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MFM  
TECHINVEST SPECIAL SITUATIONS FUND

**ANNUAL REPORT  
AND AUDITED FINANCIAL STATEMENTS**

for the year ended 30 April 2020

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

### **CONTACT INFORMATION**

#### **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 Manager**

Marlborough Investment Management International Limited (formerly Techinvest Limited)  
7/8 Mount Street Upper  
Dublin 2  
Republic of Ireland

Authorised and regulated by the Central Bank of Ireland.

#### **Auditor**

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

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

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## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2020

#### Percentage change and sector position to 30 April 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>04.07.2005*</u>
MFM Techinvest Special Situations Fund	-3.85%	-5.90%	-13.61%	41.28%	59.21%
IA UK Smaller Companies	-10.43%	-11.56%	-0.98%	30.86%	222.13%
Quartile Ranking**	1	1	4	2	4

\* Launch period ended.

\*\* Based on ranking within The Investment Association's UK Smaller Companies sector.

External Source of Economic Data: Morningstar (A Accumulation - mid to mid).

In the previous Annual Report, for the period ended 30 April 2019, we commented that challenges and uncertainties around Brexit strategy were weighing heavily on UK equities at that time. These concerns were slightly eased by the decisive result of the UK general election on 12 December 2019. As a result, the strategy for UK's approach to Brexit discussions is now clearer, even if the outcome of negotiations is still largely unknown.

However, the final two months of the most recent year saw Brexit uncertainties completely eclipsed by the Covid-19 crisis and the imposed lockdown of economies, both domestic and overseas. The impact of this event will be felt for many years and, for some sectors, may prove more systemically damaging than the global financial crisis of 2008.

Throughout history it is often seen that severe crises can herald structural shifts in economies and societies and the Covid-19 pandemic is perhaps no different. For example, we are likely witnessing a perpetual change in the proportion of the workforce that will work from home. Business travel may not recover to prior levels and the hospitality, airline and automotive sectors may see a permanent contraction in the size of their addressable markets.

Of course, in any economic upheaval, there are also winners and the technology sector looks relatively well-placed currently; for instance, technology enablers of remote working and collaboration, cloud infrastructure and 5G communication are already experiencing a ramp up in demand. Our investment team has specific expertise within technology and the Fund was weighted towards that sector during the period. At 30 April 2020, around half the total portfolio was invested in companies from the electronics, telecoms equipment and software/computer services sectors. This helped insulate the Fund from the worst of the market downturn and contributed to it ending the period firmly within the top quartile of the IA UK Smaller Companies table, on a one-year return basis.

Over the year, the Fund's Class A shares fell 5.90%. This compares favourably with IA UK Smaller Companies sector which posted a fall of 11.56%. Over the same period, London's main market index, the FTSE 100, declined 20.45% and the broader-based FTSE All-Share Index fell 19.80%.

Regular readers of our reports will be aware that we place much more importance on longer-term, multi-year performance. On a five-year return basis, the Fund's shares rose 41.28% versus 30.86% for the IA UK Smaller Companies sector. Over the same period, the FTSE 100 and FTSE All-Share posted declines of 15.22% and 13.23% respectively.

At April 30, the ten largest holdings in the Fund were, ranging from largest to smallest weighting, GAN (the provider of enterprise level B2B software systems and gaming content to both online and land-based gaming operators, which listed on Nasdaq in the US in May of this year); BATM Advanced Communications (the networking solutions and medical laboratory systems specialist has recently announced testing kit solutions for Covid-19, as well as a large contract win for the production of ventilators for the treatment of Covid-19 patients); Filtronic (a designer and manufacturer of customised systems used mainly in wireless telecommunication networks, point-to-point communication and in the defence, public safety and aerospace sectors); D4t4 Solutions (the Company operates within the fast-growing data and analytics markets, providing solutions that enable businesses to drive value from their information assets); Boohoo (the online fashion retailer, that is successfully using a multi-brand approach to drive rapid growth, while delivering impressive profit margins in a highly-competitive market); Kape Technologies (the provider of cyber security solutions made the transformative acquisition of US-based Private Internet Access (PIA) during the period); TP Group (the UK-based provider of engineering solutions and consultancy services primarily to customers in the defence, energy and space industries); Elecosoft (a long-standing holding for the Fund, the Company provides software and related services to the architectural, engineering and construction industries and continues to demonstrate product innovation); Marlowe (a provider of services for safety and compliance in commercial properties and in the management of business risk); and Eckoh (a developer of secure payments solutions for contact call centres, that is benefiting from the tailwind of increased regulation and a ramp up in payment card fraud).

During the period, the Fund bought a holding in Mercia Asset Management, a specialised asset manager focusing on small and medium-size technology businesses across the UK. The Company counts eight offices, extensive personal networks and several university partnerships. These help provide Mercia with access to high quality opportunities at favourable entry points. Since IPO in 2014, Mercia has achieved an impressive annualised rate of return of 14% on capital deployed.

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2020

GAN - listed in the ten largest holdings above - has been a holding of the Fund since April 2016. The Company recently switched its stock market listing from the UK's AIM market to the US Nasdaq exchange. The decision to list in the US was driven by a number of factors, including a recognition that the majority of revenues are derived in the US, an increased US shareholder base and management's view that the share price in London did not reflect an accurate valuation of the Company. The US IPO has been a big success and the Company is benefiting from very strong tailwinds, thanks to the accelerating pace of online gaming de-regulation in US states and positive investor sentiment towards stocks with exposure to online gaming.

Turning to the wider economy, the near-term outlook is very weak. In the UK, the Covid-19 crisis broke around the end of the first quarter of 2020. Therefore, its effects have not yet been reflected in official data. Commentators are suggesting that economic statistics for the second quarter to June may indicate the country is experiencing the sharpest downturn in around 300 years. As many readers will appreciate, the stock market is a discounting mechanism that has probably already priced in this expectation. Instead, investors are now focused on what the business recovery will look like, how sharp an upswing in activity might be (V-shaped or U-shaped) and what steps governments and central banks will take to get the economy functioning again. So far, the extraordinary scale of central bank intervention globally has been successful in supporting market sentiment and share prices.

Looking ahead, investors will pay close attention to how governments react to the likely scale of bankruptcies and unemployment. Politicians have some tough choices ahead. Notwithstanding this, it is also clear that the Covid-19 crisis has brought about structural shifts in our economy and that winners and losers are already emerging. The Fund's managers are strongly inclined to pursue growth opportunities that exploit these dynamics on a multi-year view, rather than seek safe-haven investments to ride out near-term concerns on the business environment.

The Fund is valued once a week at 12:00pm each Wednesday. The price can be found in the Financial Times each day and at [www.marlboroughfunds.com](http://www.marlboroughfunds.com)

Investment Manager  
Marlborough Investment Management International Limited  
28 May 2020

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#### Distributions (pence per share)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>A Accumulation</u>				
Accumulation paid 30 June	-	-	-	-
Accumulation paid 31 December		-	-	-
<u>B Accumulation</u>				
Accumulation paid 30 June	-	-	-	0.2100
Accumulation paid 31 December		0.9000	0.2600	0.2200
<u>P Accumulation</u>				
Accumulation paid 30 June	0.1130	0.0356	0.1191	0.1051
Accumulation paid 31 December		0.1928	0.7991	0.1873

#### Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
TP Group	216,353	StatPro Group	668,979
William Hill	130,718	D4t4 Solutions	536,282
Kape Technologies	122,707	GAN	527,336
Mercia Asset Management	119,962	Keystone Law Group	424,078
Sosandar	88,297	Mincon Group	289,392
VR Education Holdings	62,547	easyHotel	237,143
BATM Advanced Communications	59,624	Eckoh	209,423
Bonhill Group	40,954	Premier Miton Group	189,345
Watkin Jones	33,811	Sureserve Group	157,918
Elecosoft	1,854	Pelatro	154,891
		Other sales	891,158
Total purchases for the year	876,827	Total sales for the year	4,285,945

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

### **AUTHORISED STATUS AND GENERAL INFORMATION**

#### **Authorised status**

MFM Techinvest Special Situations 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 Fund is incorporated in England and Wales with the registration number IC000385 and is authorised and regulated by the Financial Conduct Authority with effect from 7 April 2005. The shareholders are not liable for the debts of the Fund.

#### **Investment objective and policy**

The investment objective 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 yet in the current stock market 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 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.

The Fund will be managed so it is eligible for inclusion in the IA UK Small Companies sector.

#### **Rights and terms attaching to each share class**

A 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.

#### **Important information**

The ACD is proposing a scheme of arrangement for the MFM Techinvest Special Situations Fund to be merged into the Marlborough Nano-Cap Growth Fund, a sub-fund of the Marlborough No 2 OEIC. The application will be submitted to the FCA in the very near future, and pending approval from the FCA a circular will then be dispatched to shareholders containing full details of the proposed Extraordinary General Meeting and proposed merger.

#### **Assessment of value**

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The ACD should publish the report in the annual report of the Fund, except where the assessment and report are provided as a composite, that is, with other funds that may have a different year end date. The MFM Techinvest Special Situations Fund will be assessed and reported on, in a composite report which the ACD presently intends to publish by 30 November 2020 on the website.

#### **Changes in prospectus**

No significant changes have been made since the last report.

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

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED STATUS AND GENERAL INFORMATION

#### Remuneration policy

In line with the requirements 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 2019 are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
<b>Remuneration paid to staff of the Authorised Fund Manager (AFM) who have a material impact on the risk profile of the Fund</b>				
Senior management	9	741,229	551,303	189,926
Risk takers and other identified staff	5	255,772	234,538	21,234
<b>Allocation of total remuneration of the employees of the AFM to the Fund</b>				
Senior management	0.01	799	594	205
Risk takers and other identified staff	0.28	20,853	20,137	716

The total number of staff employed by the AFM was 172 as at 30 September 2019. The total remuneration paid to those staff was £7,294,016, of which £3,707,059 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 SPECIAL SITUATIONS 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**



**WAYNE D GREEN**  
**JOINT MANAGING DIRECTOR**

**MARLBOROUGH FUND MANAGERS LTD**  
24 June 2020

### **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 net gains for the year.

In preparing those 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 and amended in June 2017;
- 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 SPECIAL SITUATIONS 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 Special Situations Fund ("the Company") for the year ended 30 April 2020**

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 into 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**

24 June 2020

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MFM TECHINVEST SPECIAL SITUATIONS FUND**

**Opinion**

We have audited the financial statements of MFM Techinvest Special Situations Fund (the 'company') for the year ended 30 April 2020 which comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, the notes to the financial statements and the distribution table, including a summary of significant accounting policies. 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 2020 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; and
- 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.

**Emphasis of matter – financial statements prepared on a break up basis**

We draw attention to Note 1 to the financial statements which explains that the ACD intends to terminate the Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis as described in Note 1. Our opinion is not modified in respect of this matter.

**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 SPECIAL SITUATIONS FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MFM TECHINVEST SPECIAL SITUATIONS 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 5, 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 <https://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  
Carlyle House  
78 Chorley New Road  
Bolton

24 June 2020

**MFM TECHINVEST SPECIAL SITUATIONS FUND**
**COMPARATIVE TABLE**
**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 30.04.2020 pence</b>	<b>Year to 30.04.2019 pence</b>	<b>Year to 30.04.2018 pence</b>
Opening net asset value per share	165.96	196.75	181.51
Return before operating charges*	(6.77)	(27.70)	18.35
Operating charges	(2.71)	(3.09)	(3.11)
Return after operating charges*	(9.48)	(30.79)	15.24
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	156.48	165.96	196.75

\* after direct transaction costs of:

0.23                      0.28                      0.62

**Performance**

Return after charges                      -5.71%                      -15.65%                      8.40%

**Other information**

Closing net asset value	£4,305,882	£5,971,797	£9,134,720
Closing number of shares	2,751,741	3,598,301	4,642,879
Operating charges	1.67%	1.63%	1.62%
Direct transaction costs	0.14%	0.15%	0.33%

**Prices**

Highest share price	182.32p	214.90p	199.17p
Lowest share price	112.72p	159.88p	184.57p

**P Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 30.04.2020 pence</b>	<b>Year to 30.04.2019 pence</b>	<b>Year to 30.04.2018 pence</b>
Opening net asset value per share	173.39	204.02	186.80
Return before operating charges*	(7.10)	(28.91)	18.94
Operating charges	(1.57)	(1.72)	(1.72)
Return after operating charges*	(8.67)	(30.63)	17.22
Distributions on accumulation shares	(0.31)	(0.83)	(0.31)
Retained distributions on accumulation shares	0.31	0.83	0.31
Closing net asset value per share	164.72	173.39	204.02

\* after direct transaction costs of:

0.24                      0.29                      0.64

**Performance**

Return after charges                      -5.00%                      -15.01%                      9.22%

**Other information**

Closing net asset value	£956,824	£2,230,022	£2,429,227
Closing number of shares	580,888	1,286,119	1,190,705
Operating charges	0.92%	0.88%	0.87%
Direct transaction costs	0.14%	0.15%	0.33%

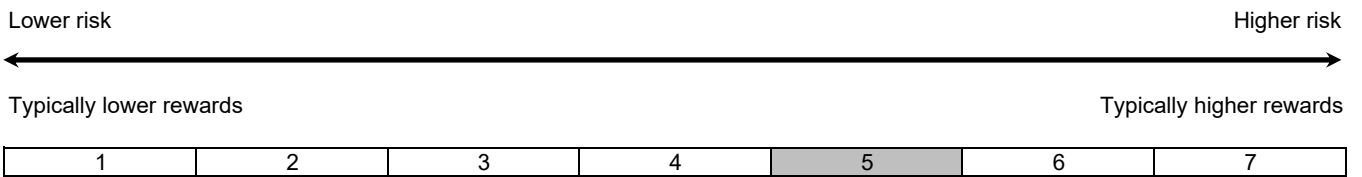
**Prices**

Highest share price	191.48p	223.54p	206.49p
Lowest share price	118.55p	166.85p	190.26p

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.

**MFM TECHINVEST SPECIAL SITUATIONS FUND**

**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, the returns of a representative portfolio are used.

The Fund has been measured as 5 because it has experienced moderate to high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

**MFM TECHINVEST SPECIAL SITUATIONS FUND**
**PORTFOLIO STATEMENT**

as at 30 April 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>AEROSPACE AND DEFENCE</b> (30 April 2019 - Nil)		
3,000,000 TP Group	192,000	3.65
Total Aerospace and Defence	<u>192,000</u>	<u>3.65</u>
<b>AUTOMOBILES AND PARTS</b> (30 April 2019 - 1.07%)		
Total Automobiles and Parts	<u>-</u>	<u>-</u>
<b>CLOSED END INVESTMENTS</b> (30 April 2019 - 1.48%)		
153,174 KRM22	70,460	1.34
Total Closed End Investments	<u>70,460</u>	<u>1.34</u>
<b>CONSTRUCTION AND MATERIALS</b> (30 April 2019 - 2.85%)		
Total Construction and Materials	<u>-</u>	<u>-</u>
<b>ELECTRONIC AND ELECTRICAL EQUIPMENT</b> (30 April 2019 - 1.55%)		
75,000 Strix Group	134,700	2.56
124,924 Transense Technologies	59,964	1.14
Total Electronic and Electrical Equipment	<u>194,664</u>	<u>3.70</u>
<b>FINANCE AND CREDIT SERVICES</b> (30 April 2019 - 1.51%)		
194,288 Bonhill Group	9,714	0.18
Total Finance and Credit Services	<u>9,714</u>	<u>0.18</u>
<b>HOUSEHOLD GOODS AND HOME CONSTRUCTION</b> (30 April 2019 - 1.36%)		
65,000 Watkin Jones	113,880	2.16
Total Household Goods and Home Construction	<u>113,880</u>	<u>2.16</u>
<b>INDUSTRIAL SUPPORT SERVICES</b> (30 April 2019 - 9.14%)		
40,758 Marlowe	163,032	3.10
350,000 Sureserve Group	122,500	2.33
Total Industrial Support Services	<u>285,532</u>	<u>5.43</u>
<b>INVESTMENT BANKING AND BROKERAGE SERVICES</b> (30 April 2019 - 9.62%)		
400,000 Mercia Asset Management	86,000	1.63
8,396,332 Tavistock Investments	109,152	2.08
Total Investment Banking and Brokerage Services	<u>195,152</u>	<u>3.71</u>
<b>RETAILERS</b> (30 April 2019 - 4.22%)		
65,000 Boohoo Group	213,395	4.05
825,000 Sosandar	78,375	1.49
Total Retailers	<u>291,770</u>	<u>5.54</u>
<b>SOFTWARE AND COMPUTER SERVICES</b> (30 April 2019 - 38.16%)		
145,770 Beeks Financial Cloud Group	134,109	2.55
115,000 D4t4 Solutions	218,500	4.15
320,000 Eckoh	160,000	3.04
238,217 Elecosoft	169,134	3.22
300,000 GAN	705,000	13.40
120,000 Kape Technologies	211,200	4.01
203,000 The Panoply Holdings	97,440	1.85
Total Software and Computer Services	<u>1,695,383</u>	<u>32.22</u>
<b>TELECOMMUNICATIONS EQUIPMENT</b> (30 April 2019 - 8.42%)		
900,000 BATM Advanced Communications	482,400	9.17
2,541,515 Filtronic	221,112	4.20
Total Telecommunications Equipment	<u>703,512</u>	<u>13.37</u>
<b>TRAVEL AND LEISURE</b> (30 April 2019 - 6.82%)		
1,400,000 The Fulham Shore	70,000	1.33
70,000 William Hill	80,745	1.53
Total Travel and Leisure	<u>150,745</u>	<u>2.86</u>

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### PORTFOLIO STATEMENT

as at 30 April 2020

<b>Holding or nominal value</b>	<b>Bid value £</b>	<b>Percentage of total net assets %</b>
<b>OVERSEAS SECURITIES</b> (30 April 2019 - 9.23%)		
35,000 Applegreen	96,732	1.84
140,000 Cairn Homes	103,181	1.96
Total Overseas Securities	<u>199,913</u>	<u>3.80</u>
<b>UNQUOTED SECURITIES</b> (30 April 2019 - 0.00%)		
90,000 Infoserve Group	-	-
Total Unquoted Securities	<u>-</u>	<u>-</u>
<b>Portfolio of investments</b>	4,102,725	77.96
<b>Net other assets</b>	1,159,981	22.04
<b>Total net assets</b>	<u>5,262,706</u>	<u>100.00</u>

**MFM TECHINVEST SPECIAL SITUATIONS FUND**

**STATEMENT OF TOTAL RETURN**

for the year ended 30 April 2020

	Notes	30 April 2020		30 April 2019	
		£	£	£	£
Income:					
Net capital losses	4		(318,673)		(1,767,419)
Revenue	6	70,291		139,546	
Expenses	7	<u>(94,715)</u>		<u>(155,353)</u>	
Net expense before taxation		(24,424)		(15,807)	
Taxation	8	<u>-</u>		<u>-</u>	
Net expense after taxation			<u>(24,424)</u>		<u>(15,807)</u>
Total return before distributions			(343,097)		(1,783,226)
Distributions	9		(2,083)		(6,755)
Change in net assets attributable to shareholders from investment activities			<u>(345,180)</u>		<u>(1,789,981)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

for the year ended 30 April 2020

	30 April 2020		30 April 2019	
	£	£	£	£
Opening net assets attributable to shareholders		8,201,836		11,564,148
Amounts receivable on issue of shares	356,070		465,828	
Amounts payable on cancellation of shares	<u>(2,951,753)</u>		<u>(2,048,438)</u>	
Amounts payable on share class conversions	<u>(46)</u>		<u>(858)</u>	
		(2,595,729)		(1,583,468)
Change in net assets attributable to shareholders from investment activities		(345,180)		(1,789,981)
Retained distribution on accumulation shares		1,779		11,137
Closing net assets attributable to shareholders		<u>5,262,706</u>		<u>8,201,836</u>



**MFM TECHINVEST SPECIAL SITUATIONS FUND**

**BALANCE SHEET**

as at 30 April 2020

	Notes	30 April 2020	30 April 2019
		£	£
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	16	4,102,725	7,827,410
<b>Current Assets:</b>			
Debtors	10	217,783	18,041
Cash and bank balances		955,145	395,208
Total assets		<u>5,275,653</u>	<u>8,240,659</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdrafts		3,831	26,118
Other creditors	11	9,116	12,705
Total liabilities		<u>12,947</u>	<u>38,823</u>
<b>Net assets attributable to shareholders</b>		<u>5,262,706</u>	<u>8,201,836</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2020

**1 ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017.

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 financial statements have been prepared on a break up basis as the ACD is proposing to merge the Fund, through a scheme of arrangement, into Marlborough Nano-Cap Growth Fund, a sub-fund of the Marlborough No 2 OEIC, within the next 12 months, and once the merger of the assets has been completed, this Fund will be terminated. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the Fund will be borne by the ACD.

**Revenue**

Dividends from quoted ordinary securities are recognised when the security is quoted ex-dividend.

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

**Allocation of revenue**

Revenue, attributable after expenses to multiple share classes, with the exception of the Authorised Corporate Director's (ACD) periodic charge, which is directly attributable to individual share classes, is allocated to share classes pro-rata to the value of the assets of the relevant share class on the day that the revenue is incurred.

**Expenses**

All expenses, other than those relating to purchase and sale of investments, are charged against revenue on an accruals basis.

**Valuation**

The valuation point was 12:00 on 30 April 2020 being the last valuation point of the accounting year.

Listed investments are valued at fair value which is the bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the ACD's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value. This modelling takes into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

**Taxation**

Corporation tax has been provided for at 20% on taxable income less expenses. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions, or events giving rise to them, occurred before the balance sheet date.

**Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 30 April 2020 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

**2 DISTRIBUTION POLICIES**

The distribution policy of the Fund is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

**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 2020

**DISTRIBUTION POLICIES**

**Stock and special dividends**

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the Fund. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

**3 RISK MANAGEMENT POLICIES**

In pursuing its investment objective, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities held in accordance with the investment objectives and policies together with cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues 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.

The Fund is managed according to COLL 5, 'Investment and Borrowing Powers' which helps achieve the statutory objective of protecting consumers by laying down the minimum standards for the investments that may be held by an authorised fund. In particular: (a) the proportion of transferable securities and derivatives that may be held by the authorised fund is restricted if those transferable securities and derivatives are not listed on an eligible market. The intention of this is to restrict the transferable securities and derivatives that cannot be accurately valued and readily disposed of; and (b) the authorised funds are required to comply with a number of investment rules that require the spreading of risk.

**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 authorised fund manager in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Instrument of Incorporation, the Prospectus and 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 some 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.

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

#### 4 NET CAPITAL LOSSES

The net losses on investments during the year comprise:

	30 April 2020 £	30 April 2019 £
Non-derivative securities	(315,567)	(1,765,419)
Currency gains/(losses)	(1,889)	(121)
Transaction charges	(1,217)	(1,879)
<b>Net capital losses</b>	<b>(318,673)</b>	<b>(1,767,419)</b>

#### 5 PURCHASES, SALES AND TRANSACTION COSTS

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

	30 April 2020 £	30 April 2019 £
Purchases excluding transaction costs	872,650	3,540,890
Corporate actions	1,854	447,793
	<u>874,504</u>	<u>3,988,683</u>
Commissions	1,661	5,125
Taxes and other charges	663	2,492
Total purchase transaction costs	<u>2,324</u>	<u>7,617</u>
<b>Purchases including transaction costs</b>	<b><u>876,828</u></b>	<b><u>3,996,300</u></b>

Purchase transaction costs expressed as a percentage of the principal amount:

Commissions	0.19%	0.14%
Taxes and other charges	0.08%	0.07%

Sales excluding transaction costs

	<u>4,292,429</u>	<u>5,483,106</u>
Commissions	(6,433)	(8,229)
Taxes and other charges	(51)	(99)
Total sale transaction costs	<u>(6,484)</u>	<u>(8,328)</u>
<b>Sales net of transaction costs</b>	<b><u>4,285,945</u></b>	<b><u>5,474,778</u></b>

Sale transaction costs expressed as a percentage of the principal amount:

Commissions	0.15%	0.15%
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	0.13%	0.13%
Taxes and other charges	0.01%	0.02%
	<u>0.14%</u>	<u>0.15%</u>

#### Transaction handling charges

These are charges payable to the trustee in respect each transaction.

<u>£1,217</u>	<u>£1,879</u>
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#### 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

<u>4.29%</u>	<u>3.92%</u>
--------------	--------------

#### 6 REVENUE

	30 April 2020 £	30 April 2019 £
UK dividends	57,026	122,576
Overseas dividends	12,724	16,137
Bank interest	541	833
<b>Total revenue</b>	<b><u>70,291</u></b>	<b><u>139,546</u></b>

**MFM TECHINVEST SPECIAL SITUATIONS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2020

**7 EXPENSES**

	<b>30 April 2020</b>	<b>30 April 2019</b>
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	85,071	143,471
Registration fees	3,394	3,392
	<u>88,465</u>	<u>146,863</u>
Other expenses:		
Depository's fees	2,286	3,903
Safe custody fees	356	625
Financial Conduct Authority fee	124	158
Audit fee	3,484	3,804
	<u>6,250</u>	<u>8,490</u>
<b>Total expenses</b>	<u>94,715</u>	<u>155,353</u>

**8 TAXATION**

	<b>30 April 2020</b>	<b>30 April 2019</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
<b>Total tax charge</b> (see note 8(b))	<u>-</u>	<u>-</u>

b Factors affecting the tax charge for the year

The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net expense before taxation	(24,424)	(15,807)
Corporation tax at 20% (2019: 20%)	(4,885)	(3,161)
Effects of:		
Revenue not subject to taxation	(13,950)	(27,743)
Unrelieved excess management expenses	18,835	30,904
<b>Total tax charge</b> (see note 8(a))	<u>-</u>	<u>-</u>

At 30 April 2020 the Fund has deferred tax assets of £226,704 (2019: £207,869) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

**9 DISTRIBUTIONS**

	<b>30 April 2020</b>	<b>30 April 2019</b>
	£	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	1,123	10,678
Final	656	459
Amounts deducted/(added) on cancellation of shares	252	(3,084)
Amounts added/(deducted) on issue of shares	98	(440)
Equalisation on conversions	(46)	(858)
<b>Distributions</b>	<u>2,083</u>	<u>6,755</u>
Net deficit of revenue for the year	(26,507)	(22,562)
<b>Net expense after taxation for the year</b>	<u>(24,424)</u>	<u>(15,807)</u>

**10 DEBTORS**

	<b>30 April 2020</b>	<b>30 April 2019</b>
	£	£
Amounts receivable for issue of shares	133,953	-
Sales awaiting settlement	83,830	-
Accrued income	-	18,041
<b>Total debtors</b>	<u>217,783</u>	<u>18,041</u>

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

#### 11 OTHER CREDITORS

	30 April 2020 £	30 April 2019 £
Amounts payable for cancellation of shares	16	-
ACD's periodic charge and registration fees	4,934	9,105
Accrued expenses	4,166	3,600
<b>Total other creditors</b>	<u>9,116</u>	<u>12,705</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 on page 13 and note 9. Amounts due to/from the ACD in respect of share transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the ACD in respect of the ACD's periodic charge and registration fees are disclosed in note 7. Amounts due to/(from) the ACD at the year end are as follows:

	30 April 2020 £	30 April 2019 £
Marlborough Fund Managers Ltd	(129,003)	9,105
Marlborough Investment Management International Limited (formerly Techninvest Limited), the investment advisor, had the following shareholdings in the Fund:		
Accumulation shares	0.00%	6.25%

#### 13 SHARE CLASSES

The share classes and the annual management charge for each share class is as follows:

A Accumulation	1.50%
B Accumulation	1.00%
P Accumulation	0.75%

#### 14 SHAREHOLDERS' FUNDS RECONCILIATION

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

	A Accumulation	B Accumulation	P Accumulation
Opening shares in issue at 1 May 2019	3,598,301	10	1,286,119
Share issues	78,051	-	139,039
Share cancellations	(902,875)	(10)	(865,046)
Share conversions	(21,736)	-	20,776
Closing shares in issue at 30 April 2020	<u>2,751,741</u>	<u>-</u>	<u>580,888</u>

#### 15 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 £205,136 (2019: £391,371). 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 2020:

	Investments £	Net current assets £	Total £
Euro	199,913	469	200,382
US Dollar	-	378	378
	<u>199,913</u>	<u>847</u>	<u>200,760</u>

Foreign currency exposure at 30 April 2019:

	Investments £	Net current assets £	Total £
Euro	756,343	464	756,807
US Dollar	-	363	363
	<u>756,343</u>	<u>827</u>	<u>757,170</u>

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

#### RISK DISCLOSURES

##### 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 £10,038 (2019: £37,859). A five per cent increase would have an equal and opposite effect.

##### Interest rate risk

The interest rate risk profile of financial assets and liabilities consists of the following:

	30 April 2020 £	30 April 2019 £
Financial assets floating rate	955,145	395,208
Financial assets non-interest bearing instruments	4,320,508	7,845,451
Financial liabilities floating rate	(3,831)	(26,118)
Financial liabilities non-interest bearing instruments	(9,116)	(12,705)
	<u>5,262,706</u>	<u>8,201,836</u>

As most of the Fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

##### Liquidity risk

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

	30 April 2020 £	30 April 2019 £
Within one year:		
Bank overdrafts	3,831	26,118
Other creditors	9,116	12,705
	<u>12,947</u>	<u>38,823</u>

#### 16 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 April 2020		30 April 2019	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	4,102,725	-	7,827,410	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>4,102,725</u>	<u>-</u>	<u>7,827,410</u>	<u>-</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; and

Level 3 - Valuation techniques using unobservable inputs.

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

#### 17 POST BALANCE SHEET EVENTS

Since 30 April 2020, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	30 April 2020*	17 June 2020	Movement (%)
A Accumulation	157.61	183.73	16.57%
P Accumulation	165.91	193.59	16.68%

\* These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**MFM TECHINVEST SPECIAL SITUATIONS FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 May 2019 to 31 October 2019**

Group 1: units purchased prior to 1 May 2019

Group 2: units purchased on or after 1 May 2019

		Net revenue 31 October 2019 pence per unit	Equalisation 31 October 2019 pence per unit	Distribution paid 31 December 2019 pence per unit	Distribution paid 31 December 2018 pence per unit
B Accumulation	Group 1	0.9000p	-	0.9000p	0.2600p
	Group 2	0.9000p	-	0.9000p	0.2600p
P Accumulation	Group 1	0.1928p	-	0.1928p	0.7991p
	Group 2	0.1928p	-	0.1928p	0.7991p

**Final distribution for the period from 1 November 2019 to 30 April 2020**

Group 1: units purchased prior to 1 November 2019

Group 2: units purchased on or after 1 November 2019

		Net revenue 30 April 2020 pence per unit	Equalisation 30 April 2020 pence per unit	Distribution paid 30 June 2020 pence per unit	Distribution paid 30 June 2019 pence per unit
P Accumulation	Group 1	0.1130p	-	0.1130p	0.0356p
	Group 2	-	0.1130p	0.1130p	0.0356p



# Marlborough

— Fund Managers —

Marlborough Fund Managers Ltd  
Marlborough House,  
59 Chorley New Road,  
Bolton BL1 4QP

**Investor Support:** 0808 145 2500 (FREEPHONE)

**Dealing:** 0808 145 2501 (FREEPHONE)

**Fax:** 01204 533045

**Email:** [investorsupport@marlboroughfunds.com](mailto:investorsupport@marlboroughfunds.com)

**Website:** [www.marlboroughfunds.com](http://www.marlboroughfunds.com)