A marketing communication from

WCAM WALKER CRIPS ASSET MANAGERS

FE ALPHA MANAGER 2011 JAN LUTHMAN
FE ALPHA MANAGER 2011 STEPHEN BAILEY

CF Walker Crips UK Fund

Factsheet | December 2011

FUND MANAGERS

Stephen Bailey
Jan Luthman

KEY FACTS

Launch Date
30 November 2005

Note: Walker Crips appointed Investment Manager 17 February 2010

Fund Size
£3.6M

Historic Yield
0.7%, net after 10% tax credit

Share Classes
Income
Accumulation

Distribution Date
30 November

Initial Charge
0.0%

Annual Management Fee
1.0%

ISA & JISA Status
Eligible

Minimum Investment
£1,000

Monthly Investment
£50

Minimum JISA Investment
£250

Note: JISA - Junior Individual Savings Account

Regulatory Status
Authorised and Regulated by the Financial Services Authority

A Fund managed by Walker Crips Asset Managers Limited. Please refer to the disclaimer and/or visit our website at wcwb.co.uk for our policy regarding conflict of interest. This marketing communication has not been prepared in accordance with legal requirements to promote the independence of investment research and is not subject to prohibitions on dealing ahead of the distribution of research.

Investment Objective

The investment objective of the CF UK Fund ('the Fund') is to achieve long-term capital growth through a concentrated portfolio of UK equities.

The Fund is an investment company with variable capital incorporated under the OEIC Regulations. It is a 'UCITS Scheme' as defined in the Collective Investment Schemes Sourcebook (COLL).

Investment Philosophy and Portfolio Structure

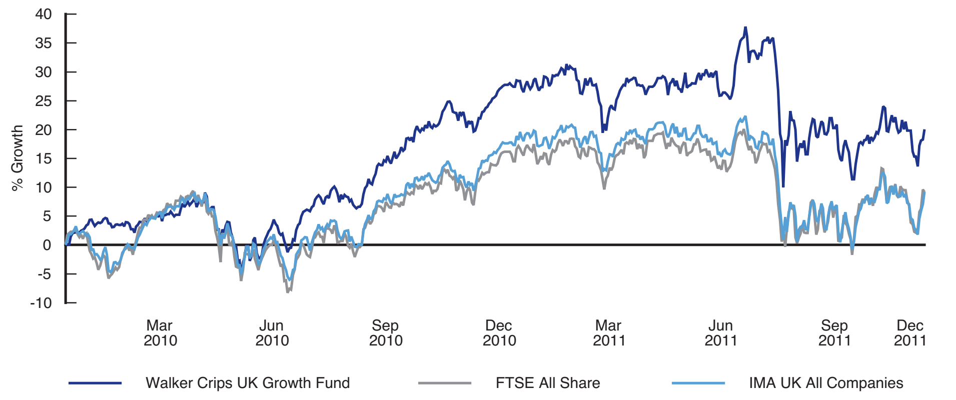
The Fund is managed with the same investment philosophy and the same macro-thematic process as that which has driven the long-term investment performance of our UK Growth and Equity Income funds. The unique difference of the UK Fund is its greater focus on mid-cap and small-cap companies - an area where macro-thematic influences can be felt particularly strongly and where, we believe, companies with specialist skills and products may become increasingly tempting acquisition targets.

Yield (income shares)

Dividends are declared annually on 30 November. Dividend for the year to 30 November 2011 was 0. 81p. At a share price of 1.15p, that is equivalent to a yield of approximately 0.7%.

Performance and Statistical Information

Performance Since Launch



Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to 30/11/2011

Cumulative Performance	6 Months	1 Year	2 Years	3 Years	5 Years	Since 17/02/10
Fund	-8.49	-1.13	20.36	-	-	18.28
FTSE 100	-6.31	3.19	13.55	-	-	8.80
FTSE All Share	-6.31	3.19	13.55	-	-	8.80
Sector Average	-11.21	-2.00	11.36	-	-	7.66
Position in Sector	57	128	27	-	-	25
No of Funds in Sector	290	287	281	-	-	281
Quartile Ranking	1	2	1	-	-	1

Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to 30/11/2011

Discrete Annual Performance	30/09/10 30/09/11	30/09/09 30/09/10	30/09/08 30/09/09	28/09/07 30/09/08	29/09/06 28/09/07
Fund	0.03	-	-	-	-
Sector Average	-5.19	-	-	-	-

Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to last quarter end 30/09/2011

Please remember that past performance is not a guide to the future.

TOP TEN HOLDINGS (%)

Hamworthy	7.3
Anglo Pacific	6.5
Fenner	5.4
Dragon Oil	4.9
Inmarsat	4.6
Lamprell	4.6
Imperial Tobacco	4.6
Millennium & Co	4.5
BG Group	4.4
Vodafone	4.4
Total	**51.2**

Source: Internal

MARKET SECTOR SPLIT (%)

Mining	12.8
Industrial Engineering	12.7
Oil & Gas Producers	12.0
General Financial	9.4
Mobile Telecoms	9.0
Oil Services & Distribution	8.3
Pharma & Biotech	8.2
Tobacco	6.6
Support Services	6.0
Travel & Leisure	4.5
Other	10.5

Source: Internal

MARKET CAP BREAKDOWN (%)

Large - FTSE 100	30.9
Mid - FTSE 250	35.2
Small	18.1
AiM	15.6
Other	0.1
Cash	0.1

Source: Internal

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Investment Commentary

Much has been written and spoken about the Eurozone sovereign debt crisis. Suffice it for us to add that Chancellor Merkel has a once-only opportunity to bring profligate states to fiscal heel, and will not yield. The Eurozone banking and insurance system will be protected, but not the lifestyles to which over-indebted peripheral states have become accustomed. If that means many years of grinding readjustment to wages and standards of living within Europe's periphery, so be it – Germany mastered just such a challenge following re-unification, and again after adopting the euro at an overambitious exchange rate - Sie werden sich noch daran gewöhnen müssen.

Within the UK, we are encouraged by the government's moves to provide an attractive environment for pharmaceutical research and development, and to encourage NHS partnering with pharmaceutical companies. In our view, this represents a very positive echo of the US initiative to establish its National Center for Advancing Translational Science (NICATS), and adds greater conviction to our overweight position within the pharmaceutical sector.

More generally, we see few good reasons why companies without unique intellectual property should expand productive capacity within the UK, where the private sector is burdened by the costs of gross government over-employment, statutory minimum wages hopelessly out of line with even the world's wealthiest superpower, and a location just about as far from the faster growing regions of the world as it is possible to get.

However, many UK-listed companies source relatively little from the UK and, for many of those supplying resources, goods and services to faster growing regions of the world, the outlook appears considerably more attractive than current share price valuations seem to imply. The world is not risk free – European energy dependence upon an increasingly tetchy Russia, growing western unease over Iran's nuclear programme and its unpredictable regime, political upheaval and instability within a range of Arab states, China's territorial aspirations over the resource-rich South China Sea and its disquiet over the US 'AirSea Battle' strategy intended to ensure security of access to resources and markets (a long running, key theme of our portfolios). But such threats are, and have always been the nature of mankind, and entrepreneurial capitalism has shown a quite remarkable ability to survive and thrive over many centuries despite them – indeed, even to take advantage of them. It was precisely this mismatch between outlook and share price valuation that prompted the Finnish engineering company, Wärtsiliä Technology, to put forward a cash bid on 22 November for Hamworthy, a significant holding within our UK Fund. It seems to us not unlikely that another interested party might table an improved offer and, for the time being, we are content to retain the entire holding.

The Fund is overweight in the following sectors:

Pharmaceuticals: expanding global demand for medicines, life-style and over-the-counter drugs offer growth and resilience to inflation and recession. Moves by the US National Centre for Translational Sciences to participate in fundamental research should improve cashflow and quality and visibility of earnings.
Tobacco: secure earnings stream; shift to higher margin premium brands as wages rise in emerging markets.
Food Producers: global brand strength; pricing power and rising demand in emerging markets.
Telecommunications: rapid growth in global data traffic, pricing power as demand exceeds capacity, strategic and commercial value of bandwidth.
Oilfield Equipment & Services: need to expand and prolong production of existing fields; and to develop new fields in regions with lower political, regulatory and ethical risk.

Cash: approx. 0.1% as at 30 November 2011.

The Fund is underweight in the following sectors:

Banks: beset with political, regulatory, financial and economic risk. Eurozone sovereign debt concerns remain.
Life Assurance: austerity and market uncertainty deter saving and investment; Asian regulatory pressure for increased disclosure & lower margins.
Aerospace & Defence: anti-bribery legislation may disqualify some key markets.
General Retailers, Hotels, Restaurants, Pubs: tight consumer credit, higher taxes, weak employment market.
House-builders: mortgage lending tight, affordability stretched, many first-time buyers dependent upon house-builders finance &/or guarantees, full-time employment weak.
Utilities: Fund holds no UK-centric utilities: lower energy use by industry and households; political and regulatory risk; costs of incorporating 'renewable' power.