

MFM Techinvest Technology Fund (Class A)

Fund Update: November 2018

<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: 507.55p (at 31st October 2018)</p> <p>Five year performance:</p> <table> <tr> <td>Fund Share Price</td> <td>49.97%</td> </tr> <tr> <td>FTSE 100:</td> <td>5.89%</td> </tr> <tr> <td>FTSE TechMARK All-Share:</td> <td>23.44%</td> </tr> <tr> <td>AIM All-Share:</td> <td>20.71%</td> </tr> </table>	Fund Share Price	49.97%	FTSE 100:	5.89%	FTSE TechMARK All-Share:	23.44%	AIM All-Share:	20.71%
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Source: Bloomberg (Indices), Morningstar (Fund, mid-to-mid)

Manager's Comment

The month of October has often been a difficult time for markets, and this was evident again this year, with the major equity indices experiencing a sharp downturn during the month. Investor sentiment was negatively impacted by concerns over a potential slowdown in global growth and rising US interest rates. The fall in share prices began in the mega-cap stocks, before quickly spreading to become a wider sell-off in equities. Despite the downturn in markets, the fundamentals of the US economy remain strong, with annualised GDP growth of 3% in Q3 2018. Macroeconomic indicators in the US remain healthy and this supports the long-term outlook for equities.

The **MFM Techinvest Technology Fund** is showing a gain of 470.47% since the start of 2009, putting it in third place in the Technology & Telecoms IA classification table over that period. (source: Bloomberg, Morningstar; 31st October 2018).

Recent Activity

During the month the Fund added to its positions in both RumbleOn and FireEye. The former issued results for Q3 2018, showing a quarter-on-quarter increase in revenue and gross profit of 38% and 59% respectively. As part of its strategy to grow into adjacent markets, RumbleOn has agreed to buy Wholesale, one of the largest independent distributors of pre-owned vehicles in the US, and Wholesale Express, its related logistics company. FireEye, the provider of cybersecurity services, issued Q3 2018 results which illustrated continued progress on both revenue and profitability, along with a positive outlook for Q4.

Fund Performance				
	5 years %	3 years %	1 year %	6 months %
MFM Techinvest Technology Fund	49.97	41.57	8.18	9.67
FTSE 100	5.89	12.06	-4.87	-5.08
FTSE TechMARK All Share	23.44	7.30	-6.40	-4.25

Discrete Year Performance	Fund Performance %
01/11/2017 to 31/10/2018	8.18
01/11/2016 to 31/10/2017	9.76
01/11/2015 to 31/10/2016	19.23
01/11/2014 to 31/10/2015	3.73
01/11/2013 to 31/10/2014	2.12

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 October 2018.

Top 10 Holdings		Geographic Breakdown	
Attunity	7.3%	<p>Legend: ■ UK & Ireland ■ United States □ Canada</p>	
Mitek Systems	5.6%		
Aviat Networks	4.6%		
Nokia	3.9%		
Vicor	3.8%		
Datawatch	3.7%		
Radware	3.7%		
Invitae	3.6%		
Etsy	3.5%		
Ceragon Networks	3.3%		

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

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	Techinvest Limited (Regulated by the Central Bank of Ireland) Merchants House, 27/30 Merchants Quay, Dublin 8, Ireland
Fund Size	£41.4m
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 October 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 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.

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