

**CF Chelverton UK Equity Income Fund**  
**ACD's Interim Unaudited Short 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.

**Risk Profile**

The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

**Accounting and Distribution Dates**

	Accounting	Distribution
First Interim	31 March	31 May
Half Year	30 June	31 August
Third Interim	30 September	30 November
Final	31 December	28 February

**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

### Portfolio Turnover Rate

	30.06.09 %	31.12.08 %
Portfolio turnover rate	32.71	-14.72

### 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

### 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

### 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

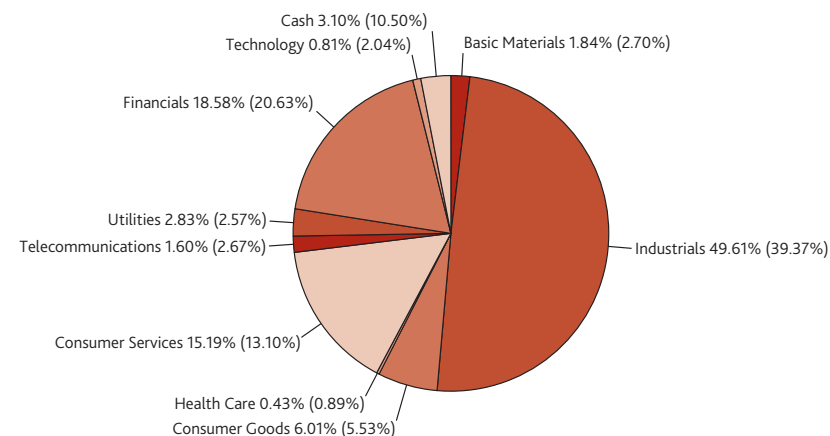
The performance of the Fund is based on the net asset value per 'Retail' Income share and 'Institutional' Income share with income reinvested.

\* Launch date 1 December 2006.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

### Sector Spread of Investments



The figures in brackets show allocations at 31 December 2008.

### Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Fund as at 30.06.09	Holding	% of Fund as at 31.12.08
Chesnara	4.63	Chesnara	6.22
Cineworld Group	4.50	Dawson Holdings	4.89
Hill & Smith Holdings	4.35	Cineworld Group	4.70
Diploma	4.21	T Clarke	3.62
Office2Office	3.74	Diploma	3.24
Spectris	3.47	Hansard Global	3.08
Jarvis Securities	3.40	Macfarlane Group	3.04
Brit Insurance Holdings	3.37	Jarvis Securities	2.96
Fiberweb	2.94	Braemar Shipping Services	2.87
Hilton Food Group	2.93	Restaurant Group	2.80

# INVESTMENT MANAGER'S REPORT

## 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 some way 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

## Buying and Selling 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.

## Reports and Accounts

This document is a short report of the CF Chelverton Equity Income Fund for the half year ended 30 June 2009. The full Report and Accounts for the Fund is available free of charge upon written request to Capita Financial Managers Limited, Ibex House, 42 – 47 Minorities, London EC3N 1DX.

## Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the half year it covers and the results of those activities at the end of the half year.

# CAPITA

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## INDEPENDENT AUDITORS

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