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MFM  
TECHINVEST SPECIAL SITUATIONS FUND

**INTERIM REPORT  
AND UNAUDITED FINANCIAL STATEMENTS**

For the six month period ended 31st October 2017

## **MFM TECHINVEST SPECIAL SITUATIONS 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 Manager**

Techinvest Ltd  
Merchants House  
27/30 Merchants Quay  
Dublin 8  
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**

<b>CONTENTS</b>	<b>PAGE</b>
AUTHORISED INVESTMENT MANAGER'S REPORT	1
AUTHORISED STATUS AND GENERAL INFORMATION	4
AUTHORISED CORPORATE DIRECTORS' STATEMENT	4
<b>FUND INFORMATION</b>	
Price and distribution record	5
Number of shares in issue / Net asset value per share	5
Ongoing charges	5
Synthetic risk and reward indicator	6
PORTFOLIO STATEMENT	7
PORTFOLIO TRANSACTIONS	8
<b>UNAUDITED INTERIM FINANCIAL STATEMENTS</b>	
STATEMENT OF TOTAL RETURN	9
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	9
BALANCE SHEET	10
NOTES TO THE INTERIM FINANCIAL STATEMENTS	10

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2017

#### Percentage change and sector position to 31 October 2017

	<u>Six Months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
MFM Techinvest Special Situations Fund	4.33%	26.72%	85.17%	147.50%	92.28%
Quartile Ranking**	4	4	1	2	4

\* Launched 14.06.2005 (performance calculated from first pricing point 05.07.05).

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

External Source of Economic Data: Morningstar.

For the half year to midnight on 31 October 2017, your Fund's Class A shares rose 4.33%, equating to an annual gain of 26.72%. This compares with an annual increase of 7.75% for London's main market index, the FTSE 100, and a climb of 9.28% for the broader-based FTSE All-Share. The Fund is focused on smaller companies and is a constituent of The IA (The Investment Association) UK Smaller Companies sector. London's index of smaller companies, the FTSE SmallCap, achieved an annual increase of 17.34%, lagging your Fund by more than nine percentage points over the same period.

As we've written before, your Fund's managers take a multi-year view on investment decisions and, therefore, it is instructive to consider fund performance over a long-term period. On a five-year return basis, the Fund achieved a gain of 147.5%. This compares with 29.58% for the FTSE 100 and 36.15% for the FTSE All-Share. The smaller company-focused FTSE SmallCap fared better, returning 79.08%. It's worth noting that more than 80% of the portfolio is made up of equities listed on London's junior exchange, AIM. Over five years, the index for this venue, the FTSE AIM All-Share, achieved a gain of 48.92%. Moreover, that performance lags your Fund by more than 98 percentage points over the same five-year period.

In general, smaller company equities are more exposed to the UK domestic economy than the larger caps that make up the FTSE 100 Index. In your Fund's Annual Report for the year ended 30 April 2017, we noted that, despite a broadly positive business climate at the time, uncertainty around Brexit negotiations could weigh negatively on business investment. However, despite some fears regarding the economic landscape, UK small company shares held up well during the half year to 31 October. During that period, the FTSE Small Cap recorded a rise of 5.52%, eclipsing the wider European-focused MCSI Europe Small Cap Index which gained 4.34%.

As at 31 October, the ten largest holdings in the Fund were, in alphabetical order, Blue Prism (a leading player in the relatively new technology category of Robotic Process Automation; it operates in a highly attractive market, driven by rapidly growing awareness and increasing adoption of software robots by large enterprises with significant back-office operations), Cairn Homes (a major builder of residential homes in Ireland which is now, through development of its substantial land bank, capitalising on strong price appreciation in the Irish residential sector), D4t4 Solutions (the 'Big Data' analytics specialist is progressively shifting its mix of sales towards higher-margin licence software, supporting the drive to increased profitability), Eckoh (the provider of secure payment products and customer contact solutions is successfully penetrating the US market, winning seven new client contracts in the first half of its financial year), Fulcrum Utility Services (the utility infrastructure specialist is a long-time core holding for the Fund; it continues to grow its gas asset estate and recently obtained an Independent Distribution Network Operator (IDNO) licence, enabling the Company to adopt and own electricity assets once industry qualification completes early next year), GYG (a provider of refit and painting services to the superyacht industry which was admitted to London's AIM market in May of this year; clients include 25 of the 50 largest superyachts globally), Lombard Risk Management (the provider of cross-product collateral management and regulatory reporting solutions for the financial services sector), N Brown (following significant investments in business and IT systems, the Company has largely completed the transition from traditional home shopping to an online-focused business, targeting underserved customer groups (size 20+, age 45+) via a range of distinct brands), Statpro (the provider of cloud-based portfolio analysis software has completed the transformational acquisition of the risk and performance analytics service of UBS) and Yu Group (an independent supplier of electricity and gas to the UK corporate sector; the Company has secured significant new contracts and the most recent half year results showed revenue up over 400% year-on-year).

The Fund ended the period with 9.6% of the portfolio in cash. While this is down from the 13% recorded six months previously, it is higher than the average of the past few years. Smaller company equities tend to exhibit a higher level of price volatility than their larger peers and a strong cash position provides the Fund's managers with the flexibility to take advantage of undervalued opportunities as they arise.

Recent new additions to the portfolio include FairFX, an international payment services provider to retail and corporate customers in the UK. The Company hosts a cloud-based platform, enabling personal and business customers to make low-cost multicurrency payments. It also offers prepaid currency cards and a range of additional services via a mobile app. The business broke into profit during the first half of 2017 and ended the period with approximately 640,000 customers. Plans to disrupt banking in the small and medium-sized company sector were further boosted with August's acquisition of CardOne. Your Fund had discussions with FairFX management during this period and took part in an equity fundraise to support the acquisition.

The consumer adoption of e-commerce continues to gather pace, with the UK in the vanguard of this trend. Your Fund has invested in a number of companies that use e-commerce as a platform to disrupt traditional industries. One of these is eve Sleep, a direct to consumer e-commerce sleep brand that designs and sells eve-branded mattresses and other sleep products, targeting the £26 billion European sleep market. Through the outsourcing of manufacturing, eve operates a low cost model that has allowed it to grow internationally with moderate capital investment. Partnerships with Next Home (UK) and Karstadt (Germany) have helped to increase brand awareness in Europe's two largest mattress markets.

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

### **AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 October 2017

Investors in UK small caps may take heart from the resilience of share prices since the EU Referendum result last year. Negative sentiment surrounding the possibility of a bad outcome for the Brexit negotiations has become widespread in the media and is now well-reflected in equity valuations. Therefore, the emergence of moderately positive news could have a significant upside impact for share prices.

Recent data on the UK economy has been mixed. GDP figures announced late October showed 0.4 percent growth for the third quarter, higher than consensus forecasts. This cleared the way for the Bank of England to raise interest rates for the first time in a decade. UK inflation is currently running at the fastest for five years and domestic wage growth is increasing, leading to predictions that borrowing costs may rise further.

However, many observers remain cautious on the prospects of significant increases in interest rates, pointing to continued weakness in business investment due to Brexit uncertainty. This suggests the miserly returns currently available on cash and bonds could continue for the foreseeable future. In turn, this maintains the relative attractiveness of the stock market as an asset class and especially those shares paying substantial cash dividends.

From our perspective, investors appear somewhat wary of UK small caps currently. This view is backed by recent data from The Investment Association in the UK which showed that, despite record inflows into UK-listed funds during September, money continues to be pulled out of UK equity funds, with bond-focused funds being the main beneficiaries.

Such 'crowded trades' can be an instructive contrary indicator. In our experience, periods of weak stock market sentiment are the best time to increase investments in the 'best ideas' in an equity portfolio. Small company shares are characterised by short bursts of significant outperformance and, for most investors, a patient long-term focus proves far more fruitful than attempting to predict short-term market direction based on prevailing macroeconomic conditions.

The Fund is valued once a week at 12:00pm each Wednesday. The latest price is normally posted by 5:30pm that day on the Techinvest home-page at [www.techinvest.ie](http://www.techinvest.ie). It can also be found in the Financial Times each day and at [www.marlboroughfunds.com](http://www.marlboroughfunds.com). A fact-sheet is updated each month with the latest data on the Fund and can be found on the Techinvest website.

Techinvest Ltd.  
Investment Manager  
17 November 2017

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## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2017

#### Distributions (pence per share)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Class A Accumulation</u>				
Net income paid 30 June	0.0000	0.0000	0.0000	0.0000
Net income paid 31 December	0.0000	0.0000	0.0000	0.0164
<u>Class B Accumulation</u>				
Net income paid 30 June	0.2100	0.0100	0.0000	0.0000
Net income paid 31 December	0.2200	0.0508	0.0000	0.6700
<u>Class P Accumulation</u>				
Net income paid 30 June	0.1051	0.2398	0.0000	0.0000
Net income paid 31 December	0.1873	0.2161	0.0000	0.7800

#### Material portfolio changes

Major purchases	Cost (£)	Major sales	Proceeds (£)
Bonmarché Holdings	334,532	Styles & Wood Group	387,524
PROACTIS Holdings	316,007	Bank of Ireland Group	378,928
Quiz	302,862	Keywords Studios	332,167
GYG	300,000	Medica Group	218,113
appScatter Group	260,000	Restore	194,656
Lakehouse	254,231	Yu Group	192,326
FairFX Group	251,610	Mountfield Group	174,495
Medica Group	222,829	Lakehouse	161,379
WYG	204,613	Van Elle Holdings	139,690
Lombard Risk Management	182,018	Independent News & Media	135,144
Eve Sleep	162,487	Brown (N) Group	132,568
Bank of Ireland Group	152,490	Boohoo.com	129,315
Van Elle Holdings	143,645	Stadium Group	117,645
StatPro Group	130,063	easyHotel	117,318
CityFibre Infrastructure Holdings	128,423	WYG	109,844
Cairn Homes	121,144	Fulcrum Utility Services	105,417
Eckoh	95,084	On the Beach Group	104,281
Tavistock Investments	89,019	Datalex	100,908
Park Group	79,610	APC Technology Group	84,001
Mincon Group	79,044	Filtronic	75,099
Other purchases	511,802	Other sales	145,277
Total purchases for the period	4,321,513	Total sales for the period	3,536,095

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

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

#### **Authorised status**

MFM Techinvest Special Situations 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 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 Company.

#### **Investment objective**

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.

#### **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**

No changes have been made since the last report.

Up to date key investor information documents, the full prospectus and reports and accounts for any fund within the manager's range, can be requested at any time.

### **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**  
8 December 2017

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### FUND INFORMATION

Accumulation shares were first offered at 100p on 14 June 2005. On 31 December 2012, the existing shares were reclassified as Class A shares and Class B and P shares became available for purchase.

#### Price and distribution record

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Accumulation</u>			
30 April 2015	112.97p	102.47p	0.0164p
30 April 2016	144.92p	114.23p	0.0000p
30 April 2017	182.38p	131.86p	0.0000p
30 April 2018*	196.44p	184.57p	0.0000p
<u>Class B Accumulation</u>			
30 April 2015	113.98p	103.23p	0.6700p
30 April 2016	146.80p	115.26p	0.0100p
30 April 2017	186.06p	133.81p	0.2608p
30 April 2018*	200.81p	188.50p	0.2200p
<u>Class P Accumulation</u>			
30 April 2015	114.55p	103.75p	0.7800p
30 April 2016	147.88p	115.84p	0.2398p
30 April 2017	187.67p	134.82p	0.3212p
30 April 2018*	202.81p	190.26p	0.1873p

\* six month period to 31 October 2017.

#### Number of shares in issue/Net asset value per share

	Net asset value of scheme property	Number of shares in issue	Net asset value per share
<u>Class A Accumulation</u>			
30 April 2015	£3,185,076	2,860,743	111.34p
30 April 2016	£9,426,862	6,719,919	140.28p
30 April 2017	£9,937,950	5,475,073	181.51p
31 October 2017	£10,498,155	5,549,912	189.16p
<u>Class B Accumulation</u>			
30 April 2015	£112	100	112.34p
30 April 2016	£142	100	142.16p
30 April 2017	£185	100	185.19p
31 October 2017	£193	100	193.46p
<u>Class P Accumulation</u>			
30 April 2015	£113	100	112.91p
30 April 2016	£10,954	7,648	143.23p
30 April 2017	£1,460,657	781,929	186.80p
31 October 2017	£1,901,864	973,217	195.42p

#### Ongoing charges

	<u>Class A</u>	<u>Class B</u>	<u>Class P</u>
30 April 2017	1.64%	1.14%	0.89%
31 October 2017	1.62%	1.12%	0.87%

The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

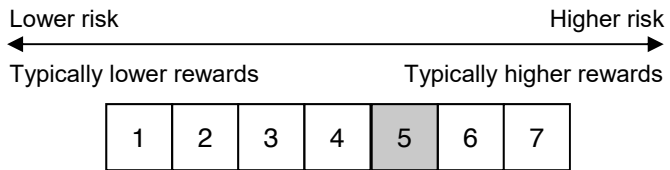
- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.



## MFM TECHINVEST SPECIAL SITUATIONS FUND

### FUND INFORMATION

#### Synthetic risk and reward indicator



The 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.

This Fund has been measured as 5 because it has experienced significant volatility historically.

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>BEVERAGES</b> (1.29%, Apr 2017 - 2.33%)		
6,650,799 Distil	159,619	1.29
Total Beverages	<u>159,619</u>	<u>1.29</u>
<b>CONSTRUCTION &amp; MATERIALS</b> (3.88%, Apr 2017 - 4.74%)		
1,805,724 Ashley House	148,972	1.20
4,245,940 Mountfield Group	61,566	0.50
279,000 Van Elle Holdings	270,630	2.18
Total Construction & Materials	<u>481,168</u>	<u>3.88</u>
<b>ELECTRONIC &amp; ELECTRICAL EQUIPMENT</b> (1.51%, Apr 2017 - 4.00%)		
187,500 Stadium Group	187,500	1.51
Total Electronic & Electrical Equipment	<u>187,500</u>	<u>1.51</u>
<b>FINANCIAL SERVICES</b> (8.73%, Apr 2017 - 6.15%)		
364,600 FairFX Group	295,326	2.38
597,443 Miton Group	238,977	1.93
381,211 Park Group	308,781	2.49
9,583,333 Tavistock Investments	239,583	1.93
Total Financial Services	<u>1,082,667</u>	<u>8.73</u>
<b>FIXED LINE TELECOMMUNICATIONS</b> (2.13%, Apr 2017 - 2.02%)		
599,000 CityFibre Infrastructure Holdings	263,560	2.13
Total Fixed Line Telecommunications	<u>263,560</u>	<u>2.13</u>
<b>GAS, WATER &amp; MULTIUTILITIES</b> (7.50%, Apr 2017 - 7.35%)		
570,000 Fulcrum Utility Services	359,100	2.89
73,750 Yu Group	571,563	4.61
Total Gas, Water & Multiutilities	<u>930,663</u>	<u>7.50</u>
<b>GENERAL RETAILERS</b> (9.71%, Apr 2017 - 6.16%)		
365,000 Bonmarché Holdings	328,500	2.65
108,949 Boohoo.com	218,170	1.76
125,000 Brown (N) Group	376,500	3.04
172,112 Quiz	280,543	2.26
Total General Retailers	<u>1,203,713</u>	<u>9.71</u>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b> (3.49%, Apr 2017 - 4.56%)		
125,000 Medica Group	281,250	2.27
388,578 Tolly	151,546	1.22
Total Health Care Equipment & Services	<u>432,796</u>	<u>3.49</u>
<b>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</b> (1.47%, Apr 2017 - Nil)		
200,000 Eve Sleep	182,000	1.47
Total Household Goods & Home Construction	<u>182,000</u>	<u>1.47</u>
<b>INDUSTRIAL TRANSPORTATION</b> (3.43%, Apr 2017 - Nil)		
300,000 GYG	426,000	3.43
Total Industrial Transportation	<u>426,000</u>	<u>3.43</u>
<b>NON EQUITY INVESTMENT INSTRUMENTS</b> (0.46%, Apr 2017 - 0.58%)		
60,000 Gloo Networks	57,000	0.46
Total Non Equity Investment Instruments	<u>57,000</u>	<u>0.46</u>

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>SOFTWARE &amp; COMPUTER SERVICES</b> (27.46%, Apr 2017 - 20.14%)		
400,000 appScatter Group	224,000	1.81
36,564 Blue Prism Group	511,896	4.13
230,000 D4t4 Solutions	338,100	2.73
880,000 Eckoh	444,400	3.58
380,000 Elecosoft	163,400	1.32
750,000 GAN	232,500	1.87
5,800,000 Lombard Risk Management	391,500	3.16
71,102 Osirium Technologies	110,208	0.89
176,277 PROACTIS Holdings	282,043	2.27
465,000 StatPro Group	706,800	5.70
Total Software & Computer Services	<u>3,404,847</u>	<u>27.46</u>
<b>SUPPORT SERVICES</b> (2.80%, Apr 2017 - 9.16%)		
8,886 Keywords Studios	141,998	1.14
2,740,000 Redhall Group	205,500	1.66
Total Support Services	<u>347,498</u>	<u>2.80</u>
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b> (1.56%, Apr 2017 - 1.28%)		
1,291,515 Filtronic	193,727	1.56
Total Technology Hardware & Equipment	<u>193,727</u>	<u>1.56</u>
<b>TRAVEL &amp; LEISURE</b> (4.84%, Apr 2017 - 6.64%)		
56,798 Best of the Best	147,675	1.19
52,000 On the Beach Group	214,500	1.73
474,948 Safestay	237,474	1.92
Total Travel & Leisure	<u>599,649</u>	<u>4.84</u>
<b>OVERSEAS SECURITIES</b> (10.11%, Apr 2017 - 11.88%)		
320,000 Cairn Homes	499,202	4.03
58,000 Dalata Hotel Group	272,777	2.20
75,000 Datalex	233,573	1.88
266,206 Mincon Group	247,569	2.00
Total Overseas Securities	<u>1,253,121</u>	<u>10.11</u>
<b>UNQUOTED SECURITIES</b> (0.00%, Apr 2017 - 0.00%)		
90,000 Infoserve Group	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
<b>Portfolio of investments</b>	11,205,528	90.37
<b>Net current assets on capital account</b>	1,194,684	9.63
<b>Net assets</b>	<u>12,400,212</u>	<u>100.00</u>

The investments of the Fund have been valued at their fair value at close of business on 31 October 2017. 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 authorised corporate director (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. The fair value excludes any element of accrued interest. Infoserve Group is deemed to be valueless by the fund manager.

### PORTFOLIO TRANSACTIONS

for the six month period ended 31 October 2017

	£
Total purchases costs, including transaction charges	4,321,513
Total sales proceeds, net of transaction charges	3,536,095

**MFM TECHINVEST SPECIAL SITUATIONS FUND****STATEMENT OF TOTAL RETURN**

for the six month period ended 31 October 2017

	31 October 2017		31 October 2016	
	£	£	£	£
Income:				
Net capital gains/(losses)		498,964		476,606
Revenue	66,874		51,024	
Expenses	<u>(96,338)</u>		<u>(75,040)</u>	
Net revenue/(expense) before taxation		<u>(29,464)</u>		<u>(24,016)</u>
Taxation		<u>0</u>		<u>0</u>
Net revenue/(expense) after taxation		<u>(29,464)</u>		<u>(24,016)</u>
Total return before distributions		469,500		452,590
Distributions		(1,058)		1,517
Change in net assets attributable to shareholders from investment activities		<u>468,442</u>		<u>454,107</u>

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

for the six month period ended 31 October 2017

	31 October 2017		31 October 2016	
	£	£	£	£
Opening net assets attributable to shareholders		* 11,398,792		9,437,959
Amounts receivable on issue of shares	2,511,094		1,487,680	
Amounts payable on cancellation of shares	(1,979,748)		(2,123,590)	
Amounts payable on share class conversions	<u>(191)</u>		<u>(537)</u>	
		531,155		(636,447)
Change in net assets attributable to shareholders from investment activities		468,442		454,107
Retained distribution on accumulation shares		1,823		856
Closing net assets attributable to shareholders		<u>12,400,212</u>		* <u>9,256,475</u>

\* These figures are not the same as the comparatives are taken from the preceding interim period and not the last final accounts.

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### BALANCE SHEET

as at 31 October 2017

	31 October 2017	30 April 2017
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	11,205,528	9,916,265
<b>Current Assets:</b>		
Debtors	4,721	171,123
Cash and bank balances	1,223,934	1,359,099
Total assets	<u>12,434,183</u>	<u>11,446,487</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	15,950	32,088
Other creditors	18,021	15,607
Total liabilities	<u>33,971</u>	<u>47,695</u>
<b>Net assets attributable to shareholders</b>	<u>12,400,212</u>	<u>11,398,792</u>

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 October 2017

#### Basis for preparation

The interim 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.

#### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those annual financial statements.

# Marlborough

— Fund Managers —

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

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