

MFM Techinvest Special Situations Fund (Class A)

Fund Update: January 2019

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| <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: 163.29p (at 31st December 2018)</p> <p>Five Year Performance:</p> <p>Fund Share Price: 58.61% FTSE 100: -0.31% FTSE All-Share: 1.81% AIM All-Share: 0.93%</p> |
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Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid)

Manager's Comment

The main UK stock market indices dipped in December, after a succession of negative news flow on both geopolitical matters and increasing concerns about the health of the UK economy. The share price falls were particularly marked from early December to Christmas. Since then, supported by the strong rally in US markets, UK share prices began to stage a recovery, and this has continued into early January. The indiscriminate nature of the across the board sell-off has substantially increased the universe of stocks now at attractive levels, and while it may take time to restore investor confidence, a change back to a more bullish sentiment could lead to sudden gains on individual stocks.

Activity

Digital transformation has in recent years become a synonym for organisational transformation and business strategy. It is about maintaining a competitive advantage, leveraging data and managing the threat of disruption. IDC forecast that the market for digital transformation services in EMEA will increase from \$45 billion in 2017 to \$82 billion in 2021. The Fund took a holding in The Panoply Group when it came to market by IPO in December. The Company was founded in 2016, with the aim of acquiring best-of-breed specialist information technology and innovation consulting businesses across Europe, thereby building geographic regional clusters of complementary companies to target the digital transformation market opportunity.

| Fund Performance | | | | |
|---|-----------|-----------|----------|------------|
| | 5 years % | 3 years % | 1 year % | 6 months % |
| MFM Techinvest Special Situations Fund | 58.61 | 14.93 | -14.47 | -22.41 |
| FTSE 100 | -0.31 | 7.78 | -12.48 | -11.90 |
| FTSE All-Share | 1.81 | 6.70 | -12.95 | -12.55 |

| Discrete Year Performance | Fund Performance % |
|---------------------------|--------------------|
| 01/01/2018 to 31/12/2018 | -14.47 |
| 01/01/2017 to 31/12/2017 | 17.56 |
| 01/01/2016 to 31/12/2016 | 14.30 |
| 01/01/2015 to 31/12/2015 | 34.70 |
| 01/01/2014 to 31/12/2014 | 2.46 |

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 31st December 2018.

| Top 10 Holdings | |
|------------------------------|------|
| D4T4 Solutions | 8.5% |
| Statpro | 6.5% |
| Fairfx | 4.8% |
| BATM Advanced Communications | 4.6% |
| GAN | 4.0% |
| Keystone Law | 3.9% |
| Mincon Group | 3.6% |
| Arena Events Group | 3.5% |
| Tavistock Investments | 3.5% |
| Ashley House | 3.4% |

Source: Techinvest Limited. Data at close 31st December 2018.

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| 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 | £9.3m |
| 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 December 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.

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