Cash and bank balances include deposits held at call with banks. Bank overdrafts are shown within creditors in liabilities.

i Financial assets

The ACD has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of the Fund's financial instruments.

Financial assets are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include amounts receivable for the issue of shares, accrued income and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition, less any reduction for impairment or uncollectability.

Basic financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOTR.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j Financial liabilities

Financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of recognition.

Basic financial liabilities, which include amounts payable for cancellation of shares and accrued expenses, are initially measured at transaction price. Other financial liabilities are measured at fair value.

Financial liabilities are derecognised when, and only when, the Fund's obligations are discharged, cancelled, or they expire.

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

b Apportionment to multiple share classes

The ACD's periodic charge is directly attributable to individual share classes. All other income and expenses are allocated to the share classes pro-rata to the value of the net assets of the relevant share class on the day that the income or expenses are recognised.

c 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

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 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 Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as most of the Fund's assets and income may be denominated in currencies other than 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 in the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally 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.

Credit and counterparty 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.

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 shares 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.

4 NET CAPITAL GAINS/(LOSSES)

30 April 2019

30 April 2018

£

£

The net gains/(losses) on investments during the year comprise:

Non-derivative securities	9,566,024	993,511
Currency gains/(losses)	(12,961)	(9,532)
Transaction charges	(7,672)	(5,700)
Net capital gains/(losses)	9,545,391	978,279

MFM TECHINVEST TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

5 PURCHASES, SALES AND TRANSACTION COSTS

(All purchases and sales are in the equity asset class)

	30 April 2019	30 April 2018
	£	£
Purchases excluding transaction costs	26,738,074	27,019,954
Commissions	27,691	49,104
Taxes and other charges	3,288	1,798
Total purchase transaction costs	30,979	50,902
Purchases including transaction costs	26,769,053	27,070,856
Purchase transaction costs expressed as a percentage of the principal amount:		
Commissions	0.10%	0.18%
Taxes and other charges	0.01%	0.01%
Sales excluding transaction costs	31,518,325	30,635,913
Corporate actions	0	523,283
	31,518,325	31,159,196
Commissions	(33,203)	(52,998)
Taxes and other charges	(404)	(593)
Total sale transaction costs	(33,607)	(53,591)
Sales net of transaction costs	31,484,718	31,105,605
Sale transaction costs expressed as a percentage of the principal amount:		
Commissions	0.11%	0.17%
Taxes and other charges	0.00%	0.00%
Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:		
Commissions	0.14%	0.24%
Taxes and other charges	0.01%	0.01%
	0.15%	0.25%
Transaction handling charges		
These are charges payable to the trustee in respect each transaction.	£7,672	£5,700

Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date

0.61%	0.82%
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6 REVENUE

	30 April 2019	30 April 2018
	£	£
UK dividends	30,380	23,533
Overseas dividends	41,144	42,425
Bank interest	3,263	1,473
Total revenue	74,787	67,431

MFM TECHINVEST TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

7 EXPENSES

	30 April 2019	30 April 2018
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	617,359	599,379
Registration Fees	13,765	15,366
	<u>631,124</u>	<u>614,745</u>
Payable to the depository or associate:		
Depository's fees	15,898	14,970
Safe custody fees	7,757	7,476
Interest	678	915
	<u>24,333</u>	<u>23,361</u>
Other expenses:		
Financial Conduct Authority fee	158	96
Audit fee	4,392	3,073
	<u>4,550</u>	<u>3,169</u>
Total expenses	<u><u>660,007</u></u>	<u><u>641,275</u></u>

8 TAXATION

	30 April 2019	30 April 2018
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	0	0
Overseas tax	6,096	6,323
Total tax charge	<u><u>6,096</u></u>	<u><u>6,323</u></u>
b Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	<u>(585,220)</u>	<u>(573,844)</u>
Corporation tax at 20%	<u>(117,044)</u>	<u>(114,769)</u>
Effects of:		
Revenue not subject to taxation	(14,305)	(13,191)
Unrelieved excess management expenses	131,349	127,960
Overseas tax	6,096	6,323
Current tax charge	<u><u>6,096</u></u>	<u><u>6,323</u></u>

At 30 April 2019 the Fund has deferred tax assets of £1,291,881 (30.04.18 - £1,160,532) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

9 DISTRIBUTIONS

	30 April 2019	30 April 2018
	£	£
The distributions take account of revenue deducted on the issue of shares and revenue received on the cancellation of shares and comprise:		
Amounts added on cancellation of shares	(14,395)	(18,683)
Amounts deducted on issue of shares	4,786	96
Equalisation on conversions	(2,223)	(2,098)
Distributions	<u><u>(11,832)</u></u>	<u><u>(20,685)</u></u>
Net deficit of revenue for the year	<u>(579,484)</u>	<u>(559,482)</u>
Net expense after taxation for the year	<u><u>(591,316)</u></u>	<u><u>(580,167)</u></u>

10 DEBTORS

	30 April 2019	30 April 2018
	£	£
Sales awaiting settlement	0	211,761
Accrued income	10,967	5,134
Total debtors	<u><u>10,967</u></u>	<u><u>216,895</u></u>

MFM TECHINVEST TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

11 OTHER CREDITORS

	30 April 2019	30 April 2018
	£	£
Amounts payable for cancellation of shares	0	51,675
Accrued expenses	62,409	52,050
Total other creditors	<u>62,409</u>	<u>103,725</u>

12 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.

Amounts payable to the ACD in respect of the ACD's periodic charge and registration fees are disclosed in note 7. The total amounts due to/(from) the ACD at the year end were as follows:

	Outstanding at year end	
	30 April 2019	30 April 2018
	£	£
Marlborough Fund Managers Ltd	51,756	96,335

Techinvest Limited, the Fund's investment adviser, and its associates had the following shareholdings in the Fund:

	30 April 2019	30 April 2018
	£	£
Accumulation shares	3.48%	3.26%

13 SHAREHOLDERS' FUNDS

The Fund currently has three share classes; Class A (minimum investment £1,000), Class B (minimum investment £50,000), Class P (minimum investment £1,000,000). The annual management charges are 1.6%, 1.1% and 0.85% respectively.

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	Class A	Class B	Class P
Opening shares in issue at 1 May 2018	6,167,279	337,009	1,649,354
Share issues	67,417	39,956	170,597
Share cancellations	(250,959)	(54,958)	(487,851)
Share conversions	(657,843)	74,943	556,114
Closing shares in issue at 30 April 2019	<u>5,325,894</u>	<u>396,950</u>	<u>1,888,214</u>

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £2,172,900 (30.04.18 - £1,930,392). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

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.

Foreign currency exposure at 30 April 2019:

	Investments	Net current assets	Total
	£	£	£
Canadian Dollar	1,760,175	0	1,760,175
US Dollar	38,242,702	0	38,242,702
	<u>40,002,877</u>	<u>0</u>	<u>40,002,877</u>

MFM TECHINVEST TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2019

RISK DISCLOSURES

Foreign currency risk (continued)

Foreign currency exposure at 30 April 2018:

	Investments £	Net current assets £	Total £
Canadian Dollar	1,514,677	0	1,514,677
US Dollar	31,763,865	526,618	32,290,483
	<u>33,278,542</u>	<u>526,618</u>	<u>33,805,160</u>

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £2,000,144 (30.04.18 - £1,690,258). A five per cent increase would have an equal and opposite effect.

Liquidity risk

The following table provides a maturity analysis of the Fund's financial liabilities:

	30 April 2019 £	30 April 2018 £
Within one year:		
Bank overdrafts	232,469	391,900
Other creditors	62,409	103,725
	<u>294,878</u>	<u>495,625</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 April 2019		30 April 2018	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	43,458,000	0	38,607,640	0
Level 2 - Observable market data	0	0	0	0
Level 3 - Unobservable data	0	0	0	0
	<u>43,458,000</u>	<u>0</u>	<u>38,607,640</u>	<u>0</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the Fund classifies fair value measurement under the following levels:-

Level 1 - Unadjusted quoted price in an active market for an identical instrument.

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 - Valuation techniques using unobservable inputs.

Infoserve Group is delisted and deemed to be valueless by the fund manager.

NexJ Health is unlisted and deemed to be valueless by the fund manager.

Marlborough

— Fund Managers —

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