

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

MFM  
TECHINVEST SPECIAL SITUATIONS FUND

**INTERIM REPORT  
AND UNAUDITED FINANCIAL STATEMENTS**

for the six month period ended 31 October 2018

## **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**

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## MFM TECHINVEST SPECIAL SITUATIONS 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 Special Situations Fund	-7.58%	-3.87%	33.56%	83.80%	84.83%
Quartile Ranking**	3	2	2	1	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.

The period was a volatile one for UK share prices as the market digested a number of macroeconomic and political concerns, ranging from the possible impact of the UK's pending withdrawal from the EU, the ramping up of US-China trade tensions and the expectation of rising interest rates in western economies.

The importance of taking a multi-year view to investing is a message we've repeated many times in previous reports and we can't stress it strongly enough. We've never met anyone that can accurately predict near-term market direction with consistent success. Share prices fluctuate in the short-term according to oscillations in investor sentiment that often have little to do with the underlying performance of businesses or the wider economy. Over longer-periods, the opposite tends to be the case. Legendary investor Benjamin Graham described this concept by declaring that in the short-run, the market is a voting machine – tallying up which firms are popular and unpopular, while in the long-run the market is a weighing machine – assessing the substance of a company.

With that in mind, it is satisfying to note that for the five years to 31 October 2018, the price of your Fund's Class A shares increased 83.80%. This compares with gains of just 5.89% for London's main market index, the FTSE 100, and 8.89% for the broader-based FTSE All Share. The Fund is small company-focused and a constituent of the IA (Investment Association) UK Smaller Companies table which contains around 50 similar funds. On a five-year return basis, your Fund was ranked 8<sup>th</sup> in the table. It is worth noting that London's index of smaller companies, the FTSE SmallCap, achieved a gain of 24.69% over the five-year period, lagging your fund by 59 percentage points.

For the half year ended midnight on 31 October 2018, your Fund's Class A shares fell 7.58%, equating to an annual decline of 3.87%. This performance was broadly in line with UK equities overall during the period and a slightly stronger performance than the FTSE 100 and the FTSE All-Share. Those indices posted declines of 4.87% and 5.18% respectively for the half year.

At October 31 the ten largest holdings in the Fund were, in alphabetical order, Arena Events (a hire business serving the sporting, leisure and exhibition sectors; it provides temporary physical structures, seating, ice rinks, furniture and interiors. Despite operating across Europe, the US, the Middle East and Asia, the majority of revenue is derived from sporting events in the UK and US); Ashley House (a property development partner to providers and commissioners of health and community care); BATM Advanced Communications (a provider of bio-medical, cybersecurity and networking products and services); D4T4 (a 'Big Data' analytics specialist which is making increasing inroads into the all-important American market); FairFX (the international payment services provider to the retail and corporate segments of the UK market has recently obtained an e-money licence, enabling it to diversify into digital banking products); Filtronic (a manufacturer of RF, microwave and millimetre wave components and subsystems for the telecoms and defence sectors; the Company is excellently-placed as a beneficiary of the forthcoming wave of investment in next-generation 5G networks); GAN (a developer of online gaming content and enterprise-level business-to-business software systems to the gaming sector; the business is benefiting from the lifting of the Federal ban on sports betting in the US); Keystone Law (a fast-growing law firm operating a platform-based model to disrupt the mid-market legal services sector in the UK); Mincon Group (a specialist in design, manufacture, sale and servicing of rock drilling tools and associated products for the mining and energy sectors; the Company is capitalising on the improved market activity and is expanding its product portfolio and geographic presence, aided by the recent acquisition of Driconeq); and Statpro (a provider of cloud-based portfolio analytics solutions to the investment community, whose products help asset managers mitigate increased regulatory and cost pressures).

Recent additions to the portfolio include Kape Technologies, a developer of cybersecurity software products offered via online affiliates, which focuses on the consumer segment via two security offerings: Virtual Private Network (VPN) and PC recovery. It operates a subscription-based model and, unlike some 'freemium offerings' from other providers, does not sell customer data to third parties. Digital privacy has become increasingly important to consumers, given recent high-profile data breaches and losses. The Fund has recently taken an initial position in Marlowe. The Company operates in the outsourced business service sector in the UK, providing critical asset testing, inspection & maintenance services. Specialisms include fire protection, security systems, water treatment and air quality services. Marlowe's strategy is to broaden its offering by acquiring and developing specialist support service businesses in complementary sectors and it hopes to build a group of leading businesses providing critical & regulated services to commercial buildings across the UK. These services are increasingly burdened by regulation, leading commercial building owners to consider outsourcing to a single specialist provider with nationwide coverage.

Your Fund ended the period with around 3% of the portfolio in cash, slightly lower than the historical average. Your managers monitor the cash position carefully and a strong cash position provides the necessary flexibility to take advantage of undervalued opportunities.

## **MFM TECHINVEST SPECIAL SITUATIONS FUND**

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

for the six month period ended 31 October 2018

In our previous report (for the year ended 30 April 2018) we pointed to weak investor sentiment towards UK equities and quoted data from the Investment Association that highlighted considerable outflows of capital from UK-focused equity funds. This trend continued during the half year to 31 October 2018. Despite positive net inflows of £642m for September into UK retail funds as a whole, those funds focusing on UK equities (which combine the UK All Companies, UK Equity Income and UK Smaller Companies sectors) saw outflows of £329m. This followed outflows of £429m in August.

Those figures suggest that UK equities are well out of favour and that the market has 'priced in' continued uncertainty, leading to a more challenging UK business environment ahead. The emergence of moderately positive news that provides some economic and/or political certainty might attract some of the capital sitting on the side lines and be significantly positive for share prices. When it comes to small companies, taking a 'wait and see' approach based on near-term macroeconomic or political circumstances is a precarious strategy – small cap shares are often tightly-held by major shareholders, making them prone to short-bursts of significant outperformance when buyers return.

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.marlbroughfunds.com](http://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  
30 November 2018

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## MFM TECHINVEST SPECIAL SITUATIONS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2018

#### Distributions (pence per share)

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</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	0.2100	0.0100	0.0000
Net income paid 31 December	0.2600	0.2200	0.0508	0.0000
<u>Class P Accumulation</u>				
Net income paid 30 June	0.1191	0.1051	0.2398	0.0000
Net income paid 31 December	0.7991	0.1873	0.2161	0.0000

#### Material portfolio changes

Major purchases	Cost (£)	Major sales	Proceeds (£)
easyHotel	289,949	CityFibre Infrastructure Holdings	541,028
Provident Financial	262,042	Yü Group	230,713
Warpaint London	244,259	On the Beach Group	223,426
Kape Technologies	225,840	Miton Group	188,502
Marlowe	216,743	Boohoo Group	174,397
Pelatro	174,334	Quiz	147,851
KRM22	125,000	Van Elle Holdings	146,559
The Fulham Shore	120,181	GYG	122,815
Filtronic	108,378	FairFX Group	111,128
Boohoo Group	90,386	Inspired Energy	102,345
Beeks Financial Cloud Group	73,478	appScatter Group	102,182
VR Education Holdings	68,718	Elecosoft	87,944
D4t4 Solutions	67,502	Totally	85,102
Osirium Technologies	64,034	Safestay	80,570
PROACTIS Holdings	62,576	eve Sleep	57,734
Gresham Technologies	62,173	Bonmarché Holdings	55,565
Arena Events Group	53,847	Warpaint London	29,205
Quiz	47,448		
Inspired Energy	47,370		
Ashley House	40,061		
Other purchases	98,139	Other sales	4,793
Total purchases for the period	2,542,458	Total sales for the period	2,491,859

## **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 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 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 SPECIAL SITUATIONS FUND

### COMPARATIVE TABLE

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.

<b><u>Class A accumulation shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.10.2018</b>	<b>30.04.2018</b>	<b>30.04.2017</b>	<b>30.04.2016</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	196.75	181.51	140.28	111.34
Return before operating charges*	(13.42)	18.35	43.76	31.23
Operating charges	(1.69)	(3.11)	(2.53)	(2.29)
Return after operating charges*	(15.11)	15.24	41.23	28.94
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	181.64	196.75	181.51	140.28
* after direct transaction costs of:	0.15	0.62	0.50	0.64
<b>Performance</b>				
Return after charges	-7.68%	8.40%	29.39%	25.99%
<b>Other information</b>				
Closing net asset value	£8,028,049	£9,134,720	£9,937,950	£9,426,862
Closing number of shares	4,419,735	4,642,879	5,475,073	6,719,919
Operating charges	1.62% <sup>A</sup>	1.62%	1.64%	1.69%
Direct transaction costs	0.14% <sup>A</sup>	0.33%	0.33%	0.47%
<b>Prices</b>				
Highest share price	214.90p	199.17p	182.38p	144.92p
Lowest share price	183.50p	184.57p	131.86p	114.23p
<b><u>Class B accumulation shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.10.2018</b>	<b>30.04.2018</b>	<b>30.04.2017</b>	<b>30.04.2016</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	201.00	185.19	142.16	112.34
Return before operating charges*	(13.80)	18.01	44.73	31.43
Operating charges	(1.20)	(2.20)	(1.70)	(1.61)
Return after operating charges*	(15.00)	15.81	43.03	29.82
Distributions on accumulations shares	(0.26)	(0.22)	(0.26)	(0.01)
Retained distributions on accumulation shares	0.26	0.22	0.26	0.01
Closing net asset value per share	186.00	201.00	185.19	142.16
* after direct transaction costs of:	0.15	0.64	0.49	0.64
<b>Performance</b>				
Return after charges	-7.46%	8.54%	30.27%	26.54%
<b>Other information</b>				
Closing net asset value	£186	£201	£185	£142
Closing number of shares	100	100	100	100
Operating charges	1.12% <sup>A</sup>	1.12%	1.14%	1.19%
Direct transaction costs	0.14% <sup>A</sup>	0.33%	0.33%	0.47%
<b>Prices</b>				
Highest share price	220.27p	203.82p	186.06p	146.80p
Lowest share price	188.03p	188.50p	133.81p	115.26p

<sup>A</sup> These figures have been annualised.



## MFM TECHINVEST SPECIAL SITUATIONS FUND

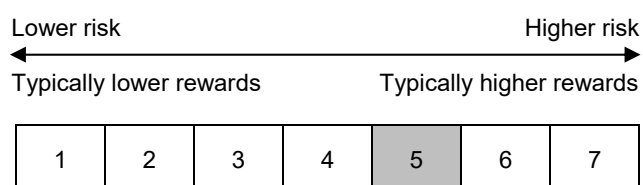
### COMPARATIVE TABLE

<b>Class P accumulation shares</b>	<b>Period to 31.10.2018</b>	<b>Year to 30.04.2018</b>	<b>Year to 30.04.2017</b>	<b>Year to 30.04.2016</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	204.02	186.80	143.23	112.91
Return before operating charges*	(14.01)	18.94	45.07	31.65
Operating charges	(0.94)	(1.72)	(1.50)	(1.33)
Return after operating charges*	(14.95)	17.22	43.57	30.32
Distributions on accumulations shares	(0.80)	(0.31)	(0.32)	(0.24)
Retained distributions on accumulation shares	0.80	0.31	0.32	0.24
Closing net asset value per share	189.07	204.02	186.80	143.23
* after direct transaction costs of:	0.15	0.64	0.55	0.67
<b>Performance</b>				
Return after charges	-7.33%	9.22%	30.42%	26.85%
<b>Other information</b>				
Closing net asset value	£2,526,488	£2,429,227	£1,460,657	£10,954
Closing number of shares	1,336,244	1,190,705	781,929	7,648
Operating charges	0.87% <sup>A</sup>	0.87%	0.89%	0.94%
Direct transaction costs	0.14% <sup>A</sup>	0.33%	0.33%	0.47%
<b>Prices</b>				
Highest share price	223.54p	206.49p	187.67p	147.88p
Lowest share price	190.99p	190.26p	134.82p	115.84p

<sup>A</sup> 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 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 31 October 2018

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>CONSTRUCTION &amp; MATERIALS</b> (3.03%, April 2018 - 3.05%)		
2,668,724 Ashley House	320,247	3.03
Total Construction & Materials	<u>320,247</u>	<u>3.03</u>
<b>EQUITY INVESTMENT INSTRUMENTS</b> (1.20%, April 2018 - Nil)		
123,762 KRM22	126,237	1.20
Total Equity Investment Instruments	<u>126,237</u>	<u>1.20</u>
<b>FINANCIAL SERVICES</b> (12.39%, April 2018 - 10.61%)		
401,552 FairFX Group	469,816	4.45
200,000 Frenkel Topping Group	44,000	0.42
504,258 Miton Group	299,529	2.84
40,000 Provident Financial	204,000	1.93
9,683,333 Tavistock Investments	290,500	2.75
Total Financial Services	<u>1,307,845</u>	<u>12.39</u>
<b>FIXED LINE TELECOMMUNICATIONS</b> (Nil, April 2018 - 4.66%)		
Total Fixed Line Telecommunications	<u>0</u>	<u>0.00</u>
<b>GAS, WATER &amp; MULTIUTILITIES</b> (2.14%, April 2018 - 7.94%)		
370,000 Fulcrum Utility Services	225,700	2.14
Total Gas, Water & Multiutilities	<u>225,700</u>	<u>2.14</u>
<b>GENERAL RETAILERS</b> (6.85%, April 2018 - 11.05%)		
343,400 Bonmarché Holdings	274,720	2.60
100,000 Boohoo Group	212,900	2.02
115,000 Brown (N) Group	155,825	1.48
172,112 Quiz	79,172	0.75
Total General Retailers	<u>722,617</u>	<u>6.85</u>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b> (Nil, April 2018 - 0.79%)		
Total Health Care Equipment & Services	<u>0</u>	<u>0.00</u>
<b>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</b> (Nil, April 2018 - 1.65%)		
Total Household Goods & Home Construction	<u>0</u>	<u>0.00</u>
<b>INDUSTRIAL TRANSPORTATION</b> (Nil, April 2018 - 1.88%)		
Total Industrial Transportation	<u>0</u>	<u>0.00</u>
<b>PERSONAL GOODS</b> (0.94%, April 2018 - Nil)		
81,683 Warpaint London	99,653	0.94
Total Personal Goods	<u>99,653</u>	<u>0.94</u>
<b>SOFTWARE &amp; COMPUTER SERVICES</b> (38.90%, April 2018 - 29.94%)		
132,241 appScatter Group	29,093	0.27
85,808 Beeks Financial Cloud Group	91,815	0.87
200,000 Brady	130,000	1.23
600,000 D4t4 Solutions	1,200,000	11.37
115,000 Dillistone Group	54,050	0.51
750,000 Eckoh	285,000	2.70
284,835 Elecosoft	207,930	1.97
750,000 GAN	397,500	3.77
150,000 Gresham Technologies	225,000	2.13
200,000 Kape Technologies	216,000	2.05
116,102 Osirium Technologies	160,221	1.52
236,986 Pelatro	165,890	1.57

## MFM TECHINVEST SPECIAL SITUATIONS FUND

### PORTFOLIO STATEMENT

as at 31 October 2018

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>SOFTWARE &amp; COMPUTER SERVICES</b> (continued)		
163,662 PROACTIS Holdings	199,668	1.89
545,000 StatPro Group	654,000	6.20
1,000,000 VR Education Holdings	90,000	0.85
Total Software & Computer Services	<u>4,106,167</u>	<u>38.90</u>
<b>SUPPORT SERVICES</b> (9.34%, April 2018 - 6.39%)		
900,000 Inspired Energy	180,000	1.70
100,000 Keystone Law Group	350,000	3.32
50,000 Marlowe	210,000	1.99
701,811 Sureserve Group	245,634	2.33
Total Support Services	<u>985,634</u>	<u>9.34</u>
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b> (7.41%, April 2018 - 3.02%)		
970,000 BATM Advanced Communications	372,480	3.53
2,241,515 Filtronic	409,076	3.88
Total Technology Hardware & Equipment	<u>781,556</u>	<u>7.41</u>
<b>TRAVEL &amp; LEISURE</b> (7.42%, April 2018 - 7.02%)		
559,004 Arena Events Group	346,582	3.28
250,000 easyHotel	232,500	2.20
275,105 Safestay	104,540	0.99
1,000,000 The Fulham Shore	100,000	0.95
Total Travel & Leisure	<u>783,622</u>	<u>7.42</u>
<b>OVERSEAS SECURITIES</b> (7.40%, April 2018 - 7.74%)		
145,000 Cairn Homes	181,570	1.72
28,000 Dalata Hotel Group	134,264	1.27
75,000 Datalex	141,072	1.34
306,206 Mincon Group	324,485	3.07
Total Overseas Securities	<u>781,391</u>	<u>7.40</u>
<b>UNQUOTED SECURITIES</b> (0.00%, April 2018 - 0.00%)		
90,000 Infoserve Group	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
<b>Portfolio of investments</b>	10,240,669	97.02
<b>Net other assets</b>	314,054	2.98
<b>Total net assets</b>	<u>10,554,723</u>	<u>100.00</u>

Infoserve Group is delisted 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	2,542,458
Total sales proceeds, net of transaction charges	2,491,859

## MFM TECHINVEST SPECIAL SITUATIONS 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)		(882,036)		498,964
Revenue	98,754		66,874	
Expenses	<u>(89,303)</u>		<u>(96,338)</u>	
Net revenue/(expense) before taxation	9,451		(29,464)	
Taxation	<u>0</u>		<u>0</u>	
Net revenue/(expense) after taxation		<u>9,451</u>		<u>(29,464)</u>
Total return before distributions		(872,585)		469,500
Distributions		(10,459)		(1,058)
Change in net assets attributable to shareholders from investment activities		<u><u>(883,044)</u></u>		<u><u>468,442</u></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		* 11,564,148		11,398,792
Amounts receivable on issue of shares	450,223		2,511,094	
Amounts payable on cancellation of shares	(587,104)		(1,979,748)	
Amounts payable on share class conversions	<u>(179)</u>		<u>(191)</u>	
		(137,060)		531,155
Change in net assets attributable to shareholders from investment activities		(883,044)		468,442
Retained distribution on accumulation shares		10,679		1,823
Closing net assets attributable to shareholders		<u><u>10,554,723</u></u>		* <u><u>12,400,212</u></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 2018

	31 October 2018	30 April 2018
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	10,240,669	11,071,306
<b>Current Assets:</b>		
Debtors	44,914	135,922
Cash and bank balances	367,630	548,127
Total assets	<u>10,653,213</u>	<u>11,755,355</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	0	35,495
Other creditors	98,490	155,712
Total liabilities	<u>98,490</u>	<u>191,207</u>
<b>Net assets attributable to shareholders</b>	<u>10,554,723</u>	<u>11,564,148</u>

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 October 2018

#### 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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