



MFM TECHINVEST TECHNOLOGY FUND

Annual Report
For the period ended 30th April 2015

Fund Details**MFM Techinvest Technology 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

Authorised and regulated by the Financial Conduct Authority

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Depositary:

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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 by the Central Bank of Ireland

Auditors:

Barlow Andrews LLP
Carlyle House
78 Chorley New Road
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MFM TECHINVEST TECHNOLOGY FUND

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AUTHORISED INVESTMENT ADVISER'S REPORT

For the year ended 30 April 2015

Percentage change and sector position to 30 April 2015

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch**</u>
MFM Techinvest Technology Fund	6.35%	9.84%	70.60%	112.90%	276.79%
Quartile Ranking*	4	4	1	1	2

*Based on ranking within The Investment Association Technology & Telecommunications sector. External Source of Economic Data: Morningstar

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

The price of units in your Fund increased by 9.84% to 376.79p during the year to 30 April 2015. This means that it has now advanced by 276.79% since inception on 19 May 2003.

Much of the increase for the year came about in the second half. At the half way stage (to 31 October 2014) the gain was 3.28%; the second half improvement was 6.35%, almost the exact same as the advance of 6.33% by the FTSE 100. For the year as a whole, the FTSE 100 was up by 2.66%.

Typically, over 70% of the value of the Fund throughout the year was represented by stocks traded on North American markets. The actual percentage at the close on 30 April 2015 was 77.67%.

Over the twelve months to 30 April 2015, the bellwether Nasdaq Composite index rose by 20.10% (two thirds of this in the first half). The technology-rich Russell 2000 index, which is comprised of the smallest 2,000 stocks in the Russell 3000 index, was up 8.28% for the year as a whole – at the half way point it was ahead by 3.97%. Currency helped, with the dollar strengthening 9.02% against the pound sterling over the twelve month period.

Since its inception on 19 May 2003, the unit price of shares in the Fund has appreciated by 276.79%. This is well in excess of the 76.61% advance recorded over the same time frame by the FTSE 100 index, the main London market index. It is also nicely ahead of both the Nasdaq Composite (+231.02%) and the Russell 2000 (+198.81%) over this period.

Long-term Techinvest followers know that our prime focus has always been on the longer-term, albeit this inevitably means relative under-performance on a short-term basis at times. This is particularly true when the focus of attention is on the smaller cap end of the market – we note that many of the North American investment community have never heard of most of the smaller US/Canadian stocks we hold. We believe this focus is fundamental to the Fund's long term success story.

North American listed content at 30 April was 77.67%, including a few Israeli stocks mainly or exclusively traded in New York. This also includes positions in a small number of Canadian companies – we note that, in general, these tend to be undervalued relative to any US peers they may have but that this gap gradually closes with time as the company in question continues to grow internationally.

Another prime attraction of investing in North American micro caps is the relative ease of trading in and out of them. The degree of liquidity in such stocks is at least an order of magnitude better than for companies of equivalent size in London, whether on AIM or not. No one has ever been able to rationalise for us the sheer extent of this disparity. We suspect it may be due to the much greater participation over there by small private investors than is the case in London.

We continue to ferret out interesting small caps on both sides of the Atlantic. A number of our holdings are little covered or, in the case of several, not at all by analysts. In the case of North American stocks, market rules are such that it is accepted practice that all companies release timely informative quarterly statements in a pretty much standard format and content. These are almost immediately followed by a conference call with analysts' Q&A to which anyone can listen, either on the spot or available in audio and/or written form for subsequent access.

AUTHORISED INVESTMENT ADVISER'S REPORT (CONTINUED)

We deplore the current emerging trend in London, amazingly with regulatory approval, towards elimination of Interim Management Statements. This will put private investors in the UK at an even greater disadvantage vis-à-vis their North American counterparts. UK small institutions, presumably, will continue to have privileged access to an extent that is often improper and/or illegal in the US and Canada.

The Fund ended the year with a cash content of 2.52%. Running a position pretty close to fully invested forces us to be questioning at all times of the holdings we already own and of their relative weightings. We never have a shortage of desirable possible replacements.

The ten largest London holdings in the Fund at April 30 were, in alphabetical order: Brady (commodity trading software); Accumuli (the cybersecurity specialist has since been acquired by its much larger peer NCC); Bond International Software (the human resource software outfit has put itself up for sale); Cohort (defence and security products), Escher (point-of-service software for banks and post offices); First Derivatives (financial trading software); Ideagen (governance and compliance software, fuelling growth by acquisitions), Innovation (software and services for the insurance sector); Telit Communications (M2M wireless communications and connectivity) and Vislink (increasingly a video-based solutions provider for the broadcast, surveillance and public safety markets).

The ten largest North American holdings, also in alphabetical order, were: Attunity (the fast-growing software specialist in the Big Data space is your Fund's largest holding); Blackberry (a recovery play based on its cybersecurity technology and the high-growth possibilities for its QNX operating system in the connected car/IoT space); Infinera (experiencing huge demand growth for its 100 Gbps fibre-optic transmission technology); M/A-Com Technology Solutions (long-term leader in top-of-the market RF chips, sub-assemblies and modules); NICE Systems (new management team accelerating growth, with an increased emphasis on analytics and security/surveillance; excellent record with in-fill acquisitions); Numerex (despite a recent short-term stumble, the Company remains a leader in the provision on a SaaS basis of cloud-based M2M solutions and services); Radware (best known as a leader in the competitive ADC (Application Delivery Controller) market but now accelerating growth through an increased focus on cybersecurity); Redknee Solutions (the leading provider of monetisation and subscriber management software for mobile networks has just announced a \$14m-plus contract from a leading communications services provider in the Americas); Sandvine (the leader in data traffic management and control products for communications services providers is now experiencing accelerated bottom-line growth) and Sierra Wireless (the Vancouver, British Columbia, firm continues to experience substantial success through a mix of organic and acquisitive growth in M2M applications, primarily for the automotive sector).

We continue to be optimistic about the technology sector and its huge and ever-changing variety of investment opportunities. Apart from a relatively small number of overvalued situations, mostly of the large and mega cap variety, beloved by multiple analysts and large institutional investors, we believe valuations remain quite reasonable and very far removed from those that characterised the sector back in 1999/2000. One exception – valuations in the biotech sector are very over-stretched in our view. We therefore continue to avoid it for now.

Outside of that, we continue to find no end of opportunities, using our traditional forward metrics of PSR (price-sales ratio), PRR (price-research ratio), net cash per share and, of course, PEG (price-earnings to growth ratio), looking a year or ideally two ahead at the P/E and the underlying growth rate of the value of the business.

We also make use of technical analysis to assist in the timing of investment decisions, although we recognise that the credibility of such signals is very much dependant on the trading liquidity of the stock in question. This latter proviso applies particularly to the much less liquid London market; we never cease to be surprised at how much more liquid Nasdaq is, especially for market caps at the lower end of the scale.

However, we are also very conscious that the main market indices on both sides of the Atlantic are now well up from where they were in late 2008/early 2009. We also recognise that the rate of inflation is at an historically low level. We therefore accept that some sort of mild fall in markets (15%-20%) is perhaps overdue. However, we see no reason to fear a decline of anything like the magnitude that occurred in 2007/2008. Instead, we would view it as an opportunity to add to undervalued positions.

Our track record over the years is based on taking the long-term view and paying relatively little heed to the unpredictable short-term vagaries of the overall market. Not all that different to the Warren Buffett philosophy, but modified for the realities of our speciality, the tech sector.

AUTHORISED INVESTMENT ADVISER'S REPORT (CONTINUED)

We believe the Fund is the only UK authorised one of its type available to the general public that offers significant dual exposure to both London and North American small cap tech stocks. At April 30 some 90% was invested in these, with the majority in North America.

The Fund is valued once a week at 12.00 p.m. each Wednesday. The latest price is normally posted by 5.30 p.m. that day on the Techninvest home-page at www.techninvest.ie. It can also be found in the Financial Times each day and at www.marlboroughfunds.com.

A fact-sheet updated each month with the latest data on the Fund can also be found on the Techninvest website, as can a sample copy of a recent issue of the monthly Techninvest newsletter.

Distributions	Year 2015	Year 2014
Class P		
Net income paid June	0.0000pps	0.0000pps
Net income paid December		0.3231pps
There have been no distribution payments on Class A or Class B shares.		

Techninvest Ltd.
Investment Manager – 20 May 2015

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Material Portfolio Changes

For the year ended 30 April 2015

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Twitter	995,092	Vasco Data Security	1,706,102
Blackberry	923,971	Digital River	1,075,907
Extreme Networks	724,086	Alcatel Lucent 'A'	934,583
Mavenir Systems	690,900	Sonus Networks	918,693
Attunity	667,622	Sandvine	892,839
Silicon Graphics	605,614	Meru Networks	844,783
Avigilon	582,972	Twitter	831,289
Radisys	535,326	Micron Technology	794,420
Avid Technology	508,471	ARRIS	727,669
Regeneris	496,746	Yahoo!	718,909
Frequency Electronics	483,149	SuperCom	718,241
Allot Communications	480,639	Mavenir Systems	713,281
Connecture	479,444	Super Micro Computer	699,037
Cyan	472,239	Polycom	661,320
Datawatch	462,732	IndigoVision Group	642,019
Fairchild Semiconductor	447,016	Kofax	640,934
XO Group	423,926	Extreme Networks	615,339
Westell Technologies	398,375	Utilitywise	558,806
DragonWave	391,532	InternetQ	531,870
ID Systems	380,789	SQS Software Quality Systems	503,799
Other purchases	8,369,737	Other sales	10,626,694
Total purchases for the year	19,520,378	Total sales for the year	26,356,534

MFM TECHINVEST TECHNOLOGY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised Status

MFM Techinvest Technology 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.

Nature and Objectives of the Scheme

The investment objective 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 scheme. The allocation of income and taxation and the rights of each share in the event the scheme is wound up are on the same proportional basis.

Change in Prospectus

No 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 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
15 June 2015**

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

Marlborough Fund Managers Ltd is the Authorised Corporate Director (ACD).

The rules contained in the Collective Investment Schemes Sourcebook (COLL) and made by the Financial Conduct Authority pursuant to the Financial Services and Markets Act 2000 require the ACD to prepare financial statements for each annual accounting period, reporting the financial position of the Company as at the end of that period and of its income for the period. In preparing those financial statements the ACD is required to:

- Comply with the Statement of Recommended Practice relating to Authorised Funds issued by The Investment Association, the Instrument of Incorporation, and the rules in the COLL.
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations, the Instrument of Incorporation and the Prospectus.

Statement of the Depositary's responsibilities in respect of the Scheme

The depositary is responsible for the safekeeping of all of the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("The Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations) and the company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the company; the application of income of the company; and the investment and borrowing powers of the company.

Report of the Depositary to the shareholders of the MFM Techinvest Technology Fund

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the company it is our opinion, based on the information available to us and the explanations provided, that in all material respects the company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the company's shares and the application of the company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the instrument of incorporation and Prospectus of the company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the company.

HSBC BANK PLC

LONDON

15 June 2015

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE
MFM TECHINVEST TECHNOLOGY FUND**

We have audited the financial statements of the MFM Techinvest Technology Fund for the year ended 30 April 2015 which comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, pursuant to paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the authorised corporate director, the depositary and the auditor

As explained more fully in the Statement of Authorised Corporate Director's responsibilities set out on page 5, the authorised corporate director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the authorised corporate director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its net expense and net gains or losses of the company property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation;
- there is nothing to indicate that proper accounting records for the company have not been kept or that the financial statements are not in agreement with those records;
- we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the information given in the authorised corporate director's report is consistent with the financial statements.

15 June 2015

BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS & STATUTORY AUDITORS
78 CHORLEY NEW ROAD
BOLTON BL1 4BY

MFM TECHINVEST TECHNOLOGY FUND

COMPARATIVE TABLES

Price and distribution record

Accumulation shares 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.

	Highest issue price	Lowest redemption price	Net income per accumulation share	Net income per £1,000 invested 6 January 2010
<u>Class A</u>				
2010	214.63p	153.63p	Nil	-
2011	235.05p	187.37p	Nil	-
2012	234.88p	195.15p	Nil	-
2013	361.15p	236.57p	Nil	-
2014	381.46p	320.92p	Nil	-
2015*	391.63p	357.04p	Nil	-
				Net income per £1,000 invested 2 January 2013
<u>Class B</u>				
2013	363.35p	236.57p	Nil	-
2014	383.83p	324.29p	Nil	-
2015*	396.50p	361.11p	Nil	-
<u>Class P</u>				
2013	363.65p	236.57p	Nil	-
2014	384.24p	325.27p	0.3231p	£1.37
2015*	398.07p	362.39p	Nil	-

(up to 30 April 2015)

Number of shares in issue/Net asset value per share

	Net asset value of scheme property	Number of Accumulation shares in issue	Net asset value per accumulation Share
at 30 April 2013 Class A	£23,533,053	8,883,558	264.91p
at 30 April 2013 Class B	£265	100	265.32p
at 30 April 2013 Class P	£390,875	147,179	265.58p
at 30 April 2014 Class A	£40,831,578	11,938,349	342.02p
at 30 April 2014 Class B	£678,563	196,854	344.70p
at 30 April 2014 Class P	£779,183	225,642	345.32p
at 30 April 2015 Class A	£35,474,796	9,436,280	375.94p
at 30 April 2015 Class B	£1,305,312	342,847	380.73p
at 30 April 2015 Class P	£4,334,690	1,133,869	382.29p

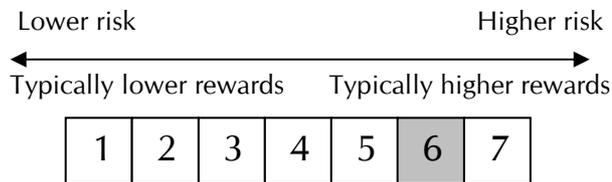
ONGOING CHARGES

	Ongoing charges
30 April 2014 Class A	1.74%
30 April 2014 Class B	1.22%
30 April 2014 Class P	0.99%
30 April 2015 Class A	1.72%
30 April 2015 Class B	1.22%
30 April 2015 Class P	0.97%

The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

SYNTHETIC RISK AND REWARD INDICATOR



The 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.

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 30 April 2015

Holding or nominal value as at 30 Apr 15	UNITED KINGDOM	Bid value £	Percentage of total net assets %
	AEROSPACE & DEFENCE (0.95%, Apr 2014 - Nil)		
150,938	Cohort	392,439	0.95
	Total Aerospace & Defence	<u>392,439</u>	<u>0.95</u>
	MEDIA (Nil, Apr 2014 - 0.48%)		
	Total Media	<u>0</u>	<u>0.00</u>
	SOFTWARE & COMPUTER SERVICES (12.96%, Apr 2014 - 22.11%)		
2,077,893	Accumuli	649,342	1.58
442,000	Bond International Software	517,140	1.26
1,120,000	Brady	1,097,600	2.67
1,053,920	dotDigital Group	310,906	0.76
186,000	Escher Group Holdings	372,000	0.90
56,000	First Derivatives	649,600	1.58
1,395,902	Ideagen	488,566	1.19
124,390	IndigoVision Group	343,316	0.84
1,726,624	Innovation Group	487,771	1.19
150,000	NCC Group	312,750	0.76
2,100,000	ServicePower Technologies	94,500	0.23
	Total Software & Computer Services	<u>5,323,491</u>	<u>12.95</u>
	SUPPORT SERVICES (1.53%, Apr 2014 - 3.76%)		
900,000	Digital Barriers	297,000	0.72
150,000	Regeneris	331,875	0.81
	Total Support Services	<u>628,875</u>	<u>1.53</u>
	TECHNOLOGY HARDWARE & EQUIPMENT (4.37%, Apr 2014 - 4.35%)		
390,000	Telit Communications	902,850	2.20
1,700,000	Vislink	892,500	2.17
	Total Technology Hardware & Equipment	<u>1,795,350</u>	<u>4.37</u>
	CANADA (8.57%, Apr 2014 - 9.34%)		
35,800	Avigilon	399,718	0.97
100,000	COM DEV International	264,357	0.64
10,319	Cricket Media Group	721	0.00
20,000	EXFO	43,522	0.11
64,600	NexJ Systems	69,768	0.17
380,400	Redknee Solutions	872,758	2.12
402,000	Redline Communication Group	712,797	1.73
516,700	Sandvine	1,163,263	2.83
	Total Canada	<u>3,526,904</u>	<u>8.58</u>

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 30 April 2015

Holding or nominal value as at 30 Apr 15	Bid value £	Percentage of total net assets %
UNITED STATES (69.10%, Apr 2014 - 60.48%)		
7,712 Adeptus Health	318,496	0.78
80,500 Allot Communications	463,038	1.13
8,400 Apple	684,363	1.66
234,600 Attunity	1,718,838	4.18
52,500 Avid Technology	553,063	1.35
135,000 Blackberry	892,475	2.17
108,400 Boingo Wireless	581,905	1.42
160,000 Cafepress	428,929	1.04
52,267 Calamp	670,321	1.63
90,000 Calix Networks	432,183	1.05
786,000 Ceragon Networks	680,210	1.65
98,476 ClickSoftware Technologies	795,190	1.93
82,417 Connecture	596,335	1.45
207,120 Cyan	502,689	1.22
36,886 CyberOptics	254,651	0.62
227,348 Cyren	451,190	1.10
86,220 Datawatch	406,738	0.99
1,036,500 DragonWave	485,591	1.18
160,000 Echelon	94,739	0.23
188,100 EXFO	412,465	1.00
17,000 Facebook	871,211	2.12
47,000 Fairchild Semiconductor	555,370	1.35
56,836 Frequency Electronics	473,741	1.15
111,300 ID Systems	507,670	1.24
105,000 Infinera	1,284,445	3.12
124,900 Kopin	269,817	0.66
119,372 LoJack	191,076	0.47
36,300 Mavenir Systems	413,345	1.01
50,279 M/A-Com Technology Solutions	995,209	2.42
85,000 Mitel Networks	514,364	1.25
25,000 NICE Systems	973,420	2.37
177,153 Numerex	1,267,972	3.08
700 Proxim Wireless	273	0.00
119,432 Radcom	765,465	1.86
528,916 Radisys	757,143	1.84
80,000 Radware	1,231,610	3.00
40,000 Ruckus Wireless	303,738	0.74
102,423 Sapiens International	578,476	1.41
76,372 Selectica	288,721	0.70
54,000 Sierra Wireless	1,234,707	3.00
97,307 Silicon Graphics	512,859	1.25
41,147 Straight Path Communications	556,355	1.35
288,000 Tremor Video	468,491	1.14
36,862 Vasco Data Security	609,470	1.48
125,000 Violin Memory	277,353	0.67
360,603 Westell Technologies	286,258	0.70
299,404 Widepoint	268,847	0.65
50,014 XO Group	529,478	1.29
Total United States	<u>28,410,293</u>	<u>69.13</u>

MFM TECHINVEST TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 30 April 2015

Holding or nominal value as at 30 Apr 15	Bid value £	Percentage of total net assets %
UNQUOTED SECURITIES (0.00%, Apr 2014 - 0.00%)		
330,000 Infoserve Group	0	0.00
Total Unquoted Securities	<u>0</u>	<u>0.00</u>
Portfolio of investments	40,077,352	97.48
Net current assets on capital account	<u>1,037,446</u>	<u>2.52</u>
Net assets	<u><u>41,114,798</u></u>	<u><u>100.00</u></u>

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

For the year ended 30 April 2015

Statement of total return

	Notes	30 April 2015		30 April 2014	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		4,388,349		7,355,936
Revenue	6	141,929		117,603	
Expenses	7	(674,820)		(604,708)	
Finance costs: Interest	9	(339)		(317)	
Net revenue/(expense) before taxation		<u>(533,230)</u>		<u>(487,422)</u>	
Taxation	8	<u>(6,265)</u>		<u>(2,953)</u>	
Net revenue/(expense) after taxation			<u>(539,495)</u>		<u>(490,375)</u>
Total return before distributions			3,848,854		6,865,561
Finance costs: Distributions	9		24,634		(25,632)
Change in net assets attributable to shareholders from investment activities			<u>3,873,488</u>		<u>6,839,929</u>

Statement of change in net assets attributable to shareholders

	30 April 2015		30 April 2014	
	£	£	£	£
Opening net assets attributable to shareholders		42,289,324		23,924,193
Amounts receivable on issue of shares	2,228,206		14,432,566	
Amounts payable on cancellation of shares	(7,268,789)		(2,896,210)	
Amounts payable on share class conversions	<u>(8,030)</u>		<u>(321)</u>	
		(5,048,613)		11,536,035
Stamp duty reserve tax		(494)		(10,833)
Change in net assets attributable to shareholders from investment activities		3,873,488		6,839,929
Retained distribution on accumulation shares		1,093		0
Closing net assets attributable to shareholders		<u>41,114,798</u>		<u>42,289,324</u>

MFM TECHINVEST TECHNOLOGY FUND

FINANCIAL STATEMENTS

For the year ended 30 April 2015

Balance sheet

	Notes	30 April 2015		30 April 2014
		£		£
Assets:				
Investment assets		40,077,352		42,508,510
Debtors	10	881,198		950,396
Cash and bank balances	11	<u>843,616</u>		<u>157,850</u>
Total other assets		1,724,814		1,108,246
Total assets		<u>41,802,166</u>		<u>43,616,756</u>
Liabilities:				
Investment liabilities		0		0
Creditors	12	(451,708)		(1,060,156)
Bank overdraft		<u>(235,660)</u>		<u>(267,276)</u>
Total other liabilities		(687,368)		(1,327,432)
Total liabilities		<u>(687,368)</u>		<u>(1,327,432)</u>
Net assets attributable to shareholders		<u>41,114,798</u>		<u>42,289,324</u>

FINANCIAL STATEMENTS

Notes to the financial statements

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

b Valuation of investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at close of business on 30 April 2015. Market value is defined by the SORP as fair value which is generally the bid value of each security. Where applicable investments are valued to exclude accrued income.

Where a stock is unlisted or where there is a non liquid market, a valuation for this stock has been obtained from market makers where possible, and suspended stocks are normally valued at their suspension price. However, where the Manager believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the Manager reflects a fair and reasonable price for that investment. Infoserve Group is delisted and deemed to be valueless by the fund manager.

c Foreign exchange

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at close of business on 30 April 2015.

d Revenue

Revenue includes dividends on shares when the security is quoted ex - dividend by 30 April 2015 and interest received and accrued up to 30 April 2015. All UK dividends are disclosed net of UK tax.

e Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against income as shown in these accounts.

f Taxation/Deferred taxation

The tax accounting treatment follows that of the principal amount. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounts purposes. The deferred tax balance is not discounted.

2 DISTRIBUTION POLICIES

a Basis of distribution

The policy of the fund is to distribute any net revenue shown as such in the statement of total return. This amount therefore takes into account the treatment of accumulation shares and of management expenses as described in the accounting policies above.

b Stock dividends

In the case of an ordinary stock dividend the whole amount is recognised as revenue. In the case of an enhanced stock dividend, the value of the enhancement, calculated as the amount by which the total market value of the shares on the date they are quoted ex - dividend exceeds the cash dividend is treated as capital. The balance is treated as revenue.

c Accumulation shares

Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

d Equalisation

Equalisation applies only to shares purchased during the distribution period. It is the average amount of income included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to UK income tax but must be deducted from the cost of the shares for UK capital gains tax purposes.

FINANCIAL STATEMENTS

Notes to the financial statements

3 RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 4, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities and other instruments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued income.

The main risks arising from the fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes Sourcebook (COLL) mitigate the risk of excessive exposure to any particular type of security or issuer.

Currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income are denominated in currencies other than sterling which is the Fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Fund. These are: movements in exchange rates affecting the value of investments; short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered and the date when settlement of the investment occurs; and movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income, received in currency, into sterling on the day of receipt.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any share that investors wish to sell. Assets of the fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the ACD.

Credit risk

Certain transactions in securities that the fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty.

FINANCIAL STATEMENTS

Notes to the financial statements

4 NET CAPITAL GAINS/(LOSSES)

	30 April 2015	30 April 2014
	£	£

The net gains/(losses) on investments during the year comprise:

Non-derivative securities	4,404,998	7,420,311
Currency gains/(losses)	(11,244)	(55,060)
Transaction charges	(5,405)	(9,315)
Net capital gains/(losses)	4,388,349	7,355,936

5 PURCHASES, SALES AND TRANSACTION COSTS

	30 April 2015	30 April 2014
	£	£

Purchases excluding transaction costs	19,480,308	32,880,130
Commissions	39,625	69,488
Taxes	173	28,616
Other fees	272	930
Total purchase transaction costs	40,070	99,034
Purchases including transaction costs	19,520,378	32,979,164

Sales excluding transaction costs	26,412,354	21,561,722
Commissions	(55,381)	(16,168)
Other fees	(439)	(341)
Total sale transaction costs	(55,820)	(16,509)
Sales net of transaction costs	26,356,534	21,545,213

Transaction handling charges	5,405	9,315
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6 REVENUE

	30 April 2015	30 April 2014
	£	£

UK dividends	115,690	93,848
Overseas dividends	25,633	22,218
Bank interest	606	1,537
Total revenue	141,929	117,603

7 EXPENSES

	30 April 2015	30 April 2014
	£	£

Payable to the ACD or associate:		
ACD's periodic charge	631,298	563,132
Registration Fees	18,916	19,504
	650,214	582,636

Payable to the Depositary or associate:		
Depositary's fees	14,504	12,942
Safe Custody fees	6,790	5,667
	21,294	18,609

Other expenses:		
Financial Conduct Authority fee	192	163
Audit fee	3,120	3,300
	3,312	3,463

Total expenses	674,820	604,708
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FINANCIAL STATEMENTS

Notes to the financial statements

8 TAXATION

	30 April 2015	30 April 2014
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	0	0
Overseas tax	6,265	2,953
Total tax charge	<u>6,265</u>	<u>2,953</u>
b Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	(533,230)	(487,422)
Corporation tax at 20%	(106,646)	(97,484)
Effects of:		
Revenue not subject to taxation	(28,265)	(23,213)
Unrelieved excess management expenses	134,911	120,697
Overseas tax	6,265	2,953
Current tax charge	<u>6,265</u>	<u>2,952</u>

At 30 April 2015 the Fund had surplus management expenses of £3,932,187 (30.04.14 - £3,257,634). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

9 FINANCE COSTS

	30 April 2015	30 April 2014
	£	£
Distributions and interest		
The distributions take account of revenue deducted on the creation of shares and revenue received on the cancellation of shares and comprise:		
Interim	1,093	0
Final	0	0
Amounts added on cancellation of shares	(22,602)	(17,249)
Amounts deducted on creation of shares	4,905	43,202
Equalisation on conversions	(8,030)	(321)
Finance costs: Distributions	<u>(24,634)</u>	<u>25,632</u>
Finance costs: Interest	339	317
Total finance costs	<u>(24,295)</u>	<u>25,949</u>
Net deficit of revenue for the year	(514,861)	(516,007)
Net expense after taxation for the year	<u>(539,495)</u>	<u>(490,375)</u>

Details of the distribution for the interim accounting period are set out in the distribution table in note 16. There was no distribution on class 'A' or class 'B' shares as the expenses exceeded revenue.

There was no distribution for the final accounting period to 30 April 2015 as the expenses exceeded revenue.

10 DEBTORS

	30 April 2015	30 April 2014
	£	£
Sales awaiting settlement	801,877	930,713
Amounts receivable for issue of shares	52,437	0
Accrued income	26,884	18,062
Taxation recoverable	0	1,621
Total debtors	<u>881,198</u>	<u>950,396</u>

11 CASH AND BANK BALANCES

	30 April 2015	30 April 2014
	£	£
Capital bank account	843,616	157,850
Total cash and bank balances	<u>843,616</u>	<u>157,850</u>

FINANCIAL STATEMENTS

Notes to the financial statements

12 CREDITORS	30 April 2015 £	30 April 2014 £
Amounts payable for cancellation of shares	101,000	80,400
Purchases awaiting settlement	281,098	907,966
Accrued expenses	69,610	71,790
Total creditors	<u>451,708</u>	<u>1,060,156</u>

13 RELATED PARTIES

The ACD is involved in all transactions in the shares of the Fund, the aggregate values of which are set out in the Statement of Change in Net Assets Attributable to Shareholders on page 13.

During the year the ACD held shares in the sub-Fund and had holdings of 99.881 class 'A', 100.000 class 'B' and 105.024 class 'P' shares at the year end.

During the year, the scheme paid management and registration charges to the ACD as follows:

	£	Outstanding at year end	
		30 April 2015 £	30 April 2014 £
Marlborough Fund Managers Ltd,	650,214	54,234	61,661

During the year the Fund paid depositary and safe custody fees and transaction charges to its depositary as follows:

	£	Outstanding at year end	
		30 April 2015 £	30 April 2014 £
HSBC Bank plc	26,699	12,364	11,440

Techinvest Limited and its associates had the following shareholdings in the Fund:

	30 April 2015 £	30 April 2014 £
Accumulation shares	2.46%	2.17%

14 RISK DISCLOSURES

Currency

At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure at 30 April 2015:

	Investments £	Net current assets £	Total £
Canadian Dollar	3,526,904	223,818	3,750,722
US Dollar	28,410,293	572,712	28,983,005
	<u>31,937,197</u>	<u>796,530</u>	<u>32,733,727</u>

Foreign currency exposure at 30 April 2014:

	Investments £	Net current assets £	Total £
Canadian Dollar	3,949,763	(112,163)	3,837,600
Euro	0	1,621	1,621
US Dollar	25,574,136	149,920	25,724,056
	<u>29,523,899</u>	<u>39,378</u>	<u>29,563,277</u>

FINANCIAL STATEMENTS

Notes to the financial statements

15 SHARE CLASSES

The Fund currently has three share classes; Class 'A' (minimum investment £1,000), Class 'B' (minimum investment £50,000), Class P (minimum investment £1,000,000).

The annual management charges are 1.6%, 1.1% and 0.85% respectively. The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table on page 8.

16 DISTRIBUTION TABLE

ACCUMULATION SHARES

For the period from 1 May 2014 to 31 October 2014

Group 1: shares purchased prior to 1 May 2014

Group 2: shares purchased on or after 1 May 2014

		Net revenue 31 Oct 2014 pence per share	Equalisation 31 Oct 2014 pence per share	Distribution payable 31 Dec 2014 pence per share	Distribution paid 31 Dec 2013 pence per share
<u>Class A</u>	Group 1	0.0000	0.0000	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000
<u>Class B</u>	Group 1	0.0000	0.0000	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000
<u>Class P</u>	Group 1	0.3231	0.0000	0.3231	0.0000
	Group 2	0.0000	0.3231	0.3231	0.0000

For Corporate Unitholders the percentage split between Franked and Unfranked income relating to this distribution was:

Franked	99.79%	Unfranked	0.21%
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£0.00 is the depositary's net liability to corporation tax in respect of the gross revenue.

0.0000p is the depositary's net liability to corporation tax per share.

There was no distribution for the period from 1 November 2014 to 30 April 2015.

There was no distribution for the equivalent period last year.

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