



CF Chelverton UK Equity Income Fund

Interim Unaudited Report and Financial Statements
30 June 2009

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INDEPENDENT AUDITORS

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INVESTMENT ADVISER'S REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2009

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the CF Chelverton UK Equity Income Fund ('the Fund') is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

The Fund will invest primarily in UK companies which aim to provide a high initial dividend; progressive dividend payments, and long-term capital appreciation.

INVESTMENT REVIEW

The downward share price momentum created by the deteriorating macro environment and the liquidity crisis continued for the first two months of the last period. Despite this Companies were able to refinance through equity issuance or by rolling over debt, albeit at relatively high cost, and as the perceived risk in owning indebted stocks reduced, there was a dramatic 'relief' bounce through March and April. This was led by small and mid caps and cyclicals and the good performance of our fund was delivered across the board as a lot of our holdings rose from very oversold positions. The consensus is that in the first few months of our year Corporate trading was dominated by a period of rapid destocking and that this has now come to an end. If this is true and current trading reflects a 'real' underlying level of activity then this should be sufficient to support current levels of valuation.

For a sustained recovery we need to see Corporate earnings being upgraded and we believe this is still somewhat off. In the meantime our strategy has been to move up the size scale with our new investments as we can now get the sort of cash flows and yields that we require in a wide range of non-FTSE 100 stocks. This will help to improve the liquidity of our fund, and the opportunities are such that we are currently able to purchase small and mid cap 'growth' stocks for our income fund. Whilst the timing of the recovery is uncertain the combination of a premium yield, in a market where income is rapidly being eroded, and substantial scope for capital appreciation leaves our fund well placed to benefit when it does occur.

CHELVERTON ASSET MANAGEMENT LIMITED
Investment Adviser
15 July 2009

AUTHORISED STATUS

The CF Chelverton UK Equity Income Fund is an investment company with variable capital incorporated under the OEIC Regulations. It is a 'UCITS Scheme' as defined in COLL. The Company is incorporated in England and Wales with registered number IC000431.

Shareholders are not liable for the debts of the Company.

The Company was authorised by the Financial Services Authority with effect from 4 April 2006.

DIRECTORS' STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook as issued and amended by the Financial Services Authority.

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Chelverton UK Equity Income Fund
18 August 2009

CHANGE IN PROSPECTUS

On 1 April 2009 the Company changed its name from CF Cheverton UK Equity Fund to CF Chelverton UK Equity Income Fund.

FUND INFORMATION

PERFORMANCE RECORD

Retail Income

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2006#	103.72	99.16	–
2007	108.76	82.65	3.0000
2008	80.50	41.82	5.8636
2009*	48.23	37.02	3.1800

Institutional Income

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2006#	103.77	99.17	–
2007	109.12	83.23	3.0000
2008	81.08	42.25	5.8747
2009*	48.65	37.31	3.3433

Retail Accumulation

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007##	105.12	83.40	1.0000
2008	83.95	45.10	5.9607
2009*	54.95	41.84	3.5772

Institutional Accumulation

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007##	105.54	83.92	1.0000
2008	84.52	46.28	5.9771
2009*	56.63	42.94	3.6572

From 1 December 2006.

From 2 July 2007.

* To 30 June 2009.

NET ASSET VALUE PER SHARE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.12.07	Retail Income	946,001	1,175,133	80.50
	Institutional Income	5,838,318	7,260,402	80.41
	Retail Accumulation	207	250	82.80
	Institutional Accumulation	208	250	83.20
31.12.08	Retail Income	85,781	213,473	40.18
	Institutional Income	3,709,167	9,188,772	40.37
	Retail Accumulation	114	250	45.60
	Institutional Accumulation	117	250	46.80
30.06.09	Retail Income	63,253	136,944	46.19
	Institutional Income	4,697,083	10,078,757	46.60
	Retail Accumulation	134	250	52.44
	Institutional Accumulation	138	250	54.10

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TOTAL EXPENSE RATIO

	30.06.09 %		31.12.08 %	
	Retail	Institutional	Retail	Institutional
ACD's periodic charge	1.50	0.75	1.50	0.75
Refund of expenses from Investment Adviser	-1.36	-0.90	-1.36	-0.90
Other expenses	1.11	1.15	1.11	1.15
Total expense ratio	1.25	1.00	1.25	1.00

The Total Expense Ratio represents the total expenses of the Fund, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the depositary and auditors, printing and publication costs, registration fees and safe custody and other related bank charges.

PORTFOLIO TURNOVER RATE

	30.06.09 %	31.12.08 %
Portfolio turnover rate	32.71	-14.72

The Portfolio Turnover Rate represents the total transactions in securities by the Fund, less the total transactions in shares of the Fund, expressed as a percentage of the average of total net assets during the accounting period.

DISTRIBUTIONS

Share Class	First Interim 31.03.09 pence per share	Half Year 30.06.09 pence per share
Retail Income	0.5000	0.7500
Institutional Income	0.5000	0.7500
Retail Accumulation	0.5562	0.8530
Institutional Accumulation	0.5666	0.8706

FUND PERFORMANCE TO 30 JUNE 2009 (%)

	6 months	1 year	Since launch*
CF Chelverton UK Equity Income Fund			
– Retail Income	18.07	-22.67	-41.77
– Institutional Income	18.53	-22.47	-41.18

The performance of the Fund is based on the net asset value per 'Retail' Income share and 'Institutional' Income share with income reinvested.

* Launch date 1 December 2006.

PORTFOLIO STATEMENT
AS AT 30 JUNE 2009

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.09 %	31.12.08 %
	BASIC MATERIALS			
76,000	<i>CHEMICALS</i> Zotefoams	40,280	0.85	1.12
	<i>INDUSTRIAL METALS</i>	–	–	0.21
80,000	<i>MINING</i> ATH Resources	47,200	0.99	1.37
	TOTAL BASIC MATERIALS	87,480	1.84	2.70
	INDUSTRIALS			
	<i>CONSTRUCTION & MATERIALS</i>			
97,500	Alumasc Group	84,825	1.78	
110,000	Marshalls	94,325	1.98	
80,000	Titon Holdings	27,200	0.57	
39,500	Tolent	15,800	0.34	
		222,150	4.67	8.94
250,000	<i>AEROSPACE & DEFENCE</i> Senior	93,750	1.97	–
	<i>ELECTRONIC & ELECTRICAL EQUIPMENT</i>			
30,000	Spectris	165,450	3.47	
225,000	Stadium Group	83,250	1.75	
155,000	TT Electronics	50,762	1.07	
		299,462	6.29	3.84
	<i>SUPPORT SERVICES</i>			
32,000	Acal	32,960	0.69	
54,000	Brammer	67,500	1.42	
10,000	De La Rue	91,100	1.91	
150,612	Diploma	200,314	4.21	
200,000	Fiberweb	140,000	2.94	
50,000	Filtrona	61,000	1.28	
40,000	Interserve	70,100	1.47	
160,000	Litho Supplies	9,600	0.20	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.09 %	31.12.08 %
	<i>SUPPORT SERVICES (continued)</i>			
700,000	Macfarlane Group	105,000	2.21	
140,000	Office2Office	178,150	3.74	
115,000	Smiths News	127,075	2.67	
70,000	Waterman Group	26,600	0.56	
		<u>1,109,399</u>	<u>23.30</u>	<u>19.65</u>
	<i>INDUSTRIAL ENGINEERING</i>			
90,000	Hill & Smith Holdings	207,000	4.35	
100,000	Melrose	92,000	1.93	
230,000	Metalrax Group	9,775	0.21	
40,000	Severfield-Rowen	77,300	1.62	
180,000	Trifast	42,300	0.89	
		<u>428,375</u>	<u>9.00</u>	<u>4.07</u>
	<i>INDUSTRIAL TRANSPORTATION</i>			
41,000	Braemar Shipping Services	130,790	2.75	
40,000	Wincanton	77,700	1.63	
		<u>208,490</u>	<u>4.38</u>	<u>2.87</u>
	TOTAL INDUSTRIALS	<u>2,361,626</u>	<u>49.61</u>	<u>39.37</u>
	CONSUMER GOODS			
	<i>FOOD PRODUCERS</i>			
89,500	Hilton Food Group	<u>139,620</u>	<u>2.93</u>	<u>1.96</u>
	<i>HOUSEHOLD GOODS</i>			
40,000	Headlam Group	<u>101,500</u>	<u>2.13</u>	<u>2.81</u>
	<i>PERSONAL GOODS</i>			
180,000	Alexandra	<u>45,000</u>	<u>0.95</u>	<u>0.76</u>
	TOTAL CONSUMER GOODS	<u>286,120</u>	<u>6.01</u>	<u>5.53</u>
	HEALTH CARE			
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
450,000	William Ransom & Son	<u>20,250</u>	<u>0.43</u>	<u>0.89</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.09 %	31.12.08 %
	CONSUMER SERVICES			
	<i>GENERAL RETAILERS</i>			
100,000	HMV Group	<u>112,750</u>	<u>2.37</u>	<u>0.09</u>
	<i>MEDIA</i>			
60,000	4Imprint Group	64,200	1.35	
307,014	Avesco Group	<u>67,543</u>	<u>1.42</u>	
		<u>131,743</u>	<u>2.77</u>	<u>3.75</u>
	<i>TRAVEL & LEISURE</i>			
150,000	Cineworld Group	214,125	4.50	
35,000	Holidaybreak	98,000	2.06	
50,000	Marston's	59,250	1.24	
75,000	Restaurant Group	<u>107,250</u>	<u>2.25</u>	
		<u>478,625</u>	<u>10.05</u>	<u>9.26</u>
	TOTAL CONSUMER SERVICES	<u>723,118</u>	<u>15.19</u>	<u>13.10</u>
	TELECOMMUNICATIONS			
	<i>FIXED LINE TELECOMMUNICATIONS</i>			
75,000	BT Group	<u>76,125</u>	<u>1.60</u>	<u>2.67</u>
	UTILITIES			
	<i>GAS, WATER & MULTIUTILITIES</i>			
15,000	Dee Valley Group	<u>135,000</u>	<u>2.83</u>	<u>2.57</u>
	FINANCIALS			
	<i>NON-LIFE INSURANCE</i>			
85,000	Brit Insurance Holdings	<u>160,438</u>	<u>3.37</u>	<u>3.54</u>
	<i>LIFE INSURANCE</i>			
153,000	Chesnara	220,320	4.63	
92,000	Hansard Global	<u>119,600</u>	<u>2.51</u>	
		<u>339,920</u>	<u>7.14</u>	<u>9.30</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.09 %	31.12.08 %
	<i>FINANCIAL SERVICES</i>			
10,000	Arbuthnot Banking Group	30,000	0.63	
40,000	Cattles	2,732	0.06	
120,000	Davenham Group	21,600	0.45	
90,000	Jarvis Securities	162,000	3.40	
228,436	London Scottish Bank	5,711	0.12	
19,000	S & U	72,200	1.52	
250,000	Wogen	90,000	1.89	
		<u>384,243</u>	<u>8.07</u>	<u>7.79</u>
	TOTAL FINANCIALS	<u>884,601</u>	<u>18.58</u>	<u>20.63</u>
	<i>TECHNOLOGY</i>			
	<i>SOFTWARE & COMPUTER SERVICES</i>			
430,000	Sanderson Group	<u>38,700</u>	<u>0.81</u>	<u>2.04</u>
	Portfolio of investments	4,613,020	96.90	89.50
	Net other assets	<u>147,588</u>	<u>3.10</u>	<u>10.50</u>
	Net assets	<u>4,760,608</u>	<u>100.00</u>	<u>100.00</u>

All investments are ordinary shares unless stated otherwise.

PORTFOLIO CHANGES
FOR THE HALF YEAR ENDED 30 JUNE 2009

Total purchases for the half year		£1,630,376
Purchases		Cost £
Aviva		152,946
Interserve		150,532
Spectris		150,200
Hill & Smith Holdings		137,768
HMV Group		120,318
Brit Insurance Holdings		96,786
Senior		95,322
Marston's		86,782
Melrose		83,960
De La Rue		83,602
Hilton Food Group		82,319
Wincanton		72,324
Fiberweb		70,480
Brammer		58,987
Diploma		55,552
Arriva		42,078
Hansard Global		34,605
Dee Valley Group		33,534
Moneysupermarket.com		22,281

Portfolio Changes (continued)

Total sales for the half year	£924,064
Major sales	Proceeds £
Aviva	179,611
T Clarke	147,702
Interserve	78,961
THB Group	69,946
Dawson Holdings	57,112
Pendragon	48,402
Arriva	44,780
Arbuthnot Banking Group	40,593
Chesnara	35,836
Cineworld Group	35,678
Restaurant Group	33,869
Moneysupermarket.com	25,495
Chamberlin	19,460
William Sinclair Holdings	17,364
Victoria	16,566
Low & Bonar	15,268
Hansard Global	13,790
Premier Foods	13,223
Braemar Shipping Services	10,977
Acertec	9,950

The portfolio changes represent all of the purchases and the 20 largest sales during the half year.

INTERIM FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 JUNE 2009

	£	30.06.09 £	£	30.06.08 £
Income:				
Net capital gains/(losses)		516,950		(1,271,663)
Revenue	200,343		275,856	
Expenses	(25,839)		(31,342)	
Finance costs: Interest	—		—	
Net revenue before taxation	174,504		244,514	
Taxation	—		—	
Net revenue after taxation		174,504		244,514
Total return before distributions		691,454		(1,027,149)
Finance costs: Distributions		(111,317)		(170,927)
Change in net assets attributable to shareholders from investment activities		<u>580,137</u>		<u>(1,198,076)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 JUNE 2009

	£	30.06.09 £	£	30.06.08 £
Opening net assets attributable to shareholders		3,795,179		6,784,734
Amounts receivable on issue of shares	799,587		1,207,777	
Amounts payable on cancellation of shares	(413,441)		(1,325,166)	
		386,146		(117,389)
Stamp duty reserve tax		(861)		(954)
Change in net assets attributable to shareholders from investment activities		580,137		(1,198,076)
Retained distribution on Accumulation shares		7		11
Closing net assets attributable to shareholders		<u>4,760,608</u>		<u>5,468,326</u>

The above statement shows the comparative closing net assets at 30 June 2008 whereas the current accounting period commenced 1 January 2009.

Comparative figures have been restated for the presentation changes following adoption of the Statement of Recommended Practice for Authorised Funds issued by the IMA in November 2008 (see Note 1).

Interim Financial Statements (continued)
BALANCE SHEET
AS AT 30 JUNE 2009

	30.06.09	31.12.08
	£	£
ASSETS		
Investment assets	4,613,020	3,396,727
Other assets		
Debtors	55,331	69,671
Cash and bank balances	<u>324,567</u>	<u>553,404</u>
Total other assets	379,898	623,075
Total assets	<u>4,992,918</u>	<u>4,019,802</u>
LIABILITIES		
Other liabilities		
Creditors	(155,692)	(28,154)
Distribution payable on Income shares	<u>(76,618)</u>	<u>(196,469)</u>
Total other liabilities	(232,310)	(224,623)
Total liabilities	<u>(232,310)</u>	<u>(224,623)</u>
Net assets attributable to shareholders	<u>4,760,608</u>	<u>3,795,179</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Management Association in November 2008.

During the half year the Fund adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains/losses and transaction charges are now classified as capital gains/losses.

GENERAL INFORMATION

Head Office: Ibex House, 42 – 47 Minories, London EC3N 1DX.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Fund is pounds sterling.

Share Capital: The minimum share capital of the Fund is £1 and the maximum is £100,000,000,000. Shares in the Fund have no par value.

CLASSES OF SHARES

Different classes of shares can be issued in respect of the Fund. Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period. Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

VALUATION POINT

The valuation point of the Fund is midday on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING OF SHARES

The ACD will accept orders to deal in the shares on normal business days between 9.00am and 5.30pm. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 922 0044 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

