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MFM
TECHINVEST TECHNOLOGY FUND

**INTERIM REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

for the six month period ended 31 October 2018

MFM TECHINVEST TECHNOLOGY FUND

Registered Office

Marlborough House
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Bolton
BL1 4QP

Authorised Corporate Director and Registrar

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

Investor Support: (0808) 145 2500 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Depository

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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

Investment Adviser

Techinvest Ltd
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 TECHNOLOGY FUND

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MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2018

Percentage change and sector position to 31 October 2018

	<u>Six Months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
MFM Techinvest Technology Fund	10.12%	9.61%	48.38%	54.42%	422.09%
Quartile Ranking**	1	2	4	4	3

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

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

External Source of Economic Data: Morningstar.

The price of shares in your Fund at the end of the half-year to midnight on 31 October 2018 was 522.09p, a record for any of the statutory six-month reporting periods to date since the Fund commenced operations back in May 2003. The total increase since then is now 422.09%. This compares favourably with a gain of 80.86% by the FTSE 100 index over the same period, during which the Nasdaq Composite index advanced by 389.42% while the smaller cap Russell 2000 index, arguably a more appropriate benchmark for the Fund, has improved by 270.15%.

Nowadays, the Fund is typically invested in the region of 90%, or just below, in North American traded stocks, of which the vast majority are very much at the smaller cap end of the market spectrum. Over the half year to 31 October, the Nasdaq Composite declined by 3.34% while the Russell 2000 index recorded a fall of 1.98%. On the other hand, the Fund achieved a gain of 10.12%, handsomely outperforming its two most relevant benchmarks. As far as we are aware, the Fund is the only one of its type in the UK Investment Association performance league table provided by FE Trustnet (3523 Unit Trusts and OEICs at latest count) that offers such a high degree of exposure to the smaller cap end of the North American technology stock universe.

By North American content, we mean stocks whose most active trading venue is a US (primarily, but not exclusively, Nasdaq) or Canadian (mainly Toronto) stock exchange. Such companies provide very timely, and normally very detailed, information on their operations once every three months or so, which is immediately available to all investors, both institutional and private. This includes long formal press releases, supplemented within hours by a publicly accessible Conference Call, which includes analysts' Q and A. All of this is instantaneously available to any or all interested parties.

All such information is also subsequently disseminated and made available through a variety of Internet based sources. This all makes for a very transparent and democratic market, albeit at the expense of what can be very sharp short-term moves in individual stock prices as investors react to the latest news. This is a more transparent and fair system than is the norm in the EU where an increasingly onerous regulatory regime has effectively impeded the dissemination of publicly available information.

The Fund ended the year with a small cash deficit of 0.70%. This reflects our normal policy of remaining pretty close to fully invested – we don't know of any source which has a proven long-term record of consistent accuracy in predicting short (or even medium) term moves in overall equity markets. In addition, remaining close to fully invested nearly all the time forces us to be ever-questioning of all positions held and their respective individual weightings.

The ten largest positions in the Fund at October 31 were, in alphabetical order: Attunity (the shares more than doubled this calendar year on the back of accelerating demand for its big data management software solutions); Aviat Networks (the microwave radio transmission equipment specialist still has a base in Scotland; the company should be a major beneficiary of the forthcoming 5G tidal-wave); Ceragon Networks (the Israel-based company is a rival to Aviat, although both tend to concentrate on different geographies; the 5G revolution will be large enough to accommodate both); Datawatch (the data intelligence solutions provider has just accepted a cash takeover offer of \$13.10 per share from Michigan-based Altair Engineering); Etsy (after a very disappointing first year on Nasdaq, the shares have soared over the past couple of years on the back of management changes that successfully commercialised its platforms for specialist whimsical craft items, goods and services); Invitae (the shares have more than doubled this calendar year on accelerating demand for its genetic testing services and database); Mitek Systems (the identity capture and verification software specialist has rejected, rightly in our strong view, an all-cash takeover offer of \$10 a share from Elliott Associates-backed ASG Technologies; in our opinion, the shares are worth considerably more); Nokia (we picked the Finland-based stock over Sweden's Ericsson as our preferred mega-cap play on the forthcoming multi-year 5G megacycle in mobile cellular communications); Radware (cybersecurity solutions for the cloud and data centres are now the engine of its forward momentum); Vicor (experiencing very strong growth in demand from data centres for its specialist power supply equipment).

We remain very optimistic about the technology sector and its vast and ever-expanding range of interesting and attractive investment choices and opportunities. There is always something new and /or appealing coming along, whether in the form of a novel product or service, or an unique radically-new variant of something already available. Admittedly, some of the valuations at the mega cap end of the market, especially the FAANGs (Facebook, Amazon, Apple, Netflix and Google's parent company Alphabet), had become over-stretched by early Autumn and, not surprisingly, have had a bit of a sell off since.

Nonetheless, we find there is still no shortage of attractive stocks, especially at the smaller cap end of the market – we suspect that many of the bigger winners over coming months will come from some of these. We continue to find no end of opportunities, using our tried-and-trusted metrics of PSR (price-sales ratio), PRR (price-research ratio), balance-sheet strength in the form of net-cash per share and the PEG (price-earnings ratio divided by the underlying growth rate of the business as a whole, looking at least one and preferably two/three years out).

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2018

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

Close to 90% of the Fund is now invested in North American listed stocks, a higher proportion than at any time in the past. This is partly due to a decline over recent years in the number of mid-cap tech stocks in London, magnified by the more recent sharp increase in Brexit-related uncertainties. As a result, the Fund is now largely insulated from whatever unexpected twists and turns Brexit may bring. It is also worth noting that, over recent months, the Fund has raised its exposure to the forthcoming multiyear 5G megacycle in the mobile communications space to over 20%.

We believe the MFM Techinvest Technology fund is the only UK authorised fund of its type available to the general public that offers such a high level of exposure to the mid and smaller-cap end of the very extensive North American technology sector, both in the US and Canada.

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 each weekday in the Financial Times and at 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
28 November 2018

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Material portfolio changes

Major purchases	Cost (£)	Major sales	Proceeds (£)
Nokia ADR	1,582,120	Box 'A'	950,636
FireEye	1,064,302	Cloudera	906,397
Hortonworks	892,145	Vicor	815,148
OneSpan	767,812	Kopin	791,380
Quantenna Communications	689,163	Adesto Technologies	786,088
ConvergeOne Holdings	665,287	Learning Technologies Group	716,172
Aviat Networks	656,862	CityFibre Infrastructure Holdings	693,218
EXFO	653,012	RADCOM	664,573
American Software 'A'	611,959	IDSsystems	661,123
Allot Communications	561,390	PCTEL	629,941
Aerohive Networks	495,820	Digi International	608,238
Points International	459,997	SeaChange International	604,232
Telenav	412,283	Espial Group	603,143
StatPro Group	387,058	CEVA	507,057
RumbleOn 'B'	352,488	First Derivatives	460,190
Avid Technology	314,787	Mitel Networks	449,907
Sierra Wireless	294,948	Invitae	271,876
Attunity	218,993	Attunity	255,939
RADCOM	155,767	Sierra Wireless	193,037
DSP Group	140,949	Ideagen	169,573
Other purchases	676,693	Other sales	901,601
Total purchases for the period	12,053,835	Total sales for the period	12,639,469

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

MFM Techinvest Technology Fund (the Fund) is an investment company with variable capital incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Company is incorporated in England and Wales with the registration number IC000219 and is authorised and regulated by the Financial Conduct Authority with effect from 28 March 2003. The shareholders are not liable for the debts of the Company.

Investment objective

The investment objective of the Fund is to provide capital growth from capital appreciation and the accumulation of income through a globally invested portfolio of equities and bonds. Emphasis will be placed on technology-based businesses worldwide. It is envisaged that up to 75% of the total fund value will normally be in securities quoted on the London Stock Exchange, with the balance invested elsewhere, primarily North America.

The technology sector includes, but is not necessarily limited to, companies providing products and services in electronic and electrical equipment, healthcare, information technology hardware, electronic games, media services, support services and telecommunication services.

Rights and terms attaching to each share class

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

Changes in prospectus

No significant changes have been made since the last report.

Up to date key investor information documents, prospectus and manager's reports and accounts for any fund within the manager's range, can be requested by the investor 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
12 December 2018

MFM TECHINVEST TECHNOLOGY FUND

COMPARATIVE TABLE

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

<u>Class A accumulation shares</u>	Period to	Year to	Year to	Year to
Change in net assets per share	31.10.2018	30.04.2018	30.04.2017	30.04.2016
	pence	pence	pence	pence
Opening net asset value per share	472.18	467.73	335.06	375.94
Return before operating charges*	53.05	12.49	139.74	(34.76)
Operating charges	(4.65)	(8.04)	(7.07)	(6.12)
Return after operating charges*	48.40	4.45	132.67	(40.88)
Distributions on accumulations shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	520.58	472.18	467.73	335.06
* after direct transaction costs of:	0.32	1.18	0.90	0.93
Performance				
Return after charges	10.25%	0.95%	39.60%	-10.87%
Other information				
Closing net asset value	£31,165,173	£29,120,902	£34,233,539	£27,366,719
Closing number of shares	5,986,610	6,167,279	7,319,061	8,167,686
Operating charges	1.71% ^A	1.71%	1.71%	1.73%
Direct transaction costs	0.12% ^A	0.25%	0.22%	0.26%
Prices				
Highest share price	595.83p	501.30p	478.28p	394.51p
Lowest share price	481.95p	437.32p	338.48p	297.72p
<u>Class B accumulation shares</u>				
Change in net assets per share	Period to	Year to	Year to	Year to
	31.10.2018	30.04.2018	30.04.2017	30.04.2016
	pence	pence	pence	pence
Opening net asset value per share	485.42	478.44	341.02	380.73
Return before operating charges*	54.50	12.82	142.53	(35.29)
Operating charges	(3.39)	(5.84)	(5.11)	(4.42)
Return after operating charges*	51.11	6.98	137.42	(39.71)
Distributions on accumulations shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	536.53	485.42	478.44	341.02
* after direct transaction costs of:	0.32	1.21	0.92	0.95
Performance				
Return after charges	10.53%	1.46%	40.30%	-10.43%
Other information				
Closing net asset value	£1,961,377	£1,635,910	£1,869,956	£1,320,443
Closing number of shares	365,567	337,009	390,844	387,199
Operating charges	1.21% ^A	1.21%	1.21%	1.23%
Direct transaction costs	0.12% ^A	0.25%	0.22%	0.26%
Prices				
Highest share price	613.59p	513.38p	489.00p	399.66p
Lowest share price	495.47p	449.47p	344.58p	302.71p

^A These figures have been annualised.

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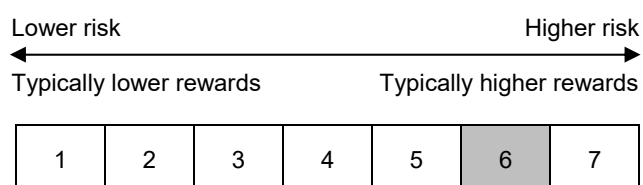
COMPARATIVE TABLE

Class P accumulation shares	Period to 31.10.2018	Year to 30.04.2018	Year to 30.04.2017	Year to 30.04.2016
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	491.02	482.75	343.24	382.29
Return before operating charges*	55.10	12.94	143.62	(35.53)
Operating charges	(2.72)	(4.67)	(4.11)	(3.52)
Return after operating charges*	52.38	8.27	139.51	(39.05)
Distributions on accumulations shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	543.40	491.02	482.75	343.24
* after direct transaction costs of:	0.33	1.22	0.93	0.95
Performance				
Return after charges	10.67%	1.71%	40.65%	-10.21%
Other information				
Closing net asset value	£9,007,039	£8,098,716	£7,181,255	£4,720,730
Closing number of shares	1,657,543	1,649,354	1,487,570	1,375,334
Operating charges	0.96% ^A	0.96%	0.96%	0.98%
Direct transaction costs	0.12% ^A	0.25%	0.22%	0.26%
Prices				
Highest share price	621.20p	518.32p	493.30p	401.37p
Lowest share price	501.20p	454.59p	346.86p	304.56p

^A These figures have been annualised.

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

SYNTHETIC RISK AND REWARD INDICATOR



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

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

MFM TECHINVEST TECHNOLOGY FUND
PORTFOLIO STATEMENT

as at 31 October 2018

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED KINGDOM		
FIXED LINE TELECOMMUNICATIONS (Nil, April 2018 - 1.78%)		
Total Fixed Line Telecommunications	0	0.00
SOFTWARE & COMPUTER SERVICES (6.98%, April 2018 - 8.39%)		
703,920 dotDigital Group	577,214	1.37
24,000 First Derivatives	741,600	1.76
708,402 Ideagen	1,041,351	2.47
486,000 StatPro Group	583,200	1.38
Total Software & Computer Services	2,943,365	6.98
SUPPORT SERVICES (1.65%, April 2018 - 3.54%)		
625,000 Learning Technologies Group	696,875	1.65
Total Support Services	696,875	1.65
CANADA (2.97%, April 2018 - 3.90%)		
249,800 EXFO	528,539	1.25
273,100 NexJ Systems	252,295	0.60
435,500 Redline Communications	469,810	1.12
Total Canada	1,250,644	2.97
UNITED STATES (88.67%, April 2018 - 81.75%)		
150,000 Aerohive Networks	448,374	1.06
117,210 Allot Communications	589,742	1.40
64,152 American Software 'A'	576,788	1.37
42,000 Apptio 'A'	850,878	2.02
247,042 Aptose Biosciences	419,485	1.00
248,600 Attunity	3,137,774	7.45
164,891 Aviat Networks	1,909,611	4.53
199,568 Avid Technology	824,539	1.96
79,000 BlackBerry	571,196	1.36
532,260 Ceragon Networks	1,382,764	3.28
100,000 ConvergeOne Holdings	729,293	1.73
31,612 Data I/O	123,435	0.29
212,225 Datawatch	1,549,403	3.68
105,905 DSP Group	1,012,684	2.40
45,000 Etsy	1,497,594	3.55
83,000 FireEye	1,199,585	2.85
43,736 Frequency Electronics	379,539	0.90
62,000 Hortonworks	866,967	2.06
143,000 Invitae	1,586,713	3.77
369,900 Mitek Systems	2,648,449	6.29
365,000 Nokia ADR	1,605,149	3.81
60,000 OneSpan	688,759	1.63
12,250 PayPal Holdings	807,017	1.92
41,453 Points International	404,166	0.96
72,000 Pure Storage 'A'	1,136,946	2.70
55,000 Quantenna Communications	772,096	1.83
571,331 QuickLogic	380,008	0.90
84,432 RADCOM	615,096	1.46
83,000 Radware	1,507,438	3.58
33,323 Rapid7	944,710	2.24
63,589 RumbleOn 'B'	280,141	0.66
122,221 Sapiens International	1,086,451	2.58
68,170 SecureWorks 'A'	880,163	2.09

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 31 October 2018

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED STATES (continued)		
90,000 Sierra Wireless	1,266,247	3.00
169,960 Telenav	563,896	1.34
51,480 Vicor	1,616,165	3.84
249,869 Westell Technologies 'A'	498,584	1.18
Total United States	<u>37,357,845</u>	<u>88.67</u>
UNQUOTED SECURITIES (0.00%, April 2018 - 0.00%)		
330,000 Infoserve Group	0	0.00
64,600 NexJ Health	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
Portfolio of investments	42,248,729	100.27
Net liabilities	(115,140)	(0.27)
Total net assets	<u>42,133,589</u>	<u>100.00</u>

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

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

PORTFOLIO TRANSACTIONS

for the six month period ended 31 October 2018

	£
Total purchases costs, including transaction charges	12,053,835
Total sales proceeds, net of transaction charges	12,639,469

MFM TECHINVEST TECHNOLOGY FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 31 October 2018

	31 October 2018		31 October 2017	
	£	£	£	£
Income:				
Net capital gains/(losses)		4,253,074		973,853
Revenue	45,708		22,930	
Expenses	<u>(341,715)</u>		<u>(339,852)</u>	
Net revenue/(expense) before taxation	(296,007)		(316,922)	
Taxation	<u>(5,252)</u>		<u>(2,178)</u>	
Net revenue/(expense) after taxation		<u>(301,259)</u>		<u>(319,100)</u>
Total return before distributions		3,951,815		654,753
Distributions		4,390		9,434
Change in net assets attributable to shareholders from investment activities		<u>3,956,205</u>		<u>664,187</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 31 October 2018

	31 October 2018		31 October 2017	
	£	£	£	£
Opening net assets attributable to shareholders		* 38,855,528		43,284,750
Amounts receivable on issue of shares	1,439,209		102,352	
Amounts payable on cancellation of shares	(2,116,986)		(2,154,134)	
Amounts payable on share class conversions	<u>(367)</u>		<u>(254)</u>	
		(678,144)		(2,052,036)
Change in net assets attributable to shareholders from investment activities		3,956,205		664,187
Closing net assets attributable to shareholders		<u>42,133,589</u>		* <u>41,896,901</u>

MFM TECHINVEST TECHNOLOGY FUND

BALANCE SHEET

as at 31 October 2018

	31 October 2018	30 April 2018
	£	£
Assets:		
Fixed Assets:		
Investments	42,248,729	38,607,640
Current Assets:		
Debtors	83,654	216,895
Cash and bank balances	612,601	526,618
Total assets	<u>42,944,984</u>	<u>39,351,153</u>
Liabilities:		
Creditors:		
Bank overdrafts	255,237	391,900
Other creditors	556,158	103,725
Total liabilities	<u>811,395</u>	<u>495,625</u>
Net assets attributable to shareholders	<u>42,133,589</u>	<u>38,855,528</u>

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 interim 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 interim 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 2018 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at close of business on 31 October 2018.

Marlborough

— Fund Managers —

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