



MFM Slater Recovery Fund (Class A)



Mark Slater, CIO

Investment Adviser Commentary

Markets recovered their poise in February with major indices on both sides of the Atlantic reaching new highs during the month as investors shrugged off mixed global economic data and focused instead on corporate news flow and forthcoming IPOs in the UK. The MFM Slater Recovery Fund achieved an increase of 6.00%¹ compared to a 5.63% rise in the IMA UK All Companies Sector.

The Fund's two largest holdings, Hutchison China Meditech and Entertainment One, made significant contributions to performance. The former rose 30% as the group reported another year of significant progress with several milestones achieved, whilst Entertainment One was ahead by 11% following a trading update which confirmed that earnings would be ahead of expectations. Other notable contributors included: OPG Power Ventures, up 21% on a positive trading statement; Quindell, ahead by 12% on contract news; Weir Group (+23%); Barratt Developments (+16%) and Eservglobal (+16%). On the negative side, profit-taking left Avation down 11% and Oxford Instruments retreated 14% after a flat trading statement. Parity Group meanwhile fell 13% in the absence of any buying interest.

The Fund continued to reduce the holding in Entertainment One, and also top-sliced the positions in All Leisure, Quindell, Diploma and Domino's Pizza. The holding in Centrica was sold altogether.

Fund Objective

To seek long term capital growth, principally through investment in UK Companies.

Launch Date (Class A)

10 March 2003

Launch Price (Class A)

Offer price 50p

Fund Facts

As at 28 February 2014

Bid Price

152.88p

Offer Price

162.21p

Fund Size

£34.38 million

IMA Sector

UK All Companies sector

Bloomberg Ticker

MSLRCVA LN

ISIN / SEDOL

GB0031554248 / 3155424

Dealing

Daily dealing

Minimum Investment

£3000 and additions of £500

Initial Charges 5.25%

Annual Mgt Charge 1.50%

Ongoing Charges 1.59%

SIPP / ISA / Jr ISA Qualifying

Yes

Featured Stock

MEARS

Mears Group is a leading social housing repairs and maintenance service provider to Local Authorities and Registered Social Landlords and is also a major supplier of personal care services to Local Authorities. With group revenues around the £900m mark, a current order book of £3.8bn and bid pipeline of £3bn, forward visibility is excellent. Earnings growth in the year just ended will be diluted by the impact of a significant acquisition and share issue last year, but, going forward, double digit earnings growth looks assured. The prospective PER of 15x is undemanding.

¹ On a Bid to Bid Basis.

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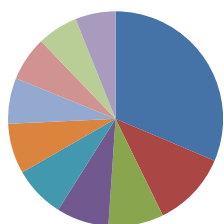
Please read the risk warning on page 2. Past performance is not necessarily a guide to the future. The value of your investment can go down as well as up, you could get back less than you have invested.



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Portfolio

Top Ten Holdings

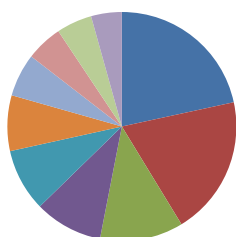


■ Hutchison China Meditech
■ Entertainment One Ltd
■ Restore Plc
■ CML Microsystems
■ Ocean Wilsons Hldgs
■ NCC Group
■ Photo-Me International
■ Avation Plc
■ Regus Plc
■ Genagro Ltd

Top Ten Holdings

Hutchison China Meditech	11.08%	NCC Group	2.67%
Entertainment One Ltd	4.02%	Photo-Me International	2.43%
Restore Plc	2.94%	Avation Plc	2.36%
CML Microsystems	2.78%	Regus Plc	2.16%
Ocean Wilsons Hldgs	2.74%	Genagro Ltd	2.14%

Top Ten Sectors

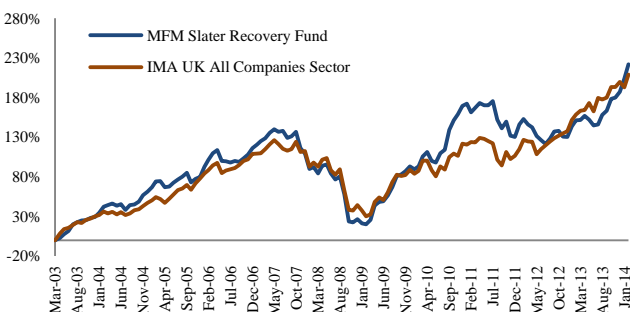


■ Pharmaceuticals
■ Support Services
■ Media
■ Software & Computer services
■ Electronic & Electrical Equipment
■ Household Goods
■ Travel & Leisure
■ Industrial Engineering
■ Financial Services
■ Industrial Transportation

Top Ten Sectors

Pharmaceuticals	14.95%	Household Goods	5.44%
Support Services	13.62%	Travel & Leisure	4.20%
Media	8.15%	Industrial Engineering	3.58%
Software & Computer services	6.67%	Financial Services	3.47%
Electronic & Electrical Equipment	6.11%	Industrial Transportation	3.00%

Fund Performance



Percentage Growth 4th April 2003 – 28th February 2014 Bid to Bid, (Net Income Reinvested)
Source: Slater Investments and Morningstar

Discrete Year Performance

			MFM Slater Recovery Fund	IMA UK All Companies Sector
28/02/2013	-	28/02/2014	28.16%	19.66%
29/02/2012	-	28/02/2013	-0.63%	14.31%
28/02/2011	-	29/02/2012	-3.29%	1.46%
28/02/2010	-	28/02/2011	35.34%	19.53%
28/02/2009	-	28/02/2010	60.55%	43.83%
29/02/2008	-	28/02/2009	-37.49%	-34.22%
28/02/2007	-	29/02/2008	-14.52%	-5.63%
28/02/2006	-	28/02/2007	11.81%	11.32%
28/02/2005	-	28/02/2006	15.69%	22.17%
29/02/2004	-	28/02/2005	22.17%	13.28%

Bid to bid, net income reinvested. Source: Morningstar

* Since April 2003

Contacts

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Risk Warning: Past performance is not necessarily a guide to the future. The value of investments and the income from them may go down as well as up. Investors may not get back their original investment. The fund has a concentrated portfolio which means greater exposure to a smaller number of securities than a more diversified portfolio. The fund is subject to an initial charge and consequently charges are not made uniformly throughout the period of the investment. This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. The fund may use derivatives for efficient portfolio management but these are unlikely to significantly increase the risk profile of the fund. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser.

The latest Key Investor Information Document and Prospectus are available free of charge from Marlborough Fund Managers Ltd or Slater Investments Ltd. You are required to read the Key Investor Information Document before making an investment. Telephone calls may be recorded. Marlborough Fund Managers Limited, which is authorised and regulated by the Financial Conduct Authority, is the manager of the MFM Slater Recovery Fund and their address is Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Slater Investments Ltd is authorised and regulated by the Financial Conduct Authority.