

TECHINVEST LTD

MFM Techinvest Technology Fund (Class A)

Fund Update: August 2019

<p>IA Classification: Technology and Telecommunications</p> <p>Fund Objective: The aim of the MFM Techinvest Technology Fund is to provide capital growth and the accumulation of income through a globally invested portfolio of equities and bonds. Emphasis is placed on technology-based businesses worldwide. It is envisaged that up to 75% of the total fund value is normally invested in securities quoted on the London Stock Exchange, with the balance invested elsewhere, primarily North America.</p>	<p>Share Price: 589.37p (at 31st July 2019)</p> <p>Five year performance:</p> <table> <tr> <td>Fund Share Price</td> <td>75.60%</td> </tr> <tr> <td>FTSE 100:</td> <td>12.73%</td> </tr> <tr> <td>FTSE TechMARK All-Share:</td> <td>35.76%</td> </tr> <tr> <td>AIM All-Share:</td> <td>21.20%</td> </tr> </table>	Fund Share Price	75.60%	FTSE 100:	12.73%	FTSE TechMARK All-Share:	35.76%	AIM All-Share:	21.20%
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Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid)

Manager's Comment

The trade relationship between the US and China continues to dominate the headlines and the latest setback in negotiations took the market by surprise, and a near-term deal looks unlikely. The recent delay of tariffs which were due to be implemented in September, offered some grounds for optimism. The Technology sector continued to outperform the broader market during July, and the Technology Fund also benefited from the continued decline in sterling against the US dollar.

The **MFM Techinvest Technology Fund** is showing a gain of 562.44% since the start of 2009, putting it in fifth place in the Technology & Telecoms IA classification table over that period.
(source: Bloomberg, Morningstar; 31st July 2019).

Recent Activity

During the month of July, the Fund took an initial position in Intevac. The Company has two business lines, Thin-film Equipment and Photonics. The Company designs and develops thin-film processing systems, which are used in the manufacturing of substrates for hard drive media, protection of electronic displays (e.g. scratch-resistant coatings for smartphone displays), and solar photovoltaic products. The Photonics division designs and develops digital imaging systems, and applications include use in night vision systems for the US Department of Defense. In July the Company received a further \$40 million order from this customer, and the gross margin for Photonics showed an impressive step change in growth to 35.4%, compared to 20.4% in the second quarter of 2018. The overall order backlog grew to \$94 million, up from \$65 million in June 2018, and the Company ended the period with cash of \$41 million.

Fund Performance				
	5 years %	3 years %	1 year %	6 months %
MFM Techinvest Technology Fund	75.60	48.05	6.70	9.22
FTSE 100	12.73	12.82	-2.09	8.87
FTSE TechMARK All Share	35.76	11.44	7.89	14.72

Discrete Year Performance	Fund Performance %
01/08/2018 to 31/07/2019	6.70
01/08/2017 to 31/07/2018	10.19
01/08/2016 to 31/07/2017	25.93
01/08/2015 to 31/07/2016	7.27
01/08/2014 to 31/07/2015	10.56

Please remember that past performance is not a guide to the future. Fund launched 19th May 2003. Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid). Data at close 31st July 2019.

Top 10 Holdings		Geographic Breakdown	
Mitek Systems	5.3%	<p>Legend: ■ UK & Ireland ■ United States □ Canada</p>	
Aviat Networks	4.9%		
Invitae	4.9%		
Sapiens International	4.1%		
Radware	3.5%		
Nokia	3.3%		
Ceva	3.0%		
Allot Communications	2.8%		
Telenav	2.8%		
Ceragon Networks	2.8%		

Source: Marlborough Investment Management International Limited. Data at close 31st July 2019.

Authorised Corporate Director	Marlborough Fund Managers Limited (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	Marlborough Investment Management International Limited (Regulated by the Central Bank of Ireland) 7/8 Mount Street Upper, Dublin 2, Ireland.
Fund Size	£44.0m
Fund Launch	19 th May 2003
Minimum Investment	£1,000
Valuation Point	Weekly (each Wednesday at noon)
Initial Charge	5%
Ongoing Charge (Class A)	1.71%
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 July 2019.

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 focuses on a specific sector which can also lead to greater volatility.

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 Marlborough Investment Management International Limited (MIMI), trading as Techinvest. MIMI is regulated by the Central Bank of Ireland. The MFM Techinvest Technology Fund is authorised by the Financial Conduct Authority. The Fund is not authorised for sale in the Republic of Ireland. MIMI is the Investment Manager of the Fund and is separately remunerated for its services.