

## MFM Techinvest Special Situations Fund (Class A)

**Fund Update: February 2019**

<p><b>IA Classification:</b> UK Smaller Companies</p> <p><b>Fund Objective:</b> 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: 163.35p (at 31st January 2019)</p> <p><b>Five Year Performance:</b></p> <p>Fund Share Price: 47.37% FTSE 100: 7.04% FTSE All-Share: 9.41% AIM All-Share: 7.16%</p>
---	--

Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid)

### Manager's Comment

The main UK stock market indices rebounded in January, after the sharp fall in December. The strong recovery in US markets provided a tailwind. While Brexit and US-China trade tensions continued to roll on, investors took a view that recent share price falls had been overdone and buyers returned to the market in January. UK company valuations remain depressed, with economic and political uncertainties now reflected in share prices. It is of course difficult to predict the timing and nature of resolutions to the headline political risks during H119, and this may hold back markets in the near term. On balance the risks seem biased to the upside even if uncertainty remains relatively high.

### Activity

The Fund has been a beneficiary from investments in the online fashion sector, riding on the explosive growth of the sector in recent years. As always, selective stock picking is key given the very competitive nature of the sector. During the month the Fund took an initial position in Sosander, a rapidly growing small ecommerce retailer of women's fashion. The Company, founded in 2015, came to market in November 2017, and targets women who have graduated from the throwaway fashion brands, targeting a core demographic of 34-54 years of age. The management team have considerable experience in the fashion industry and while the business is at an early stage, revenue is up 407% year on year, with impressive metrics on average customer spend and repeat business levels.

Fund Performance				
	5 years %	3 years %	1 year %	6 months %
<b>MFM Techinvest Special Situations Fund</b>	47.37	18.51	-17.52	-22.77
<b>FTSE 100</b>	7.04	14.55	-7.50	-10.06
<b>FTSE All-Share</b>	9.41	14.68	-7.54	-10.06

Discrete Year Performance	Fund Performance %
01/02/2018 to 31/01/2019	-17.52
01/02/2017 to 31/01/2018	18.37
01/02/2016 to 31/01/2017	21.38
01/02/2015 to 31/01/2016	27.51
01/02/2014 to 31/01/2015	-2.47

Please remember that past performance is not a guide to the future. Fund launched 5<sup>th</sup> July 2005. Source: Bloomberg (Indices). Morningstar (Fund, mid-to-mid). Data at close 31st January 2019.

<b>Top 10 Holdings</b>	
D4T4 Solutions	9.5%
Statpro	7.1%
BATM Advanced Communications	5.2%
GAN	4.1%
Ashley House	3.9%
Mincon Group	3.6%
Tavistock Investments	3.6%
Keystone Law	3.5%
Eckoh	2.9%
Fairfx	2.8%

Source: Techinvest Limited. Data at close 31st January 2019.

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	£9.1m
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 31st January 2019.

† The Lipper Fund Awards are part of the Thomson Reuters Awards for Excellence, a global family of awards that celebrate exceptional performance throughout the professional investment community. The Thomson Reuters Awards for Excellence recognise the world's top funds, fund management firms, sell-side firms, research analysts, and investor relations teams. For more information, please refer to [www.lipperfundawards.com](http://www.lipperfundawards.com).

## 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.