TECHINVEST LTD

**Fund Update**
**13th November 2008**

# CF Techinvest Technology Fund

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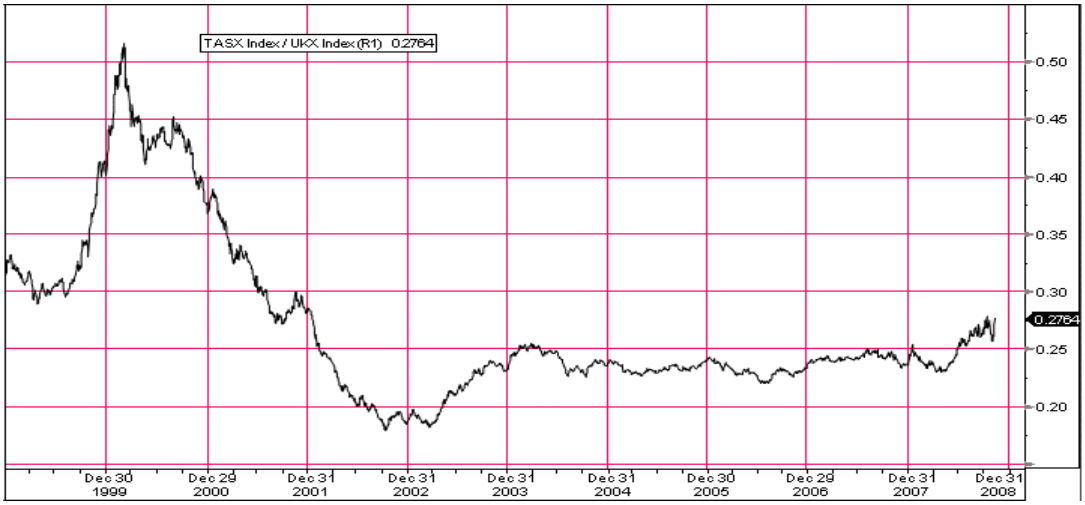
|---|---|
| **IMA Classification:** Technology and Telecommunications<br><br>**Fund Objective**<br>The aim of the **CF Techinvest Technology Fund** is to provide capital growth through a portfolio of equity holdings in technology businesses. Typically, around 75% of the total fund value is normally invested in securities quoted on the London Stock Exchange, with the balance invested elsewhere, primarily North America.<br>From the information available to us, we understand that this is the only fund in our IMA classification offering significant dual exposure to the London and North American small cap technology sectors. | Share Price: 97.53p<br>(as at 13th November 2008)<br><br>**Performance since launch (19 May 2003):**<br>Fund Share Price -2.47%<br>FTSE 100: 7.43%<br>FTSE TechMARK All-Share: 41.26% |

## Managers Comment

Stock markets around the world weakened further during the month as a raft of economic data confirmed the extent of the recent slowdown. The final stage of a bear market tends to be characterised by panic selling and we have seen evidence of this phenomenon in recent weeks. With so many forced sellers around, share prices are falling to levels that seem derisory based upon traditional valuation methods. We note that within the US portion of the Fund's portfolio, several stocks are now trading at share prices below their net cash per share. For those with funds to invest there are many opportunities for some cautious bargain hunting. The CF Techinvest Technology Fund is currently more than 11% weighted in cash.

Below is the latest version of the chart that appeared in last month's factsheet. The chart shows the performance of FTSE techMARK AllShare index versus the FTSE 100 over the last ten years. The clear break out signalled around four months ago remains intact. This gives us confidence for the relative performance of Tech stocks over coming months.




Source: Bloomberg.

## Investment Activity

Investment activity during the month included adding to the holding in IDOX, a provider of document and knowledge management software, following large share purchases by the Chairman and Chief Executive. In a subsequent trading statement, the Company pointed to a strong finish to its financial year.

We also added to the position in financial crime and compliance solutions developer Norkom, taking advantage of a fall in the share price of the Dublin-based Company. Future emphasis on regulation and risk management in financial services should be a positive for Norkom, we believe.

We also bought our first holding in retina scanning device maker Optos. The Company announced it is seeing contract renewal rates of around 89% and is targeting 20-25% revenue growth over last year. With the majority of sales in US Dollars, Optos should also benefit from the fall in Sterling.

## Fund Performance

| | Since Launch * | 3 years | 1 year | 6 months |
|---|---|---|---|---|
| **CF Techinvest Technology Fund** | -2.47% | -33.73% | -36.80% | -26.05% |
| **FTSE 100** | 7.43% | -23.78% | -35.18% | -32.93% |
| **FTSE TechMARK All Share** | 41.26% | -10.56% | -25.57% | -20.29% |

**Please remember that past performance is not a guide to the future.**
*** Fund launched 19th May 2003. Source: Bloomberg. Data as at 13th November 2008.**

## Top 10 Holdings

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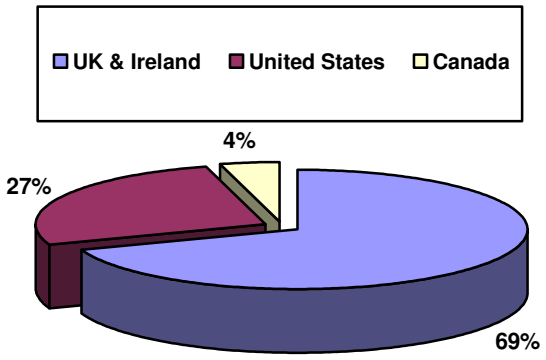
|---|---|
| Idox | 3.2% |
| SQS Software Quality Systems | 3.2% |
| BATM Advanced Communications | 2.6% |
| Alterian | 2.6% |
| System C Healthcare | 2.1% |
| KBC Advanced Technologies | 2.1% |
| Opnet Technologies | 2.1% |
| Microgen | 1.9% |
| Strategic Thought | 1.8% |
| Avanti Communications | 1.7% |

## Geographic Breakdown




**Source: Internal. Data as at 13th November 2008.**

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| Authorised Corporate Director<br>Administrator and Registrar | Capita Financial Managers Limited ("CFM")<br>(Authorised and regulated by the Financial Services Authority)<br>Registered Office: 17 Rochester Row<br>Westminster<br>London<br>SW1P 1QT<br>Telephone: +44 (0) 870 607 2555 |
| Administration Office | 2 The Boulevard, City West One Office Park,<br>Gelderd Road, Leeds, LS12 6NT.<br><br>Telephone 0845 922 0044 |
| Investment Advisor | Techinvest Limited<br>(Regulated by the Irish Financial Regulator)<br>Merchants House<br>27/30 Merchants Quay<br>Dublin 8<br>Ireland |
| Fund Size | £8.05m |
| Fund Launch | 19th May 2003 |
| Minimum Investment | £1,000 |
| Initial Charge | 5% |
| Contact | Capita Financial Managers<br>2 The Boulevard, City West One Office Park,<br>Gelderd Road, Leeds, LS12 6NT.<br>Telephone 0845 922 0044 |

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