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MFM
TECHINVEST TECHNOLOGY FUND

**INTERIM REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

For the six month period ended 31st October 2017

MFM TECHINVEST TECHNOLOGY FUND

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director and Registrar

Marlborough Fund Managers Ltd
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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
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
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BL1 4BY

MFM TECHINVEST TECHNOLOGY FUND

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MFM TECHINVEST TECHNOLOGY 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 Technology Fund	1.42%	13.99%	34.44%	111.77%	376.33%
Quartile Ranking**	4	4	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 increased by 1.42% to 476.33p during the half year to 31 October 2017. The advance since inception on 19 May 2003 is now therefore 376.33%. This compares favourably with a gain of 90.12% by the FTSE 100 index over the same time-span, during which the Nasdaq Composite index was up by 348.76% and the small cap Russell 2000 index advanced by 268.04%.

However, the increase in the price of the Fund over the most recent half year to 31 October was only 1.42%, less than the 4.01% gain by the FTSE 100 index, but very much in line with the improvement of 1.49% in the techMARK AllShare index.

The Fund is typically invested some 80 to 85 percent in North American stocks, the vast majority of which are very much in the small cap category. The US small cap tech-rich Russell 2000 index was up by 7.31% during the half year. The pound-US dollar rate moved unfavourable by 2.53% over this period. As far as we are aware, the Fund is the only one of its type in the UK Trustnet Fund performance league table (some 3,335 at latest count) that offers such a high level of exposure to the smaller cap end of the North American technology stock universe.

North American content at 31 October for the Fund was 89.35%. By North American content we mean stocks whose most active trading venue is a recognised US or Canadian stock exchange.

The Fund ended the half year fully invested. This ties in with our normal policy of remaining close to fully invested. This policy forces us to be questioning at all times of merits of the individual stock positions held and their respective weightings, especially as there is never a shortage of alternative attractive candidates.

A prime consideration for a Fund of our size when it comes to investing in the smaller cap end of North American markets is the relative ease there, compared to most other markets, of trading in and out of positions. We believe this is largely due to the much greater participation by the smaller investor, no doubt the result of the transparency and regularity of quality public information flows from quoted companies. Any investor can listen in to a live Conference Call, including top analysts' Q&A interactions with company management, either on-the-spot or available for days afterwards in the form of recordings of the entire session.

As of 31 October, the ten largest holdings in the Fund were, in alphabetical order: Box (innovative leader in cloud content data management, driven by the opinionated Aaron Levie); Ceva (a designer and licensor of signal processing technology for chip designers; in recent weeks it has announced a partnership with LG Electronics for smart 3D Camera solutions for consumer electronics and robotics applications); Datawatch (data preparation software and fast data analytics solutions, led by the experienced Michael Morrison); Etsy (operator of the leading homecrafts website and marketplace; lost its way past-IPO in May 2015, but, following a change of CEO earlier this year, now firmly on the road to sustained growing profitability); Facebook (second largest holding in the fund; fast-rising amounts of mobile advertising are fuelling profitable monetisation of its ever-increasing social networking users); First Derivatives (the low profile Newry, Co Down-based worldwide provider of high quality financial trading and analytics software and services is now successfully expanding into new verticals such as aerospace and healthcare); Mitek Systems (the Fund's largest position; demand for its digital identity software and mobile deposit technology continues to expand, with more than 5,900 financial institutions and greater than 80 million consumers using its mobile capture technology, now also available in the cloud; it recently bought a small promising Madrid-based business in the area of computer vision for desktop computers); Radcom (leader in the early stage but fast-emerging NFV (Network Function Virtualisation) market for Communications Service Providers; both AT&T and Verizon are believed to be leading revenue-generating customers); Sapiens International (analytics software solutions for life and medical insurance companies, with a growing presence in financial services; now benefitting from the large cash acquisition earlier this year of StoneRiver, a provider of solutions and services for the North American insurance industry); Zynga (after several turbulent years that left the shares in the social gaming company trading far below IPO levels, the price is now well on the way back under new management led by CEO Frank Gibeau; the new focus on mobile saw mobile user pay hit an all-time high for both revenue and bookings, driving net income and operating cash flows to new records also).

Typically, during the half year, up to 85% of the Fund was invested in North America 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 that the Fund has relatively little exposure, other than currency volatility, to whatever London market jitters Brexit may evoke over the next year or two. Indeed, most of the more successful London market tech stocks have a very distinct international focus to their business models.

Our track record over the years is based on taking the long-term view and paying relatively little heed to the unpredictable short-term vagaries of the overall market. Not all that different to the Warren Buffet philosophy, but modified for the realities of our speciality, the tech sector.

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2017

We believe the Fund is the only UK authorised one of its type available to the general public that offers significant dual exposure to both London and North American small cap tech stocks. At the close of the half year on 31 October, just under 90% by value was invested in North American traded stocks.

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. It can also be found in the Financial Times each day and at www.marlbroughfunds.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
16 November 2017

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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	0.0000
<u>Class B 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	0.0000
<u>Class P 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	0.3231

Material portfolio changes

Major purchases	Cost (£)	Major sales	Proceeds (£)
NeoPhotonics	981,505	Applied Optoelectronics	1,968,867
Box	980,910	Xactly	1,850,967
SecureWorks 'A'	756,027	Axcelis Technologies	1,149,686
Pure Storage 'A'	739,070	Sandvine	892,080
Alibaba Group Holding	728,171	Guidance Software	821,107
Rapid7	705,320	Apple	721,884
Learning Technologies Group	670,438	PROS Holdings	694,912
Mitel Networks	577,637	BlackBerry	679,608
DSP Group	572,853	Harmonic	631,726
Apptio 'A'	544,773	Avigilon	623,471
Telenav	533,933	Sequans Communications	552,170
Cloudera	532,162	NeoPhotonics	535,456
Infinera	527,474	MRV Communications	523,283
MRV Communications	506,459	Radisys	464,011
QuickLogic	486,544	Allot Communications	429,793
Twitter	463,338	Cohort	424,530
Aviat Networks	423,444	Hortonworks	397,263
Medica Group	359,302	Twitter	393,499
Liquidity Services	342,594	Kainos Group	369,222
Datawatch	337,374	Silver Spring Networks	361,511
Other purchases	3,722,025	Other sales	1,660,752
Total purchases for the period	15,491,353	Total sales for the period	16,145,798

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

MFM Techninvest Technology 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.

The FTSE techMARK All-Share Index is the benchmark comparison against which the performance of the Fund is measured.

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 TECHNOLOGY FUND

FUND INFORMATION

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.

Price and distribution record

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Accumulation</u>			
30 April 2015	391.63p	320.92p	0.0000p
30 April 2016	394.51p	297.72p	0.0000p
30 April 2017	478.28p	338.48p	0.0000p
30 April 2018*	501.30p	456.96p	0.0000p
<u>Class B Accumulation</u>			
30 April 2015	396.50p	324.29p	0.0000p
30 April 2016	399.66p	302.71p	0.0000p
30 April 2017	489.00p	344.58p	0.0000p
30 April 2018*	513.38p	468.38p	0.0000p
<u>Class P Accumulation</u>			
30 April 2015	398.07p	325.27p	0.3231p
30 April 2016	401.37p	304.56p	0.0000p
30 April 2017	493.30p	346.86p	0.0000p
30 April 2018*	518.32p	473.09p	0.0000p

* 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	£35,474,796	9,436,280	375.94p
30 April 2016	£27,366,719	8,167,686	335.06p
30 April 2017	£34,233,539	7,319,061	467.73p
31 October 2017	£32,934,191	6,939,274	474.61p
<u>Class B Accumulation</u>			
30 April 2015	£1,305,312	342,847	380.73p
30 April 2016	£1,320,443	387,199	341.02p
30 April 2017	£1,869,956	390,844	478.44p
31 October 2017	£1,793,979	368,603	486.70p
<u>Class P Accumulation</u>			
30 April 2015	£4,334,690	1,133,869	382.29p
30 April 2016	£4,720,730	1,375,334	343.24p
30 April 2017	£7,181,255	1,487,570	482.75p
31 October 2017	£7,168,731	1,457,929	491.71p

Ongoing charges

	<u>Class A</u>	<u>Class B</u>	<u>Class P</u>
30 April 2017	1.71%	1.21%	0.96%
31 October 2017	1.71%	1.21%	0.96%

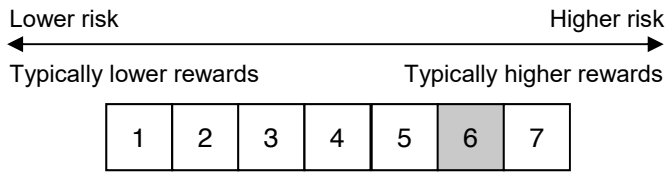
The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

- 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 TECHNOLOGY 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 6 because it has experienced high volatility historically.

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED KINGDOM		
AEROSPACE & DEFENCE (Nil, Apr 2017 - 1.09%)		
Total Aerospace & Defence	0	0.00
FIXED LINE TELECOMMUNICATIONS (0.47%, Apr 2017 - Nil)		
450,000 CityFibre Infrastructure Holdings	198,000	0.47
Total Fixed Line Telecommunications	198,000	0.47
SOFTWARE & COMPUTER SERVICES (8.12%, Apr 2017 - 7.75%)		
1,053,920 dotDigital Group	937,989	2.24
50,000 First Derivatives	1,798,500	4.29
833,402 Ideagen	666,722	1.59
Total Software & Computer Services	3,403,211	8.12
SUPPORT SERVICES (2.29%, Apr 2017 - Nil)		
1,475,000 Learning Technologies Group	958,750	2.29
Total Support Services	958,750	2.29
CANADA (5.29%, Apr 2017 - 8.14%)		
230,000 DIRTT Environmental Solutions	854,347	2.04
630,400 Espial Group	662,732	1.58
273,100 NexJ Systems	352,503	0.84
402,000 Redline Communications	349,834	0.83
Total Canada	2,219,416	5.29
UNITED STATES (84.06%, Apr 2017 - 79.24%)		
5,500 Alibaba Group Holding	765,999	1.83
50,000 Apptio 'A'	912,719	2.18
197,042 Aptose Biosciences	232,966	0.56
30,428 Asure Software	258,474	0.62
199,600 Attunity	1,025,131	2.45
83,897 Aviat Networks	1,048,160	2.50
152,721 Bazaarvoice	552,045	1.32
89,000 BlackBerry	733,233	1.75
65,000 Box	1,074,441	2.56
627,300 Ceragon Networks	1,010,936	2.41
42,654 CEVA	1,549,857	3.70
59,144 ChannelAdvisor	501,069	1.20
45,000 Cloudera	513,405	1.23
167,394 Datawatch	1,569,437	3.75
202,856 Determine	329,971	0.79
97,072 DSP Group	975,910	2.33
85,000 Etsy	1,068,981	2.55
17,000 Facebook 'A'	2,305,159	5.50
43,736 Frequency Electronics	301,696	0.72
144,808 I.D. Systems	801,520	1.91
80,000 Infinera	503,652	1.20
334,900 Kopin	882,710	2.11
123,485 Lantronix	167,387	0.40
73,279 Liquidity Services	311,790	0.74
390,000 Mitek Systems	2,599,217	6.20
90,000 Mitel Networks	582,197	1.39
16,250 PayPal Holdings	887,943	2.12
106,833 PCTEL	531,792	1.27
72,000 Pure Storage 'A'	890,308	2.12

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 31 October 2017

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED STATES (continued)		
534,309 QuickLogic	635,747	1.52
134,432 Radcom	2,055,102	4.91
49,323 Rapid7	671,185	1.60
122,423 Sapiens International	1,281,482	3.06
399,836 SeaChange International	797,926	1.90
90,608 SecureWorks 'A'	682,341	1.63
39,500 Sierra Wireless	666,315	1.59
215,440 Synacor	381,267	0.91
83,756 Telenav	403,674	0.96
62,950 Vicor	1,019,222	2.43
289,869 Westell Technologies	619,947	1.48
380,000 Zynga 'A'	1,113,186	2.66
Total United States	<u>35,215,499</u>	<u>84.06</u>
UNQUOTED SECURITIES (0.00%, Apr 2017 - 0.00%)		
330,000 Infoserve Group	0	0.00
64,600 NexJ Health Holdings	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
Portfolio of investments	41,994,876	100.23
Net current liabilities on capital account	(97,975)	(0.23)
Net assets	<u>41,896,901</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 and Nexj Systems Newco are 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	15,491,353
Total sales proceeds, net of transaction charges	16,145,798

MFM TECHINVEST TECHNOLOGY 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)		973,853		8,144,754
Revenue	22,930		80,768	
Expenses	<u>(339,852)</u>		<u>(298,806)</u>	
Net revenue/(expense) before taxation	(316,922)		(218,038)	
Taxation	<u>(2,178)</u>		<u>(6,618)</u>	
Net revenue/(expense) after taxation		<u>(319,100)</u>		<u>(224,656)</u>
Total return before distributions		654,753		7,920,098
Distributions		9,434		174
Change in net assets attributable to shareholders from investment activities		<u>664,187</u>		<u>7,920,272</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		* 43,284,750		33,407,892
Amounts receivable on issue of shares	102,352		1,982,364	
Amounts payable on cancellation of shares	(2,154,134)		(1,628,146)	
Amounts payable on share class conversions	<u>(254)</u>		<u>(1,212)</u>	
		(2,052,036)		353,006
Change in net assets attributable to shareholders from investment activities		664,187		7,920,272
Closing net assets attributable to shareholders		<u>41,896,901</u>		* <u>41,681,170</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 TECHNOLOGY FUND

BALANCE SHEET

as at 31 October 2017

	31 October 2017	30 April 2017
	£	£
Assets:		
Fixed Assets:		
Investments	41,994,876	41,648,878
Current Assets:		
Debtors	35,876	971,079
Cash and bank balances	546,288	1,685,314
Total assets	<u>42,577,040</u>	<u>44,305,271</u>
Liabilities:		
Creditors:		
Bank overdrafts	619,406	226,734
Other creditors	60,733	793,787
Total liabilities	<u>680,139</u>	<u>1,020,521</u>
Net assets attributable to shareholders	<u>41,896,901</u>	<u>43,284,750</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 —

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