

MFM Techinvest Special Situations Fund (Class A)

Fund Update: December 2018

<p>IA Classification: UK Smaller Companies</p> <p>Fund Objective: The MFM Techinvest Special Situations Fund is a UK-based open-ended investment company. The aim 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 in the current stockmarket 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 and 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.</p>	<p>Share Price: 183.89p (at 30th November 2018)</p> <p>Five Year Performance:</p> <p>Fund Share Price: 77.36% FTSE 100: 4.96% FTSE All-Share: 7.75% AIM All-Share: 12.42%</p>
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Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid)

Manager's Comment

Equity markets stabilised in November, after a turbulent October. Stocks which have suffered near term trading challenges are being punished severely in the current climate. At the time of writing, share prices in the UK retail sector are under pressure following the release of a number of trading updates from companies, illustrating the challenging trading environment in the UK high street, exacerbated by Brexit uncertainties. Recent market declines are providing opportunities for the Fund to add to a number of its holdings at attractive levels.

Activity

During the month of October, the Fund acquired a holding in Smartspace Software, a provider of solutions for smart buildings, commercial spaces and the hospitality sector. The Company, formerly known as RedstoneConnect, disposed of its lower margin integration and managed services divisions, and has refocused to become a pure play software solutions provider. During October it acquired Swiped On for £5.4 million, a Company which provides visitor management solutions to the entry and mid-market segment, and has over 2,000 customers globally. This complements the enterprise level offerings within the Company portfolio.

Fund Performance				
	5 years %	3 years %	1 year %	6 months %
MFM Techinvest Special Situations Fund	77.36	30.82	-4.10	-11.84
FTSE 100	4.96	9.82	-4.73	-9.09
FTSE All-Share	7.75	9.48	-5.22	-9.45

Discrete Year Performance	Fund Performance %
01/12/2017 to 30/11/2018	-4.10
01/12/2016 to 30/11/2017	24.55
01/12/2015 to 30/11/2016	9.53
01/12/2014 to 30/11/2015	35.24
01/12/2013 to 30/11/2014	0.25

Please remember that past performance is not a guide to the future. Fund launched 5th July 2005. Source: Bloomberg (Indices). Morningstar (Fund, mid-to-mid). Data at close 30th November 2018.

Top 10 Holdings	
D4T4 Solutions	11.4%
Statpro	6.4%
BATM Advanced Communications	4.5%
Fairfx	4.5%
Keystone Law	3.6%
Filtronic	3.5%
GAN	3.5%
Arena Events Group	3.4%
Tavistock Investments	3.3%
Mincon Group	3.2%

Source: Techinvest Limited. Data at close 30th November 2018.

Authorised Corporate Director	Marlborough Fund Managers Ltd (Authorised and regulated by the Financial Conduct Authority) Head Office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Telephone: +44 (0) 1204 380 060
Investment Manager	Techinvest Limited (Regulated by the Central Bank of Ireland) Merchants House, 27/30 Merchants Quay, Dublin 8, Ireland
Fund Size	£10.6m
Fund Launch	5th July 2005
Minimum Investment	£1,000
Valuation Point	Weekly (each Wednesday at noon)
Initial Charge	5%
Ongoing Charge (Class A)	1.62%
Contact	Marlborough Fund Managers Ltd Marlborough House, 59 Chorley New Road Bolton, BL1 4QP Telephone: +44 (0)1204 380 060 The Key Investor Information Document and Full Prospectus are available free of charge.

Source: Marlborough Fund Managers. Data at close 30th November 2018.

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Risk Warnings

The price of shares in the Fund can go down as well as up and therefore investors may not get back all they have invested. The Fund is subject to an initial charge and consequently charges are not made uniformly throughout the period of investment. Changes in exchange rates between currencies may cause the value of investments to diminish or increase. The Fund invests in smaller companies and companies listed on AIM, which carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The Fund invests mainly in the UK. Therefore it may be more vulnerable to market sentiment in the country.

The contents of this document are purely for information purposes only, and are not to be considered as an offer or solicitation to deal in investments. Opinions expressed, whether in general or on the performance of individual securities and in a wider economic context, represent the views of *Techinvest* at the time of preparation. They are subject to change and should not be interpreted as investment advice.

Issued and approved by Techinvest Limited. Techinvest Ltd is regulated by the Central Bank of Ireland. The MFM Techinvest Special Situations Fund is authorised by the Financial Conduct Authority. The Fund is not authorised for sale in the Republic of Ireland. Techinvest is the Investment Manager of the Fund and is separately remunerated for its services.