

# CAPITA

**Seven**  
Investment Management



## CF 7IM Investment Funds

Interim Unaudited Report and Financial Statements  
31 May 2014

CF 7IM AAP Income Fund  
(formerly CF 7IM Income Fund)  
CF 7IM Moderately Cautious Fund  
CF 7IM Balanced Fund  
CF 7IM Moderately Adventurous Fund  
CF 7IM Adventurous Fund  
CF 7IM Sustainable Balance Fund  
CF 7IM AAP Moderately Cautious Fund  
CF 7IM AAP Balanced Fund  
CF 7IM AAP Moderately Adventurous Fund  
CF 7IM AAP Adventurous Fund

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 CF 7IM Balanced Fund  
 CF 7IM Moderately Adventurous Fund  
 CF 7IM Adventurous Fund  
 CF 7IM Sustainable Balance Fund  
 CF 7IM AAP Moderately Cautious Fund  
 CF 7IM AAP Balanced Fund  
 CF 7IM AAP Moderately Adventurous Fund  
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ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 MAY 2014

**AUTHORISED STATUS**

CF 7IM Investment Funds ('the Company') is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000278 and authorised by the Financial Conduct Authority with effect from 28 November 2003.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the shares.

**IMPORTANT INFORMATION**

For details of changes, please see the 'Important Information' section of the sub-funds.

With effect from 14 July 2014, the address of the Company's head office; the ACD's principal place of business; and the office where the documents of the Company may be inspected changed to 40 Dukes Place, London EC3A 7NH.

**DIRECTOR'S STATEMENT**

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

N. BOYLING

CAPITA FINANCIAL MANAGERS LIMITED  
*ACD of CF 7IM Investment Funds*  
29 July 2014

## AGGREGATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AGGREGATED STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		91,147,209		255,888,316
Revenue	37,802,368		32,781,728	
Expenses	(15,108,343)		(15,518,538)	
Finance costs: Interest	(3,708)		(6,841)	
Net revenue before taxation	22,690,317		17,256,349	
Taxation	(1,816,535)		(3,150,582)	
Net revenue after taxation	20,873,782		14,105,767	
<b>Total return before distributions</b>	112,020,991		269,994,083	
Finance costs: Distributions	(25,961,103)		(23,164,760)	
<b>Change in net assets attributable to shareholders from investment activities</b>	86,059,888		246,829,323	

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>	3,304,679,102		2,578,338,588	
Amounts receivable on issue of shares	456,102,762		376,294,057	
Amounts payable on cancellation of shares	(163,924,959)		(172,435,251)	
Stamp duty reserve tax	292,177,803		203,858,806	
Change in net assets attributable to shareholders from investment activities	86,059,888		246,829,323	
Retained distribution on Accumulation shares	23,796,390		21,124,987	
<b>Closing net assets attributable to shareholders</b>	3,706,380,523		3,049,739,274	

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

AGGREGATED BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		3,533,008,018		3,254,564,179
<b>Other assets</b>				
Debtors	210,899,999		30,605,951	
Cash and bank balances	125,967,464		68,612,333	
<b>Total other assets</b>		336,867,463		99,218,284
<b>Total assets</b>		3,869,875,481		3,353,782,463
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(2,931,900)		(276,012)
<b>Other liabilities</b>				
Creditors	(134,046,461)		(36,886,002)	
Bank overdrafts	(23,730,478)		(9,114,005)	
Distribution payable on Income shares	(2,786,119)		(2,827,342)	
<b>Total other liabilities</b>		(160,563,058)		(48,827,349)
<b>Total liabilities</b>		(163,494,958)		(49,103,361)
<b>Net assets attributable to shareholders</b>		3,706,380,523		3,304,679,102

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 November 2013 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 for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

CF 7IM AAP INCOME FUND  
ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 MAY 2014

IMPORTANT INFORMATION

The following change was effective from 24 January 2014:

- The 'O' Income and 'O' Accumulation share classes were closed and are no longer available for investment.

The following changes were effective from 26 February 2014:

- The name of the CF 7IM Income Fund changed to CF 7IM AAP Income Fund;
- The annual management charge applied to the 'C' share class reduced by 0.5%. The reduced AMC for 'C' shares is 0.5%; and
- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

INVESTMENT OBJECTIVE AND POLICY

CF 7IM AAP (Asset Allocated Passives) Income Fund ('the Fund') aims to provide an above average level of income, while seeking to maintain capital over the longer term. There may be some risk to capital. The Fund invests in a range of securities and collective investment vehicles using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). Such investments may be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Fund may use different asset classes, with the emphasis on fixed interest. A significant proportion of the Fund may be maintained in or hedged back to sterling at any time. Forward foreign exchange transactions may be used to hedge currency risk.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

IMA Mixed Investment 0-35% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED  
ACD of CF 7IM AAP Income Fund  
29 July 2014

## CF 71M AAP INCOME FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.4%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 0-35% Shares Sector, which is the Fund benchmark, was 2.5%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was however followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest area of concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M AAP Income 'A' Inc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund value increased from £68.8 million<sup>3</sup> at 30 November 2013 to £74.1 million<sup>4</sup> at 31 May 2014.

The Fund delivered returns somewhat above the sector average over the period. Although the Fund missed out on potential gains from core government bonds, thanks to its very low weightings in gilts and similar high quality governments, it benefitted from strong returns from allocations to high yield bonds, Spanish and Italian government bonds, and – after some volatility – from a strong rebound in emerging market bonds.

We undertook a restructuring of the Fund during the period, looking to implement our successful Actively Allocated Passives ('AAP') approach in the context of the income portfolio, and this transition accounted for much of the trading activity in the Fund. The AAP approach is intended to prioritise very low cost implementation of an active asset allocation programme, investing primarily in passive instruments such as index funds, ETFs, baskets of securities and futures, although using these instruments actively in order to manage tactical asset allocation exposure. For the most part, we have removed active managed funds from the portfolio and we have also removed the sub-adviser who had previously selected individual bonds for the portfolio, preferring to use collective vehicles or bond baskets instead. We retain some active manager exposure in the Fund, where we believe that the higher costs are justified by the exposure to a strategy or asset class that we cannot otherwise include in the portfolio, and which has particular benefits for this type of portfolio. Open ended funds investing in floating rate asset-backed securities or in high yield equity strategies, and closed end funds investing in Collateralised Loan Obligations ('CLO's) and floating rate loans are all included in the Fund, being strategies or asset classes that are necessary for the Fund to meet its objectives, in our view. However, careful budgeting means that the Fund costs are expected to remain low.

The majority of the Fund's assets are in bonds. Through the period we have emphasised a few major themes, focusing on these as we moved from holding single bonds selected by an external sub-adviser, towards holding collectives designed to implement our targeted asset allocation: we have focused on shorter maturity and floating rate bonds, in order to minimise the impact of a rise in yields, which we expect as the global economy continues to recover; this includes short-dated bond funds in credit and high yield, and floating rate exposure in asset-backed securities (e.g. Julius Baer Multibond fund and PFS TwentyFour Monument Bond fund). We have leaned towards credit rather than government, with a preference for slightly lower credit quality, where pricing still appears reasonable, in a relatively benign environment for risk. Therefore we preferred Italy and Spain to other governments (until taking profits on the position late in May); and we preferred sub-investment grade bonds and loans (accessed through CLO funds) to high grade corporate credit. We also maintained a strong tilt towards EM bonds: we retained single bond issues through the Fund restructuring and are using these as the basis for a GDP-weighted basket of EM bonds, in order to provide broad exposure to the asset class at very low cost. EM bonds have been volatile but recovered well in Q2 and they provide a substantial component of the Fund's yield potential.

We maintained a diverse equity exposure, over time moderating our tactical tilt towards Europe in favour of a stronger tilt towards EM and Japan. Although Japan offers little income, its potential for capital growth as the market comes to appreciate the scale of reform and restructuring and the strong valuation appeal of Japanese equity, justifies the position. In EM,

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.



## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

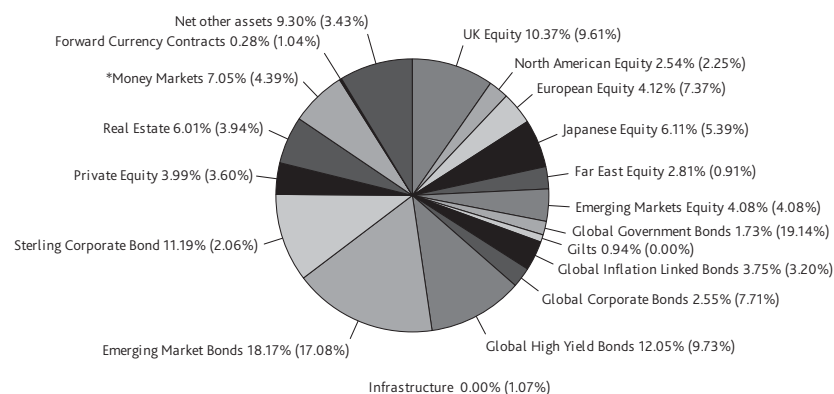
For the half year ended 31 May 2014

### PORTFOLIO REVIEW (continued)

as in Asia, the US and UK we have favoured strategies that target high dividend payouts: we introduced the Charlemagne Magna Emerging Markets Dividend fund and SPDR's Dividend Aristocrats Strategies in US and UK. In Europe, we maintained a strong allocation to value investing strategies, switching from an ETF to a direct implementation, using a proprietary systematic value strategy, which also offers an attractive dividend yield, at no cost to the Fund.

The Fund holds only modest exposure to alternative asset classes and strategies. We steered clear of commodities and gold throughout the reporting period. We also exited remaining holdings of infrastructure during the period, seeing more value in more cyclically-exposed equities and less in defensive bond-proxies that have been bid up to fairly high valuations in recent years. On the other hand, we made a small increase in exposure to property, implemented through REITs and other property-related equities – alongside our global REIT index fund, we added a holding in the Tritax Big Box REIT, which will pay an attractive yield funded by its portfolio of logistics assets, on long leases to high quality tenants. We maintained an exposure to private equity, focused on funds that can generate substantial distributions, for example from their exposure to private debt instruments.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

## FUND INFORMATION

### PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	96.59	83.84	3.7012
2010	100.56	93.53	3.6271
2011	100.32	93.04	3.7146
2012	97.91	94.00	3.5021
2013	104.78	95.81	3.4646
2014*	100.81	96.78	2.3329

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	117.43	99.81	4.3897
2010	127.09	115.02	4.4743
2011	129.49	122.06	4.7894
2012	134.53	124.86	4.6486
2013	145.16	134.15	4.6955
2014*	144.54	137.86	3.3113

'B' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.27	86.10	3.7990
2010	103.59	96.53	3.7349
2011	103.26	95.82	3.8795
2012	100.97	96.87	3.6138
2013	108.10	99.11	3.5123
2014*	104.40	100.18	2.4171

CF 7IM AAP INCOME FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	118.80	100.88	4.4362
2010	128.74	116.41	4.4913
2011	131.33	123.87	4.9056
2012	136.69	126.73	4.7317
2013	147.57	136.39	4.7715
2014*	147.21	140.33	3.3802

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.25	85.88	3.7965
2010	103.73	96.38	3.7129
2011	103.71	96.36	3.9550
2012	101.86	97.57	3.6294
2013	109.18	100.12	3.5443
2014*	105.85	101.39	2.4486

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	120.81	102.38	4.5088
2010	131.30	118.49	4.6206
2011	134.22	126.73	5.0240
2012	140.27	129.69	4.8407
2013	151.60	140.15	4.9015
2014*	151.82	144.45	3.4770

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	96.94	84.15	3.7212
2010	100.93	93.86	3.6309
2011	100.64	93.31	3.7386
2012	98.15	94.25	3.5124
2013	105.02	96.26	3.4130
2014*	101.25	97.21	2.3472

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	117.10	99.55	4.3704
2010	126.53	114.68	4.4319
2011	128.84	121.43	4.7690
2012	133.74	124.21	4.6354
2013	144.28	133.33	4.6673
2014*	143.69	137.05	3.3022

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	95.52	94.33	-
2010	100.77	93.84	2.8454
2011	100.26	92.79	3.7433
2012	97.25	93.55	3.4838
2013	103.88	86.00	3.3771
2014##	87.99	86.90	1.3240

CF 7IM AAP INCOME FUND

ACD's Report (continued)

Fund Information (continued)

PERFORMANCE RECORD (continued)

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	116.18	114.75	-
2010	126.10	114.55	3.5880
2011	127.99	120.44	4.6840
2012	132.15	123.14	4.5550
2013	142.35	128.19	5.1252
2014##	134.45	132.80	1.3320

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.97	99.40	0.8056

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.97	99.40	0.8056

\* To 31 May 2014.

# From 1 December 2009.

## Closed on 24 January 2014.

### From 26 February 2014 to 31 May 2014.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	16,924,648	18,103,539	93.49
	'A' Accumulation	3,026,900	2,448,670	123.61
	'B' Income	1,902,070	1,975,511	96.28
	'B' Accumulation	12,980,932	10,347,676	125.45
	'C' Income	11,184,458	11,549,681	96.84
	'C' Accumulation	917,713	715,034	128.35
	'D' Income	10,428,368	11,122,205	93.76
	'D' Accumulation	3,282,483	2,669,242	122.97
	'O' Income	854,825	916,849	93.24
	'O' Accumulation	12,855	10,540	121.96
30.11.12	'A' Income	19,181,303	19,793,799	96.91
	'A' Accumulation	3,354,390	2,519,224	133.15
	'B' Income	2,044,170	2,045,792	99.92
	'B' Accumulation	12,001,943	8,871,709	135.28
	'C' Income	13,828,607	13,721,244	100.78
	'C' Accumulation	1,302,016	938,062	138.80
	'D' Income	11,222,066	11,552,074	97.14
	'D' Accumulation	3,727,247	2,815,680	132.37
	'O' Income	1,021,665	1,061,413	96.26
	'O' Accumulation	100,656	76,930	130.84
30.11.13	'A' Income	372,817	380,634	97.95
	'A' Accumulation	212,874	152,577	139.52
	'B' Income	1,819,039	1,794,449	101.37
	'B' Accumulation	11,299,463	7,957,857	141.99
	'C' Income	37,433,677	36,508,197	102.53
	'C' Accumulation	4,999,023	3,421,873	146.09
	'D' Income	8,687,022	8,828,921	98.39
	'D' Accumulation	3,565,289	2,570,235	138.71
	'O' Income	217	250	86.99
	'O' Accumulation	332	250	132.82
31.05.14*	'A' Income	359,381	360,244	99.76
	'A' Accumulation	91,841	63,709	144.16
	'B' Income	1,674,356	1,620,714	103.31
	'B' Accumulation	11,505,795	7,837,038	146.81
	'C' Income	30,812,592	29,414,730	104.75
	'C' Accumulation	4,133,106	2,729,614	151.42
	'D' Income	6,467,550	6,455,008	100.19
	'D' Accumulation	2,904,863	2,026,993	143.31
	'S' Income	13,422,296	13,173,196	101.89
	'S' Accumulation	2,324,120	2,263,096	102.70

\* See page 11 for details of share class launch and closure.

## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Fund Information (continued)

### ONGOING CHARGES FIGURE

Expense Type	31.05.14 %				
	'A'	'B'	'C'*	'D'	'S'**
ACD's periodic charge	1.50	1.35	0.50	1.55	0.25
Other expenses	0.12	0.12	0.12	0.12	0.12
	<u>1.62</u>	<u>1.47</u>	<u>0.62</u>	<u>1.67</u>	<u>0.37</u>
Collective investment scheme costs	0.23	0.23	0.23	0.23	0.23
Ongoing charges figure	1.85	1.70	0.85	1.90	0.60

Expense Type	30.11.13 %				
	'A'	'B'	'C'	'D'	'O'**
ACD's periodic charge	1.50	1.35	1.00	1.55	2.00
Other expenses	0.12	0.12	0.12	0.12	0.12
	<u>1.62</u>	<u>1.47</u>	<u>1.12</u>	<u>1.67</u>	<u>2.12</u>
Collective investment scheme costs	0.17	0.17	0.17	0.17	0.17
Ongoing charges figure	1.79	1.64	1.29	1.84	2.29

\* ACD's periodic charge for 'C' share class reduced from 1.00% to 0.50% from 26 February 2014.

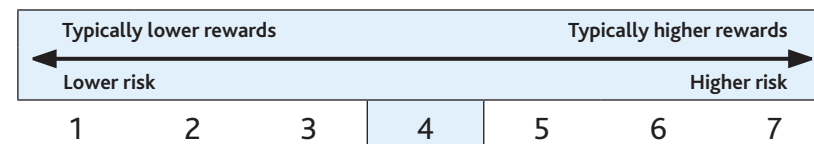
\*\* See page 11 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF for 'S' and 'C' shares are an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the 'S' share class only being launched on 26 February 2014 and the reduction of the ACD's periodic charge for 'C' share class from 1.00% to 0.50% from this date.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	First Interim 28.02.14	Second Interim 31.05.14
	pence per share	pence per share
'A' Income	0.6525	0.7808
'A' Accumulation	0.9289	1.1159
'B' Income	0.6755	0.8085
'B' Accumulation	0.9457	1.1395
'C' Income	0.6834	0.8213
'C' Accumulation	0.9735	1.1771
'D' Income	0.6554	0.7840
'D' Accumulation	0.9235	1.1124
'S' Income	–	0.8056
'S' Accumulation	–	0.8056

## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Fund Information (continued)

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM AAP Income Fund	3.41	1.77	12.20	38.95
IMA Mixed Investment 0-35% Shares Sector#	2.62	2.05	13.01	38.09

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Income share which includes reinvested income.

### PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 22.99% (30.11.13 – 23.93%)		
	UK EQUITY – 10.37% (30.11.13 – 9.93%)		
37,410	3i Group	161,499	0.22
157,290	Dimensional UK Value*	2,548,104	3.46
19,780	Intermediate Capital Group	82,700	0.11
334,226	iShares FTSE UK Dividend UCITS ETF*	3,084,906	4.19
1,704,923	Schroder Income Maximiser*	837,629	1.14
70,500	SSgA SPDR S&P UK Dividend Aristocrats UCITS ETF*	925,665	1.25
	TOTAL UK EQUITY	7,640,503	10.37
	NORTH AMERICAN EQUITY – 2.54% (30.11.13 – 2.25%)		
8,340	Pzena US Large Cap Dynamic Value*	807,419	1.10
47,135	SSgA SPDR S&P US Dividend Aristocrats UCITS ETF*	1,063,621	1.44
	TOTAL NORTH AMERICAN EQUITY	1,871,040	2.54
	EUROPEAN EQUITY – 4.12% (30.11.13 – 7.37%)		
45	A.P. Møller-Mærsk	69,948	0.09
1,542	Abertis Infraestructuras	20,165	0.03
6,584	Aegon	34,082	0.05
6,584	Aegon rights	–	–
940	Alfa Laval	14,699	0.02
2,204	ArcelorMittal	20,082	0.03
991	BNP Paribas	41,390	0.06
287	CGG	2,311	–
267	Coloplast	13,737	0.02
481	Delhaize Group	20,410	0.03
2,827	E.ON	32,772	0.04
1,717	Elekta	13,248	0.02
2,700	GDF Suez	44,984	0.06
918	Henkel non-voting preference shares	63,247	0.09
258	Hennes & Mauritz	6,512	0.01
1,617	Husqvarna	7,562	0.01
5,455	Iberdrola	23,387	0.03
422	Industrivärden	5,051	0.01
632	ING Groep	5,283	0.01
31,479	Intesa Sanpaolo	62,946	0.09
712	Investment AB Kinnevik	16,853	0.02
21,650	iShares EURO STOXX Mid UCITS ETF*	798,452	1.08

## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
35,110	iShares EURO STOXX Small UCITS ETF*	838,076	1.14
3,487	Koninklijke Ahold	37,800	0.05
937	Koninklijke KPN	2,066	-
600	Merck KGaA	61,575	0.08
528	Münchener Rückversicherungs-Gesellschaft	69,778	0.09
772	Neste Oil	9,421	0.01
1,073	Nestlé	50,234	0.07
401	Nokian Renkaat	10,139	0.01
242	Novo Nordisk	6,115	0.01
335	Orion	6,301	0.01
204	Pernod Ricard	14,928	0.02
400	Publicis Groupe	20,589	0.03
535	Reed Elsevier	7,147	0.01
594	Renault	33,367	0.05
324	Repsol	5,447	0.01
257	Roche Holding	45,162	0.06
358	Sanofi	22,822	0.03
1,319	Schneider Electric	74,039	0.10
528	Skanska	7,300	0.01
2,395	Stora Enso	14,642	0.02
753	Südzucker	9,109	0.01
1,230	Swiss Re	65,295	0.09
191	Technip	12,241	0.02
563	Tele2	3,977	0.01
1,111	Telefonaktiebolaget LM Ericsson	8,310	0.01
1,059	Telefonica	10,601	0.01
824	Telefonica Deutschland Holding	3,824	0.01
1,562	Telenor	22,090	0.03
1,867	Tenaris	24,939	0.03
97	Thales	3,465	-
1,506	UPM-Kymmene	15,817	0.02
387	Vinci	17,092	0.02
206	Voestalpine	5,673	0.01
595	Volkswagen non-voting preference shares	94,364	0.13
935	Yara International	25,476	0.03
332	Zurich Insurance Group	59,494	0.08
	TOTAL EUROPEAN EQUITY	3,035,836	4.12
	JAPAN EQUITY – 0.01% (30.11.13 – 0.50%)		
64	TOPIX Index Future June 2014	5,924	0.01
	FAR EAST EQUITY – 2.81% (30.11.13 – 0.91%)		
98,739	iShares Asia Pacific Dividend UCITS ETF*	2,074,506	2.81

Holding	Portfolio of Investments	Value £	31.05.14 %
	EMERGING MARKETS EQUITY – 3.14% (30.11.13 – 2.97%)		
156,087	Charlemagne Magna Emerging Markets Dividend*	1,481,113	2.01
25	MSCI Emerging Markets Index Future June 2014###	76,209	0.10
63,450	SSgA SPDR S&P Emerging Markets Dividend UCITS ETF*	760,714	1.03
	TOTAL EMERGING MARKETS EQUITY	2,318,036	3.14
	TOTAL EQUITIES	16,945,845	22.99
	BONDS – 56.07% (30.11.13 – 58.92%)		
	GLOBAL GOVERNMENT BONDS – 1.73% (30.11.13 – 19.14%)		
€725,000	Italy Treasury 4.75% 2028	673,670	0.91
€620,000	Spain Government Bond 5.15% 2028	601,422	0.82
	TOTAL GLOBAL GOVERNMENT BONDS	1,275,092	1.73
	GILTS – 0.94% (30.11.13 – 0.00%)		
£700,000	Treasury 1.25% 2018	690,175	0.94
	GLOBAL INFLATION LINKED BONDS – 3.75% (30.11.13 – 3.20%)		
€2,200,000	Italy Treasury Inflation Linked 1.71136% 2018	1,897,148	2.57
€800,000	Italy Treasury Inflation Linked 2.1% 2017	797,412	1.08
€87,000	Spain Government Inflation Linked Bond 1.8% 2024	72,295	0.10
	TOTAL GLOBAL INFLATION LINKED BONDS	2,766,855	3.75
	GLOBAL CORPORATE BONDS – 2.55% (30.11.13 – 7.71%)		
459,459	BlackRock Overseas Corporate Bond Tracker*	508,621	0.69
45,525	SSgA SPDR Barclays 0-3 Year US Corporate Bond UCITS ETF*	1,369,268	1.86
	TOTAL GLOBAL CORPORATE BONDS	1,877,889	2.55

## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	GLOBAL HIGH YIELD BONDS – 12.05% (30.11.13 – 9.73%)		
1,923,137	Carador Income	1,049,080	1.42
1,007,227	CVC Credit Partners European Opportunities	1,075,215	1.46
1,194,583	Harbourvest Senior Loans Europe	436,023	0.59
28,745	iShares Euro High Yield Corporate Bond UCITS ETF*	2,575,817	3.50
17,465	iShares \$ High Yield Corporate Bond UCITS ETF*	1,172,319	1.59
700,000	Starwood European Real Estate Finance	701,750	0.95
257,700	TwentyFour Income	319,548	0.43
1,500,000	TwentyFour Select Monthly Income	1,552,500	2.11
	<b>TOTAL GLOBAL HIGH YIELD BONDS</b>	<b>8,882,252</b>	<b>12.05</b>
	EMERGING MARKET BONDS – 18.17% (30.11.13 – 17.08%)		
BRL1,150,000	Brazilian Government International Bond 8.5% 2024	298,628	0.40
BRL584,500	Brazilian Government International Bond 10% 2023	1,434,320	1.95
IDR18,000,000,000	Indonesia Treasury 8.375% 2024	940,625	1.28
33,765	iShares Emerging Markets Local Government Bond UCITS ETF*	1,719,707	2.33
MYR3,900,000	Malaysian Government Bond 3.314% 2017	716,748	0.97
MYR4,600,000	Malaysian Government Bond 4.262% 2016	869,161	1.18
MXN35,880,000	Mexican Bonos 4.75% 2018	1,662,903	2.26
PLN8,550,000	Poland Government Bond 4% 2023	1,722,116	2.34
RUB92,800,000	Russian Federal Bond 7.5% 2018	1,552,192	2.10
ZAR16,425,000	South Africa Government Bond 7.75% 2023	906,752	1.23
THB23,700,000	Thailand Government Bond 3.65% 2021	432,965	0.59
TRY3,000,000	Turkey Government Bond 6.3% 2018	795,542	1.08
TRY1,200,000	Turkey Government Bond 8.8% 2018	342,301	0.46
	<b>TOTAL EMERGING MARKET BONDS</b>	<b>13,393,960</b>	<b>18.17</b>
	STERLING CORPORATE BOND – 11.19% (30.11.13 – 2.06%)		
1,343,011	Invesco Perpetual Fixed Interest Global Financial Capital*	2,055,075	2.79
20,025	iShares £ Corporate Bond 1-5yr UCITS ETF*	2,115,842	2.87
14,978	Julius Baer Multibond*	1,505,682	2.04
16,712	PFS TwentyFour Monument Bond*	1,860,540	2.53
7,099	UBS Sterling Corporate Bond Indexed*	705,986	0.96
	<b>TOTAL STERLING CORPORATE BOND</b>	<b>8,243,125</b>	<b>11.19</b>

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS – 5.69% (30.11.13 – 0.00%)		
£300,000	Abbey National Treasury Services 0.82781% floating rate note 2017	300,233	0.41
£400,000	ASB Finance 1.13188% floating rate note 2017	400,436	0.54
£400,000	Asian Development Bank 1% 2016	398,339	0.54
£400,000	Commonwealth Bank of Australia 0.82931 floating rate note% 2018	399,999	0.54
£350,000	Credit Suisse of London 0.95813% floating rate note 2016	350,060	0.48
£400,000	International Bank of Reconstruction and Development 1% 2016	398,672	0.54
£400,000	Landwirtschaftliche Rentenbank 3.25% 2016	420,305	0.57
£400,000	Municipality Finance 1.25% 2016	399,850	0.54
£700,000	Network Rail Infrastructure Finance 1.125% 2016	699,976	0.95
£407,000	Rabobank Nederland 3.25% 2017	424,953	0.58
	<b>TOTAL SHORT TERM STERLING BONDS</b>	<b>4,192,823</b>	<b>5.69</b>
	<b>TOTAL BONDS</b>	<b>41,322,171</b>	<b>56.07</b>
	PRIVATE EQUITY – 3.99% (30.11.13 – 3.28%)		
8,860	Apollo Investment Corporation	44,212	0.06
8,610	Ares Capital Corporation	88,444	0.12
8,350	Blackstone Group (The)	154,620	0.21
2,476	Eurazeo	127,463	0.17
2,476	Eurazeo rights	6,373	0.01
2,476	Eurazeo subscription shares	–	–
144,600	F&C Private Equity Trust	326,073	0.44
1,336	Hercules Technology Growth Capital	12,147	0.02
3,320	MCG Capital Corporation	6,749	0.01
100,000	NB Private Equity Partners	631,951	0.86
1,135	Partners Group Holdings	179,621	0.24
1,245	PennantPark Investment Corporation	8,194	0.01
241,435	Princess Private Equity Holdings	1,272,751	1.73
3,150	Prospect Capital Corporation	18,667	0.03
10,196	Ratos	59,015	0.08
	<b>TOTAL PRIVATE EQUITY</b>	<b>2,936,280</b>	<b>3.99</b>

## CF 7IM AAP INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	REAL ESTATE – 6.01% (30.11.13 – 3.94%)		
2,352,561	BlackRock Global Property Securities Equity Tracker*	3,164,195	4.29
1,200,000	Tritax Big Box REIT	<u>1,272,000</u>	<u>1.72</u>
	TOTAL REAL ESTATE	<u>4,436,195</u>	<u>6.01</u>
	INFRASTRUCTURE – 0.00% (30.11.13 – 1.07%)	<u>–</u>	<u>–</u>
	MONEY MARKETS – 1.36% (30.11.13 – 4.39%)		
1,000,000	Goldman Sachs Sterling Liquid Reserve*	1,000,000	1.36
8	JPMorgan Sterling Liquidity*	<u>8</u>	<u>–</u>
	TOTAL MONEY MARKETS	<u>1,000,008</u>	<u>1.36</u>
	FORWARD CURRENCY CONTRACTS – 0.28% (30.11.13 – 1.04%)		
AUD(1,000,000)	Vs £543,227 (expiry 20.06.14)	(11,054)	(0.01)
¥(90,000,000)	Vs £534,537 (expiry 20.06.14)	208,603	0.28
€(7,425,000)	Vs £6,249,503 (expiry 20.06.14)	<u>7,058</u>	<u>0.01</u>
	TOTAL FORWARD CURRENCY CONTRACTS	<u>204,607</u>	<u>0.28</u>
	Portfolio of investments#	66,845,106	90.70
	Net other assets	6,850,794	9.30
	Net assets	<u>73,695,900</u>	<u>100.00</u>

All investments are ordinary shares listed on a regulated market unless stated otherwise.

Credit Quality	31.05.14 %	30.11.13 %
Investment grade debt securities	27.95	46.99
Non-investment grade debt securities	–	3.93
Non-rated debt securities	–	0.48
Other investments	62.75	45.17
Net other assets	9.30	3.43
	<u>100.00</u>	<u>100.00</u>

\* Collective investment scheme.

# Includes derivative liabilities.

## Future contract.



## CF 7IM AAP INCOME FUND

ACD's Report (continued)

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£50,609,136**

Major purchases	Cost £
iShares Emerging Markets Local Government Bond UCITS ETF	3,454,333
iShares Euro High Yield Corporate Bond UCITS ETF	2,598,330
Dimensional UK Value	2,550,000
iShares £ Corporate Bond 1-5yr UCITS ETF	2,100,222
Italy Treasury Inflation Linked 1.71136% 2018	1,891,360
PFS TwentyFour Monument Bond	1,850,000
Mexican Bonos 4.75% 2018	1,593,676
TwentyFour Select Monthly Income	1,500,000
Julius Baer Multibond	1,500,000
SSgA SPDR S&P US Dividend Aristocrats UCITS ETF	1,414,311
BlackRock Overseas Corporate Bond Tracker	1,400,000
SSgA SPDR Barclays 0-3 Year US Corporate Bond UCITS ETF	1,371,578
iShares Asia Pacific Dividend UCITS ETF	1,351,499
Brazilian Government International Bond 10% 2023	1,338,110
iShares \$ High Yield Corporate Bond UCITS ETF	1,202,241
Tritax Big Box REIT	1,200,000
US Treasury 2.75% 2023	1,150,929
Indonesia Treasury 8.375% 2024	994,657
Russian Federal Bond 7.5% 2018	966,723
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	947,521

In addition to the above, purchases totalling £1,300,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

**Total sales for the half year** **£48,388,013**

Major sales	Proceeds £
Threadneedle UK Equity Income	2,733,638
iShares Emerging Markets Local Government Bond UCITS ETF	1,830,775
iShares EURO STOXX Total Market Value Large UCITS ETF	1,724,326
Australia Government Bond 5.5% 2018	1,651,754
Mexican Bonds 7.75% 2042	1,605,336
Italy Treasury 4.5% 2024	1,382,896
Australia Government Bond Inflation Linked 3% 2025	1,366,411
New Zealand Government Bond 5.5% 2023	1,207,796
US Treasury 3.625% 2043	1,131,957
US Treasury 2.75% 2023	1,131,663
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	989,917
Brazil Treasury 10% 2017	970,711
Spain Government Bond 4.4% 2023	964,243
Korea Treasury 2.75% 2018	934,022
BlackRock Overseas Corporate Bond Tracker	900,000
db x-trackers EURO STOXX 50® UCITS ETF	848,937
Old Mutual UK Smaller Companies	825,038
db x-trackers S&P Global Infrastructure UCITS ETF	786,949
US Treasury 1.375% 2020	773,124
TwentyFour Income	746,973

In addition to the above, sales totalling £3,300,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

CF 7IM AAP INCOME FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		1,785,258		3,426,398
Revenue	1,176,537		1,359,536	
Expenses	(371,537)		(513,891)	
Finance costs: Interest	(1,099)		-	
Net revenue before taxation	803,901		845,645	
Taxation	(83,064)		(115,964)	
Net revenue after taxation		720,837		729,681
<b>Total return before distributions</b>		2,506,095		4,156,079
Finance costs: Distributions		(1,021,313)		(1,159,003)
<b>Change in net assets attributable to shareholders from investment activities</b>		1,484,782		2,997,076

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		68,389,753		67,784,063
Amounts receivable on issue of shares	9,617,012		8,537,142	
Amounts payable on cancellation of shares	(6,084,252)		(7,220,494)	
		3,532,760		1,316,648
Stamp duty reserve tax		(4,619)		(5,464)
Change in net assets attributable to shareholders from investment activities		1,484,782		2,997,076
Retained distribution on Accumulation shares		293,224		350,077
<b>Closing net assets attributable to shareholders</b>		73,695,900		72,442,400

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		66,856,160		66,046,475
<b>Other assets</b>				
Debtors	6,164,883		1,241,224	
Cash and bank balances	1,692,024		2,219,075	
<b>Total other assets</b>		7,856,907		3,460,299
<b>Total assets</b>		74,713,067		69,506,774
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(11,054)		-
<b>Other liabilities</b>				
Creditors	(591,795)		(504,066)	
Bank overdrafts	(88)		(168,034)	
Distribution payable on Income shares	(414,230)		(444,921)	
<b>Total other liabilities</b>		(1,006,113)		(1,117,021)
<b>Total liabilities</b>		(1,017,167)		(1,117,021)
<b>Net assets attributable to shareholders</b>		73,695,900		68,389,753

CF 71M MODERATELY CAUTIOUS FUND  
ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 MAY 2014

IMPORTANT INFORMATION

The following change was effective from 24 January 2014:

- The 'O' Accumulation share class was closed and is no longer available for investment.

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Capita Financial Managers Limited has updated the Prospectus to comply with new Financial Conduct Authority rules requiring added disclosures for funds which use the term 'total return' in either their name or objectives. The qualifying statement added to the investment objectives and policy of the Fund make it clear to investors that a positive return is not guaranteed.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

INVESTMENT OBJECTIVE AND POLICY

The CF 71M Moderately Cautious Fund ('the Fund') aims to provide a total return, substantially by way of income though with some capital appreciation. There may be a moderate risk to capital. The Fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Fund may use different asset classes, with a substantial proportion in fixed interest.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

IMA Mixed Investment 0-35% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

There is no guarantee that a positive return will be delivered.

CAPITA FINANCIAL MANAGERS LIMITED  
ACD of CF 71M Moderately Cautious Fund  
29 July 2014

INVESTMENT MANAGER'S REPORT

PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 2.9%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 0-35% Shares Sector, which is the Fund benchmark, was 2.5%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was however followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest area of concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M Moderately Cautious 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO REVIEW

The Fund value increased from £262.7 million<sup>3</sup> at 30 November 2013 to £265.9 million<sup>4</sup> at 31 May 2014.

In the six months under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we added to US equity buying more of the T.Rowe Price US Large Cap Growth Equity fund. We switched some of the UK, US and EM exposure from ETFs and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these markets.

We sold iShares EURO STOXX Total Market Value Large UCITS ETF to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

Towards the end of the six months we added to the Japan equities buying TOPIX Index futures. We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity on market weakness of the market as we saw this as a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we extended the maturity of the peripheral eurozone government bonds to pick up a little more return – the yields on the shorter dated bonds had contracted to a level where we thought there was only little scope for further improvement. Going a little longer out down the yield curve meant we could pick up more yield and enhance returns. At the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other such event.

We reduced exposure to sterling corporate bonds disposing of the holding of the Fidelity Institutional UK Corporate Bond fund where we felt that there was limited scope for uplift given the longer duration and bought a holding in the PFS TwentyFour Monument Bond fund. We felt this offered better scope for returns given its shorter duration than the corporate bond fund, helping to protect the Fund better in a rising rate environment.

Within high yield we added to the holding of Natixis International Loomis Sales High Income fund but took some profits from the holding of TwentyFour Income fund which invests in a diversified portfolio of asset backed securities as the shares had moved to a significant premium.

We also made a further allocation to EM bonds in line with our tactical allocation target. The EM bonds market has grown strongly over the past few years and the asset class was in our opinion was currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We bought a holding in the Ashmore Emerging Markets Total Return fund and added to the holdings of EM bonds ETFs.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

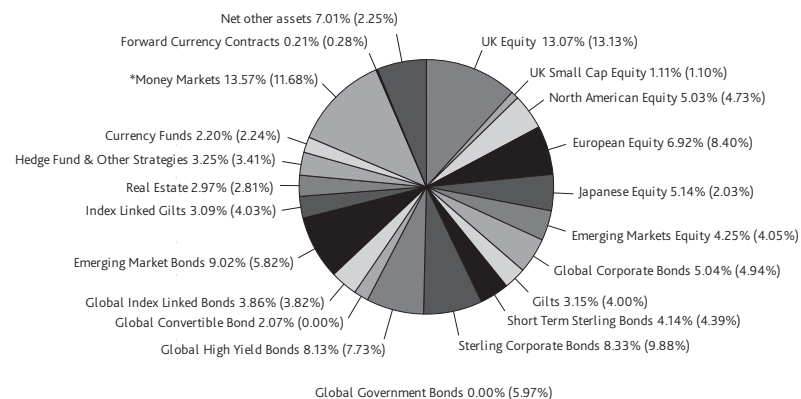
<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

We bought a holding in the M&G Global Convertibles fund using some of the high yield allocation to fund the investment. The option to convert the holding into equity is an added source of return which cannot be accessed by holding an equity or bond alone. In addition a globally diversified convertibles portfolio offers diversification in terms of the companies issuing the bonds which tend to be smaller or medium sized and many of these such companies find it is preferable to issue a convertible rather than a conventional bond because of the lower initial cost, finally convertibles, while not capturing all the upside in an equity bull market provide much more protection when equity markets retreat.

The level of cash at the end of period was higher than at the beginning which arose from the sale of the global government bonds and which we decided to continue to hold as cash as protection from short term volatility over the period up until the decision by the ECB.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro, in particular to hedge the European bonds, and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocations at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

CF 7IM Investment Funds

CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	119.66	103.77	2.4066
2010	125.93	117.08	1.9583
2011	127.06	117.55	2.5425
2012	126.70	120.80	2.6131
2013	136.23	125.77	2.9913
2014*	134.58	129.74	2.5460

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	132.03	113.46	2.6146
2010	141.55	130.39	2.1602
2011	144.87	134.59	2.8790
2012	149.36	139.57	3.0085
2013	161.28	148.90	3.5232
2014*	162.87	157.01	3.0756

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	133.87	114.87	2.6483
2010	143.94	132.29	2.1878
2011	147.48	137.07	2.9260
2012	152.49	142.21	3.0641
2013	164.81	152.02	3.6038
2014*	166.81	160.70	3.1418

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	123.31	106.61	2.4686
2010	130.46	121.02	2.0041
2011	131.90	122.23	2.6492
2012	132.36	125.73	2.7203
2013	142.61	131.44	3.1355
2014*	141.48	136.20	2.6771

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	135.61	116.18	2.6819
2010	146.25	134.12	2.2111
2011	150.00	139.49	2.9522
2012	155.56	144.79	3.1176
2013	168.27	155.09	3.6786
2014*	170.66	164.30	3.2088

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	120.67	104.53	2.1995
2010	126.93	118.03	2.0035
2011	128.06	118.54	2.5315
2012	127.78	121.82	2.6212
2013	137.41	126.84	3.0178
2014*	135.76	130.87	2.5751

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)  
Fund Information (continued)

### PERFORMANCE RECORD (continued)

#### 'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	131.80	113.24	2.3765
2010	141.30	130.15	2.2095
2011	144.61	134.34	2.8423
2012	149.09	139.31	2.9994
2013	161.01	148.63	3.5237
2014*	162.62	156.77	3.0655

#### 'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	119.09	118.06	–
2010	126.13	117.56	1.0320
2011	127.09	117.44	2.4335
2012	125.87	120.33	2.7312
2013	135.09	124.80	2.9805
2014*	132.90	128.29	2.5760

#### 'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	131.16	130.00	–
2010	140.65	130.05	1.1858
2011	143.65	133.41	2.7113
2012	147.33	138.21	3.0921
2013	158.85	135.11	3.4808
2014##	138.29	136.54	1.4480

#### 'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.27	99.51	0.3505

#### 'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.26	99.50	0.3505

\* To 31 May 2014.

# From 1 December 2009.

## Closed on 24 January 2014.

### From 26 February 2014 to 31 May 2014.

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Fund Information (continued)

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	5,136,049	4,330,838	118.59
	'A' Accumulation	30,156,096	22,011,108	137.00
	'B' Accumulation	129,071,571	92,474,973	139.57
	'C' Income	1,662,682	1,347,510	123.39
	'C' Accumulation	12,455,775	8,766,713	142.08
	'D' Income	5,198,181	4,346,299	119.60
	'D' Accumulation	46,944,541	34,327,193	136.76
	'O' Income	1,232,657	1,042,118	118.28
	'O' Accumulation	5,089,509	3,749,793	135.73
30.11.12	'A' Income	6,161,479	4,922,296	125.17
	'A' Accumulation	35,019,732	23,631,156	148.19
	'B' Accumulation	124,431,745	82,255,847	151.27
	'C' Income	2,260,180	1,728,395	130.77
	'C' Accumulation	16,083,261	10,423,376	154.30
	'D' Income	7,678,012	6,082,064	126.24
	'D' Accumulation	52,856,179	35,731,638	147.93
	'O' Income	1,355,916	1,090,428	124.35
	'O' Accumulation	5,965,764	4,079,829	146.23
30.11.13	'A' Income	1,191,178	911,684	130.66
	'A' Accumulation	5,027,651	3,179,992	158.10
	'B' Accumulation	114,185,070	70,587,153	161.76
	'C' Income	9,857,995	7,191,869	137.07
	'C' Accumulation	77,878,731	47,103,791	165.33
	'D' Income	6,706,186	5,088,490	131.79
	'D' Accumulation	47,793,103	30,274,360	157.87
	'O' Income	157,854	122,119	129.26
	'O' Accumulation	341	250	136.48
31.05.14*	'A' Income	329,762	247,643	133.16
	'A' Accumulation	4,715,154	2,901,032	162.53
	'B' Accumulation	109,487,822	65,772,905	166.46
	'C' Income	10,513,913	7,511,019	139.98
	'C' Accumulation	79,570,702	46,721,946	170.31
	'D' Income	5,193,230	3,866,408	134.32
	'D' Accumulation	40,962,978	25,240,700	162.29
	'O' Income	94,307	71,751	131.44
	'S' Income	1,224,206	1,203,670	101.71
'S' Accumulation	13,641,223	13,367,661	102.05	

\* See page 34 for details of share class launch and closure.

### ONGOING CHARGES FIGURE

Expense Type	31.05.14 %					
	'A'	'B'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90	0.65
Other expenses	0.08	0.08	0.08	0.08	0.08	0.08
	1.48	1.23	0.98	1.48	1.98	0.73
Collective investment scheme costs	0.35	0.35	0.35	0.35	0.35	0.35
Ongoing charges figure	1.83	1.58	1.33	1.83	2.33	1.08

Expense Type	30.11.13 %				
	'A'	'B'	'C'	'D'	'O'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90
Other expenses	0.09	0.09	0.09	0.09	0.09
	1.49	1.24	0.99	1.49	1.99
Collective investment scheme costs	0.31	0.31	0.31	0.31	0.31
Ongoing charges figure	1.80	1.55	1.30	1.80	2.30

\* See page 34 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

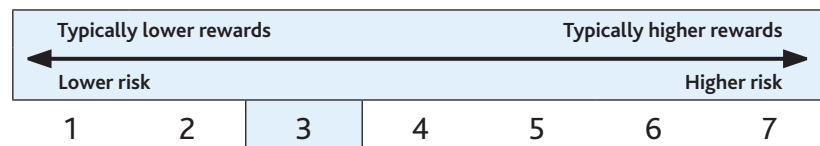
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Fund Information (continued)

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

During the period the indicator changed from 4 to 3. The Fund has been classed as 3 because its volatility has been measured as medium to average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	1.1474
'A' Accumulation	1.3987
'B' Accumulation	1.4300
'C' Income	1.2118
'C' Accumulation	1.4612
'D' Income	1.1655
'D' Accumulation	1.3931
'O' Income	1.1887
'S' Income	0.3505
'S' Accumulation	0.3505

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM Moderately Cautious Fund	2.91	2.78	13.51	37.80
IMA Mixed Investment 0-35% Shares Sector#	2.62	2.05	13.01	38.09

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.



**CF 7IM MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
**PORTFOLIO STATEMENT**
**AS AT 31 MAY 2014**

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 25.42% (30.11.13 – 28.27%)		
	UK EQUITY – 10.90% (30.11.13 – 12.08%)		
220,191	Dimensional UK Value	3,567,098	1.34
89	FTSE 100 Index Futures June 2014##	315,485	0.12
5,007,806	Majedie UK Equity	7,191,209	2.71
44,372	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	6,489,405	2.44
11,559,260	Threadneedle UK Equity Income	11,406,678	4.29
	<b>TOTAL UK EQUITY</b>	<b>28,969,875</b>	<b>10.90</b>
	UK SMALL CAP EQUITY – 1.11% (30.11.13 – 1.10%)		
1,916,839	Old Mutual UK Smaller Companies	2,945,989	1.11
	NORTH AMERICAN EQUITY – 3.54% (30.11.13 – 4.73%)		
219	MSCI USA Equal Weighted Index Future June 2014##	94,283	0.03
52,940	Pzena US Large Cap Dynamic Value	5,125,370	1.93
268,035	T. Rowe Price US Large Cap Growth Equity	4,199,465	1.58
	<b>TOTAL NORTH AMERICAN EQUITY</b>	<b>9,419,118</b>	<b>3.54</b>
	EUROPEAN EQUITY – 6.92% (30.11.13 – 7.66%)		
295	A.P. Møller-Mærsk*	458,546	0.17
5,898	BNP Paribas*	246,336	0.09
731	Cie Generale des Etablissements Michelin*	53,759	0.02
375	Coloplast*	19,294	0.01
6,572	Delhaize Group*	278,871	0.10
1,336,139	Edinburgh Partners European Opportunities	2,740,421	1.03
7,867	Elekta*	60,701	0.02
28,662	Enel*	96,813	0.04
26,099	GDF Suez*	434,833	0.16
6,390	Henkel AG & Company <i>non-voting preference  shares</i>	440,252	0.17
2,952	Hennes & Mauritz*	74,510	0.03
15,293	Industrivärden*	183,038	0.07
50,251	ING Groep*	420,044	0.16
3,234	Investment AB Kinnevik*	76,548	0.03
75,000	iShares EURO STOXX Mid UCITS ETF	2,766,000	1.04
115,000	iShares EURO STOXX Small UCITS ETF	2,745,050	1.03

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY ( <i>continued</i> )		
7,672	Koninklijke Ahold*	83,166	0.03
32,996	Koninklijke KPN*	72,744	0.03
6,425	Legrand*	242,710	0.09
4,075	Merck KGaA*	418,199	0.16
1,022	Münchener Rückversicherungs-Gesellschaft*	135,064	0.05
3,982	Neste Oil*	48,592	0.02
12,661	Nokia*	60,976	0.02
1,360	Novartis*	72,786	0.03
1,084	Novo Nordisk*	27,389	0.01
21,406	Parvest Equity Best Selection Europe ex-UK	2,679,424	1.01
1,457	Publicis Groupe*	74,994	0.03
1,787	Renault*	100,382	0.04
19,797	Repsol*	332,815	0.12
1,513	Roche Holding*	265,879	0.10
21,130	Südzucker*	255,610	0.10
7,597	Swiss Re*	403,292	0.15
5,764	Telefonaktiebolaget LM Ericsson*	43,111	0.02
28,650	Tenaris*	382,707	0.14
8,486	Vinci*	374,793	0.14
7,914	Vivendi*	123,839	0.05
3,168	Volkswagen <i>non-voting preference shares</i>	502,431	0.19
6,208	Yara International*	169,146	0.06
2,396	Zurich Insurance Group*	429,357	0.16
	<b>TOTAL EUROPEAN EQUITY</b>	<b>18,394,422</b>	<b>6.92</b>
	JAPAN EQUITY – 0.05% (30.11.13 – 0.15%)		
194	TOPIX Index Future June 2014	131,693	0.05
	EMERGING MARKETS EQUITY – 2.90% (30.11.13 – 2.55%)		
135,276	Charlemagne Magna Emerging Markets Dividend	1,283,632	0.48
1,611,495	Lazard Emerging Markets	1,546,551	0.58
130	Mini MSCI Emerging Markets Index Futures June 2014##	396,615	0.15
714	TOBAM Anti-Benchmark Emerging Markets	4,484,217	1.69
	<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>7,711,015</b>	<b>2.90</b>
	<b>TOTAL EQUITIES</b>	<b>67,572,112</b>	<b>25.42</b>

## CF 71M MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	BONDS – 57.34% (30.11.13 – 59.88%)		
	GLOBAL GOVERNMENT BONDS – 0.00% (30.11.13 – 5.97%)	–	–
	GLOBAL CORPORATE BONDS – 5.04% (30.11.13 – 4.94%)		
61,423	iShares \$ Corporate Bond UCITS ETF	4,146,754	1.56
257,750	Neuberger Berman Global Bond Absolute Return	2,595,543	0.98
946,191	PIMCO Global Investors Income Series	6,645,102	2.50
	TOTAL GLOBAL CORPORATE BONDS	13,387,399	5.04
	GILTS – 3.15% (30.11.13 – 4.00%)		
£2,000,000	Treasury 1.75% 2017	2,036,946	0.77
£1,300,000	Treasury 2% 2016	1,328,263	0.50
£1,200,000	Treasury 4.25% 2036	1,380,841	0.52
£900,000	Treasury 4.25% 2049	1,069,651	0.40
£900,000	Treasury 4.75% 2030	1,092,789	0.41
£1,300,000	Treasury 5% 2018	1,469,795	0.55
	TOTAL GILTS	8,378,285	3.15
	SHORT TERM STERLING BONDS – 14.65% (30.11.13 – 13.69%)		
£2,750,000	Abbey National Treasury Services 2.12769% <i>floating rate note</i> 2015	2,779,975	1.05
£3,000,000	Asian Development Bank 1% 2016	2,987,544	1.12
£1,489,000	Bank Nederlandse Gemeenten 2.375% 2015	1,523,408	0.57
312,540	BNY Mellon Compass Euro Credit Short Duration	3,141,026	1.18
£1,000,000	BNZ International Funding 1.22656% <i>floating rate note</i> 2016	1,006,260	0.38
1,632,551	City Financial Defensive Global Bond	2,620,407	0.99
£350,000	Export Development Canada 1% 2014	350,838	0.13
£1,450,000	GE Capital UK Funding 1.07813% <i>floating rate note</i> 2016	1,454,640	0.55
£1,726,000	GE Capital UK Funding 5.125% 2015	1,781,233	0.67
£1,000,000	Hypo Real Estate Bank International 0.53469% <i>floating rate note</i> 2015	992,052	0.37
£2,200,000	Inter-American Development Bank 1.25% 2017	2,182,077	0.82
£2,000,000	KfW 1.75% 2016	2,028,042	0.76
£790,000	Kommunalbanken 1.375% 2014	793,555	0.30

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£2,000,000	L-Bank 0.875% 2017	1,949,510	0.73
£2,000,000	Municipality Finance 1.25% 2016	1,999,250	0.75
£3,000,000	Nederlandse Waterschapsbank 2.125% 2016	3,064,062	1.15
£2,000,000	Network Rail Infrastructure Finance 1% 2017	1,968,040	0.74
£2,000,000	Nordea Bank 0.97506% <i>floating rate note</i> 2016	2,006,760	0.76
£1,600,000	Svenska Handelsbanken 1.875% 2017	1,601,680	0.60
£2,000,000	Transport for London 1.25% 2017	1,977,514	0.75
£730,000	Westpac Banking Corporation 1.375% 2015	733,946	0.28
	TOTAL SHORT TERM STERLING BONDS	38,941,819	14.65
	STERLING CORPORATE BONDS – 8.33% (30.11.13 – 9.88%)		
£476,000	Affordable Housing Finance 3.8% 2042	482,855	0.18
£1,000,000	Deutsche Bahn Finance 2.75% 2022	998,910	0.38
656,939	Fidelity Institutional Reduced Duration UK Corporate Bond	6,766,471	2.55
3,658,521	Invesco Sterling Bond	9,658,495	3.63
29,358	PFS TwentyFour Monument Bond	3,268,343	1.23
£1,000,000	Transport for London 2.25% 2022	949,550	0.36
	TOTAL STERLING CORPORATE BONDS	22,124,624	8.33
	GLOBAL HIGH YIELD BONDS – 8.13% (30.11.13 – 7.73%)		
6,602,431	Carador Income*	3,601,657	1.35
2,370,277	CVC Credit Partners European Opportunities*	2,530,271	0.95
24,645	iShares Euro High Yield Corporate Bond UCITS ETF	2,208,419	0.83
2,104,362	Natixis International Loomis Sayles High Income	12,621,062	4.75
527,647	TwentyFour Income*	654,282	0.25
	TOTAL GLOBAL HIGH YIELD BONDS	21,615,691	8.13
	GLOBAL CONVERTIBLE BOND – 2.07% (30.11.13 – 0.00%)		
3,923,527	M&G Global Convertibles	5,496,076	2.07

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	GLOBAL INDEX LINKED BONDS – 3.86% (30.11.13 – 3.82%)		
€200,000	Deutsche Bundesrepublik 1.5% index-linked 2016	195,888	0.07
€180,000	Deutsche Bundesrepublik 1.75% index-linked 2020	181,827	0.07
€160,000	France Government 1.1% index-linked 2022	153,929	0.06
€450,000	France Government 1.3% index-linked 2019	426,858	0.16
€70,000	France Government 2.1% index-linked 2023	73,837	0.03
€400,000	France Government 2.25% index-linked 2020	460,960	0.17
€50,000	France Government 3.15% index-linked 2032	71,706	0.03
€3,200,000	Italy Treasury 2.1% index-linked 2016	2,903,165	1.09
€1,100,000	Italy Treasury 2.1% index-linked 2017	1,096,441	0.41
€287,000	Spain Government 1.8% index-linked 2024	238,491	0.09
\$1,600,000	US Treasury 0.5% index-linked 2015	1,056,195	0.40
\$1,400,000	US Treasury 1.375% index-linked 2020	999,774	0.38
\$1,400,000	US Treasury 1.625% index-linked 2018	1,028,132	0.39
\$1,000,000	US Treasury 1.75% index-linked 2028	778,563	0.29
\$500,000	US Treasury 2.125% index-linked 2041	409,235	0.15
\$300,000	US Treasury Inflation protected Securities 0.375% 2023	185,282	0.07
	<b>TOTAL GLOBAL INDEX LINKED BONDS</b>	<b>10,260,283</b>	<b>3.86</b>
	EMERGING MARKET BONDS – 9.02% (30.11.13 – 5.82%)		
163,454	Ashmore Emerging Markets Total Return	9,686,338	3.64
56,850	iShares Emerging Markets Local Government Bond UCITS ETF	2,895,465	1.09
89,350	PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF	5,570,839	2.10
104,275	SPDR Barclays Emerging Markets Local Bond UCITS ETF	5,815,083	2.19
	<b>TOTAL EMERGING MARKET BONDS</b>	<b>23,967,725</b>	<b>9.02</b>
	INDEX LINKED GILTS – 3.09% (30.11.13 – 4.03%)		
1,154,401	BNY Mellon Insight Inflation-Linked Corporate Bond	1,198,499	0.45
£620,000	Treasury 0.75% index-linked 2047	980,317	0.37
£1,395,000	Treasury 1.25% index-linked 2027	2,205,213	0.83

Holding	Portfolio of Investments	Value £	31.05.14 %
	INDEX LINKED GILTS (continued)		
£440,000	Treasury 1.25% index-linked 2055	925,472	0.35
£840,000	Treasury 2% index-linked 2035	1,751,241	0.66
£310,000	Treasury 2.5% index-linked 2020	1,132,098	0.43
	<b>TOTAL INDEX LINKED GILTS</b>	<b>8,192,840</b>	<b>3.09</b>
	<b>TOTAL BONDS</b>	<b>152,364,742</b>	<b>57.34</b>
	REAL ESTATE – 2.97% (30.11.13 – 2.81%)		
1,540	ING (L) Invest Global Real Estate	7,892,021	2.97
	HEDGE FUNDS & OTHER STRATEGIES – 1.78% (30.11.13 – 1.89%)		
2,391,773	Dexion Absolute*^ ^	337,209	0.13
500	EURO STOXX 50 Index Dividend Futures December 2015##	587,389	0.22
6,385	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	3,802,041	1.43
	<b>TOTAL HEDGE FUNDS &amp; OTHER STRATEGIES</b>	<b>4,726,639</b>	<b>1.78</b>
	MANAGED FUTURES/COMMODITY TRADING ADVISERS	–	–
	CURRENCY FUNDS – 2.20% (30.11.13 – 2.24%)		
4,262,000	Nomura Centa FX Currency GBP Notes 2014^	3,820,883	1.44
2,000,000	Nomura Centa FX Currency GBP Notes 2015^	2,026,400	0.76
	<b>TOTAL CURRENCY FUNDS</b>	<b>5,847,283</b>	<b>2.20</b>
	MONEY MARKETS – 3.07% (30.11.13 – 2.38%)		
8,150,000	Goldman Sachs Sterling Liquid Reserves	8,150,000	3.07
	FORWARD CURRENCY CONTRACTS – 0.21% (30.11.13 – 0.28%)		
AUD(3,250,000)	Vs £1,765,489 (expiry 20.06.14)	(35,926)	(0.01)
€(11,500,000)	Vs £10,032,175 (expiry 20.06.14)	675,901	0.25
¥(220,000,000)	Vs £1,306,646 (expiry 20.06.14)	17,252	0.01
US\$(11,000,000)	Vs £6,671,519 (expiry 20.06.14)	(112,728)	(0.04)
	<b>TOTAL FORWARD CURRENCY CONTRACTS</b>	<b>544,499</b>	<b>0.21</b>

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

	Value £	31.05.14 %
Portfolio of investments#	247,097,296	92.99
Net other assets	18,636,001	7.01
Net assets	<u>265,733,297</u>	<u>100.00</u>
All investments are collective investment schemes unless stated otherwise.		
<b>Credit Quality</b>	<b>31.05.14</b>	<b>30.11.13</b>
	%	%
Investment grade debt securities	22.87	29.39
Non-rated debt securities	0.18	–
Other investments	69.94	68.36
Net other assets	7.01	2.25
	<u>100.00</u>	<u>100.00</u>

\* Ordinary share.

^ Structured product.

^^ Unlisted security.

# Includes derivative liabilities.

## Future contract.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

Total purchases for the half year	£83,219,244
Major purchases	Cost £
Ashmore Emerging Markets Total Return	9,834,948
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	6,355,665
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	6,244,028
M&G Global Convertibles	5,500,000
Natixis International Loomis Sayles High Income	5,355,927
PFS TwentyFour Monument Bond	3,250,000
Asian Development Bank 1% 2016	2,992,950
iShares Emerging Markets Local Government Bond UCITS ETF	2,788,715
Neuberger Berman Global Bond Absolute Return	2,577,500
Italy Treasury 5.5% 2022	2,277,454
Inter-American Development Bank 1.25% 2017	2,176,460
Italy Treasury 4.5% 2023	2,133,843
Treasury 1.75% 2017	2,043,160
KfW 1.75% 2016	2,029,940
Spain Government 1.25% 2016	2,000,160
iShares Euro High Yield Corporate Bond UCITS ETF	1,986,602
Spain Government 5.5% 2021	1,621,742
Spain Government 5.85% 2022	1,618,354
Spain Government 4% 2020	1,590,839
Spain Government 5.4% 2023	1,576,971

In addition to the above, purchases totalling £6,400,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

## CF 7IM MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 31 May 2014

**Total sales for the half year** **£99,426,078**

Major sales	Proceeds £
iShares EURO STOXX Total Market Value Large UCITS ETF	7,226,128
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	6,681,702
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	6,273,846
Pictet Emerging Local Currency Debt	4,633,566
db x-trackers FTSE All-Share UCITS ETF	4,586,481
Vanguard U.K. Short-Term Investment Grade Bond Index	4,561,391
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	4,358,333
European Investment Bank 6.25% 2014	3,750,000
iShares Euro High Yield Corporate Bond UCITS ETF	3,668,994
Fidelity Institutional UK Corporate Bond	2,675,358
Invesco Sterling Bond	2,600,000
Neuberger Berman Global Bond Absolute Return	2,577,500
TwentyFour Income	2,437,619
Italy Treasury 5.5% 2022	2,262,765
Edinburgh Partners European Opportunities	2,200,000
Treasury 2.25% 2014	2,200,000
Italy Treasury 4.5% 2023	2,120,628
Treasury 4% 2022	2,032,098
Spain Government 3.8% 2017	1,725,402
Spain Government 5.5% 2021	1,681,974

In addition to the above, sales totalling £4,500,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
Income:		
Net capital gains	6,466,893	16,081,591
Revenue	2,746,326	3,602,834
Expenses	(1,560,114)	(1,743,378)
Finance costs: Interest	—	—
Net revenue before taxation	1,186,212	1,859,456
Taxation	(55,948)	(598,957)
Net revenue after taxation	1,130,264	1,260,499
<b>Total return before distributions</b>	<b>7,597,157</b>	<b>17,342,090</b>
Finance costs: Distributions	(2,229,310)	(3,059,015)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,367,847</b>	<b>14,283,075</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
<b>Opening net assets attributable to shareholders</b>	<b>262,798,109</b>	<b>251,812,268</b>
Amounts receivable on issue of shares	19,985,987	24,836,211
Amounts payable on cancellation of shares	(24,454,782)	(20,114,182)
	(4,468,795)	4,722,029
Stamp duty reserve tax	(26,681)	(39,042)
Change in net assets attributable to shareholders from investment activities	5,367,847	14,283,075
Retained distribution on Accumulation shares	2,062,817	2,870,336
<b>Closing net assets attributable to shareholders</b>	<b>265,733,297</b>	<b>273,648,666</b>

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

**CF 7IM MODERATELY CAUTIOUS FUND**  
*Interim Financial Statements (unaudited) (continued)*  
**BALANCE SHEET**  
AS AT 31 MAY 2014

	<b>31.05.14</b>	<b>30.11.13</b>
	£	£
<b>ASSETS</b>		
<b>Investment assets</b>	247,245,950	256,908,852
<b>Other assets</b>		
Debtors	19,836,815	1,763,915
Cash and bank balances	<u>11,173,460</u>	<u>7,406,241</u>
<b>Total other assets</b>	31,010,275	9,170,156
	<u>278,256,225</u>	<u>266,079,008</u>
<b>LIABILITIES</b>		
<b>Investment liabilities</b>	(148,654)	(29,001)
<b>Other liabilities</b>		
Creditors	(10,282,382)	(1,837,479)
Bank overdrafts	(1,947,897)	(1,222,864)
Distribution payable on Income shares	<u>(143,995)</u>	<u>(191,555)</u>
<b>Total other liabilities</b>	(12,374,274)	(3,251,898)
	<u>(12,522,928)</u>	<u>(3,280,899)</u>
<b>Net assets attributable to shareholders</b>	<u>265,733,297</u>	<u>262,798,109</u>

**CF 7IM BALANCED FUND**  
**ACD'S REPORT**  
FOR THE HALF YEAR ENDED 31 MAY 2014

**IMPORTANT INFORMATION**

The following change was effective from 24 January 2014:

- The 'O' Accumulation share class was closed and is no longer available for investment.

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

**INVESTMENT OBJECTIVE AND POLICY**

The CF 7IM Balanced Fund ('the Fund') aims to provide a balance of income and capital appreciation. There may be some risk to capital. The Fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. The Fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Fund may use different asset classes, with investment primarily in equities and fixed interest with no long-term preponderance to either class.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

The IMA Mixed Investment 20-60% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

**CAPITA FINANCIAL MANAGERS LIMITED**

*ACD of CF 7IM Balanced Fund*

29 July 2014

## CF 71M BALANCED FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.2%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 20-60% Shares Sector, which is the Fund benchmark, was 3.0%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M Balanced 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund value increased from £587.3 million<sup>3</sup> at 30 November 2013 to £619.3 million<sup>4</sup> at 31 May 2014.

In the six months under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we added to US equity buying more of the T.Rowe Price US Large Cap Growth Equity fund. We switched some of the UK, US and EM exposure from ETFs and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these markets. We also increased the tactical allocation to Far East (excluding Japan) equity buying MSCI Pacific ex Japan Index Future.

We sold iShares EURO STOXX Total Market Value Large UCITS ETF and the Lyxor UCITS ETF Smartix Euro iSTOXX 50 Equal Risk fund to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we extended the maturity of the peripheral eurozone government bonds to pick up a little more return – the yields on the shorter dated bonds had contracted to a level where we thought there was only little scope for further improvement. Going a little longer out down the yield curve meant we could pick up more yield and enhance returns. At the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other such event.

We reduced the exposure to sterling corporate bonds where we felt that there was limited scope for uplift and bought a holding in the PFS TwentyFour Monument Bond fund which invests in a diversified portfolio of asset backed securities. We felt this offered better scope for returns and with a shorter duration than the corporate bond fund, this helped to protect the Fund better in a rising rate environment. Within high yield the target asset allocation was increased and this was achieved by adding more of the Natixis International Loomis Sayles High Income fund which added further risk to the portfolio.

We also made a further allocation to EM bonds in line with our tactical allocation target. The EM bonds market has grown strongly over the past few years and the asset class was in our opinion was currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We bought a holding in the Ashmore Emerging Markets Total Return fund and added to the holdings of EM bonds ETFs trimming the holding of UK corporate bonds which we felt was less attractive.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

## CF 71M BALANCED FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

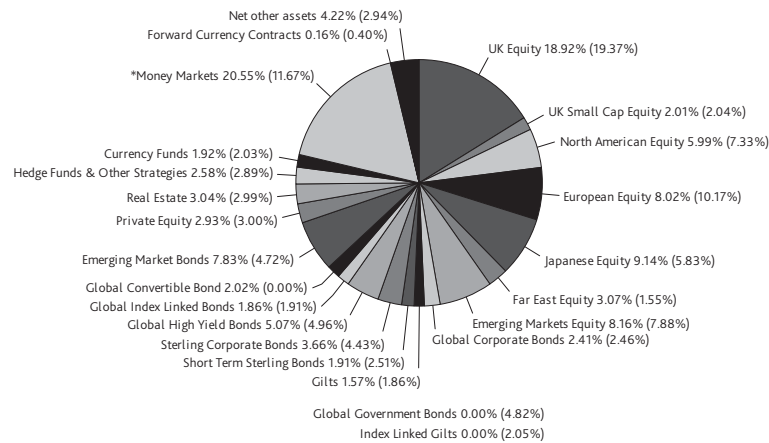
### PORTFOLIO REVIEW (continued)

We bought a holding in the M&G Global Convertibles fund using some of the high yield allocation to fund the investment. The option to convert the holding into equity is an added source of return which cannot be accessed by holding an equity or bond alone. In addition a globally diversified convertibles portfolio offers diversification in terms of the companies issuing the bonds which tend to be smaller or medium sized and many of these such companies find it is preferable to issue a convertible rather than a conventional bond because of the lower initial cost, finally convertibles, while not capturing all the upside in an equity bull market provide much more protection when equity markets retreat.

The level of cash at the end of period was higher than at the beginning which arose from the sale of the global government bonds and which we decided to continue to hold as cash as protection from short term volatility over the period up until the decision by the ECB.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro, in particular to hedge the European bonds, and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocations at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014



CF 7IM BALANCED FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	129.62	105.48	1.5131
2010	140.70	125.76	1.1791
2011	143.18	126.08	1.6455
2012	140.59	130.77	1.6765
2013	157.24	140.55	2.2593
2014*	158.31	150.55	1.8108

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	137.25	110.71	1.5929
2010	150.81	133.99	1.2463
2011	154.33	135.90	1.7589
2012	154.89	141.65	1.8113
2013	173.24	154.84	2.4204
2014*	176.84	168.24	2.0255

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	139.24	112.08	1.7593
2010	153.38	136.11	1.4353
2011	157.11	138.48	1.9547
2012	158.23	144.54	1.9657
2013	177.15	158.19	2.6239
2014*	181.31	172.36	2.2747

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	131.59	106.89	1.8365
2010	143.18	127.83	1.5190
2011	145.86	128.62	1.9833
2012	143.82	133.65	1.9566
2013	161.15	143.78	2.5239
2014*	162.67	154.52	2.2077

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	141.33	113.53	1.9375
2010	156.07	138.33	1.6237
2011	160.04	141.14	2.1538
2012	161.68	147.52	2.1610
2013	181.27	161.64	2.8191
2014*	185.85	176.53	2.5049

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	130.16	105.83	1.3602
2010	141.23	126.23	1.2348
2011	143.72	126.53	1.6396
2012	141.09	131.24	1.6767
2013	157.84	141.05	2.2326
2014*	158.91	151.18	1.8531

CF 7IM BALANCED FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	137.29	110.72	1.4240
2010	150.85	134.03	1.3166
2011	154.37	135.94	1.7491
2012	154.93	141.69	1.8174
2013	173.32	154.88	2.4479
2014*	176.98	168.37	2.0535

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	129.90	127.30	-
2010	140.74	125.95	0.3720
2011	143.05	125.74	1.3293
2012	139.77	130.18	1.4635
2013	156.12	139.73	1.9935
2014*	156.82	149.37	1.4740

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	137.23	134.48	-
2010	150.00	133.60	0.4597
2011	153.18	134.67	1.4048
2012	152.65	139.95	1.5652
2013	170.51	119.19	2.1755
2014##	122.83	121.14	1.1320

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.46	98.83	0.1899

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.46	98.83	0.1899

\* To 31 May 2014.

# From 1 December 2009.

## Closed on 24 January 2014.

### From 26 February 2014 to 31 May 2014.

## CF 7IM BALANCED FUND

ACD's Report (continued)

Fund Information (continued)

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	16,674,479	12,853,925	129.72
	'A' Accumulation	138,244,023	98,386,038	140.51
	'B' Accumulation	221,481,119	154,635,385	143.23
	'C' Income	4,208,120	3,180,975	132.29
	'C' Accumulation	39,437,593	27,007,857	146.02
	'D' Income	7,528,673	5,782,672	130.19
	'D' Accumulation	75,997,682	54,070,059	140.55
	'O' Income	2,588,116	1,999,937	129.41
	'O' Accumulation	14,772,146	10,617,546	139.13
	30.11.12	'A' Income	16,713,119	12,042,578
'A' Accumulation		137,506,983	89,938,563	152.89
'B' Accumulation		207,866,365	133,105,583	156.17
'C' Income		5,760,710	4,059,007	141.92
'C' Accumulation		56,076,983	35,147,638	159.55
'D' Income		7,961,589	5,716,461	139.27
'D' Accumulation		79,022,725	51,671,559	152.93
'O' Income		3,114,194	2,256,380	138.02
'O' Accumulation		19,643,800	13,032,338	150.73
30.11.13		'A' Income	1,491,805	972,789
	'A' Accumulation	13,567,429	7,916,793	171.38
	'B' Accumulation	200,074,425	114,012,575	175.48
	'C' Income	25,461,652	16,191,477	157.25
	'C' Accumulation	267,744,612	149,037,724	179.65
	'D' Income	7,234,407	4,697,770	154.00
	'D' Accumulation	70,804,098	41,283,886	171.51
	'O' Income	1,523,450	1,000,341	152.29
	'O' Accumulation	424	250	169.55
	31.05.14*	'A' Income	467,487	297,129
'A' Accumulation		12,852,070	7,282,764	176.47
'B' Accumulation		190,735,539	105,418,040	180.93
'C' Income		26,368,424	16,326,061	161.51
'C' Accumulation		277,118,271	149,422,587	185.46
'D' Income		6,198,391	3,924,911	157.92
'D' Accumulation		63,302,869	35,843,605	176.61
'O' Income		103,654	66,424	156.05
'S' Income		3,688,234	3,613,777	102.06
'S' Accumulation		38,252,951	37,411,632	102.25

\* See page 57 for details of share class launch and closure.

### ONGOING CHARGES FIGURE

Expense Type	31.05.14 %					
	'A'	'B'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90	0.65
Other expenses	0.07	0.07	0.07	0.07	0.07	0.07
	1.47	1.22	0.97	1.47	1.97	0.72
Collective investment scheme costs	0.40	0.40	0.40	0.40	0.40	0.40
Ongoing charges figure	1.87	1.62	1.37	1.87	2.37	1.12

Expense Type	30.11.13 %				
	'A'	'B'	'C'	'D'	'O'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90
Other expenses	0.07	0.07	0.07	0.07	0.07
	1.47	1.22	0.97	1.47	1.97
Collective investment scheme costs	0.40	0.40	0.40	0.40	0.40
Ongoing charges figure	1.87	1.62	1.37	1.87	2.37

\* See page 57 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

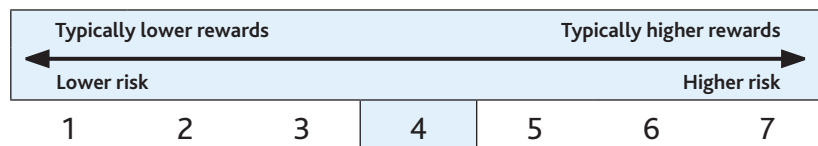
The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

## CF 7IM BALANCED FUND

ACD's Report (continued)  
Fund Information (continued)

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	0.6418
'A' Accumulation	0.7252
'B' Accumulation	0.8321
'C' Income	0.8254
'C' Accumulation	0.9419
'D' Income	0.6529
'D' Accumulation	0.7269
'O' Income	0.4405
'S' Income	0.1899
'S' Accumulation	0.1899

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM Balanced Fund	3.16	4.50	16.24	49.16
IMA Mixed Investment 20-60% Shares Sector#	2.99	3.69	16.79	48.79

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

CF 7IM BALANCED FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 39.49% (30.11.13 – 45.68%)		
	UK EQUITY – 15.76% (30.11.13 – 18.08%)		
731,059	Dimensional UK Value	11,843,150	1.91
301	FTSE 100 Index Futures June 2014##	1,073,994	0.17
15,782,090	Majedie UK Equity	22,663,081	3.66
183,184	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	26,790,660	4.33
35,675,823	Threadneedle UK Equity Income	35,204,902	5.69
	TOTAL UK EQUITY	97,575,787	15.76
	UK SMALL CAP EQUITY – 2.01% (30.11.13 – 2.04%)		
4,104,478	BlackRock Mid Cap UK Equity Tracker	6,185,448	1.00
4,054,851	Old Mutual UK Smaller Companies	6,231,900	1.01
	TOTAL UK SMALL CAP EQUITY	12,417,348	2.01
	NORTH AMERICAN EQUITY – 5.99% (30.11.13 – 7.33%)		
553	MSCI USA Equal Weighted Index Future June 2014##	308,079	0.05
214,530	Pzena US Large Cap Dynamic Value	20,769,526	3.35
1,021,781	T. Rowe Price US Large Cap Growth Equity	16,008,872	2.59
	TOTAL NORTH AMERICAN EQUITY	37,086,477	5.99
	EUROPEAN EQUITY – 7.19% (30.11.13 – 9.35%)		
632	A.P. Møller-Mærsk*	982,377	0.16
12,611	BNP Paribas*	526,713	0.08
1,562	Cie Generale des Etablissements Michelin*	114,873	0.02
802	Coloplast*	41,263	0.01
14,052	Delhaize Group*	596,271	0.10
4,701,462	Edinburgh Partners European Opportunities	9,642,698	1.56
16,820	Elekta*	129,781	0.02
61,278	Enel*	206,981	0.03
210	EURO STOXX 50 Future June 2014##	433,932	0.07
55,799	GDF Suez*	929,661	0.15
13,661	Henkel AG & Company <i>non-voting preference  shares</i>	941,202	0.15
6,312	Hennes & Mauritz*	159,319	0.03
32,695	Industrivärden*	391,319	0.06

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
107,435	ING Groep*	898,040	0.15
6,915	Investment AB Kinnevik*	163,676	0.03
165,000	iShares EURO STOXX Mid UCITS ETF	6,085,200	0.98
253,000	iShares EURO STOXX Small UCITS ETF	6,039,110	0.98
16,402	Koninklijke Ahold*	177,800	0.03
70,544	Koninklijke KPN*	155,524	0.03
13,736	Legrand*	518,888	0.08
8,712	Merck KGaA*	894,074	0.14
2,186	Münchener Rückversicherungs-Gesellschaft*	288,894	0.05
8,515	Neste Oil*	103,907	0.02
27,068	Nokia*	130,361	0.02
2,908	Novartis*	155,634	0.02
2,317	Novo Nordisk*	58,544	0.01
50,913	Parvest Equity Best Selection Europe ex-UK	6,372,634	1.03
3,115	Publicis Groupe*	160,333	0.03
3,821	Renault*	214,639	0.03
42,326	Repsol*	711,559	0.11
3,235	Roche Holding*	568,485	0.09
45,175	Südzucker*	546,484	0.09
16,243	Swiss Re*	862,270	0.14
12,323	Telefonaktiebolaget LM Ericsson*	92,168	0.01
61,253	Tenaris*	818,217	0.13
18,144	Vinci*	801,348	0.13
16,920	Vivendi*	264,765	0.04
6,774	Volkswagen <i>non-voting preference shares</i>	1,074,327	0.17
13,272	Yara International*	361,616	0.06
5,122	Zurich Insurance Group*	917,849	0.15
	TOTAL EUROPEAN EQUITY	44,532,736	7.19
	JAPANESE EQUITY – 2.87% (30.11.13 – 3.32%)		
934,936	Baillie Gifford Overseas Japanese Growth	7,659,930	1.24
9,565,095	GLG Japan CoreAlpha	9,947,699	1.61
554	TOPIX Index Future June 2014	136,129	0.02
	TOTAL JAPANESE EQUITY	17,743,758	2.87
	FAR EAST EQUITY – 1.61% (30.11.13 – 1.55%)		
2,119,598	First State Asia Pacific Leaders	9,656,042	1.56
282	MSCI Pacific ex Japan Index Future June 2014	305,893	0.05
	TOTAL FAR EAST EQUITY	9,961,935	1.61

## CF 71M BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EMERGING MARKETS EQUITY – 4.06% (30.11.13 – 4.01%)		
687,590	Charlemagne Magna Emerging Markets Dividend	6,524,540	1.05
12,426,168	Lazard Emerging Markets	11,925,394	1.93
920	Mini MSCI Emerging Markets Index Futures June 2014###	2,728,310	0.44
635	TOBAM Anti-Benchmark Emerging Markets	3,988,064	0.64
	<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>25,166,308</b>	<b>4.06</b>
	<b>TOTAL EQUITIES</b>	<b>244,484,349</b>	<b>39.49</b>
	BONDS – 43.80% (30.11.13 – 39.61%)		
	GLOBAL GOVERNMENT BONDS – 0.00% (30.11.13 – 4.82%)	–	–
	GLOBAL CORPORATE BONDS – 2.41% (30.11.13 – 2.46%)		
74,514	iShares \$ Corporate Bond UCITS ETF	5,030,546	0.81
412,400	Neuberger Berman Global Bond Absolute Return	4,152,868	0.67
817,128	PIMCO Global Investors Income Series	5,738,687	0.93
	<b>TOTAL GLOBAL CORPORATE BONDS</b>	<b>14,922,101</b>	<b>2.41</b>
	GILTS – 1.57% (30.11.13 – 1.86%)		
£2,500,000	Treasury 1.75% 2017	2,546,182	0.41
£1,850,000	Treasury 2% 2016	1,890,221	0.30
£1,000,000	Treasury 4.25% 2036	1,150,701	0.19
£1,100,000	Treasury 4.25% 2049	1,307,351	0.21
£1,000,000	Treasury 4.75% 2030	1,214,210	0.20
£1,400,000	Treasury 5% 2018	1,582,855	0.26
	<b>TOTAL GILTS</b>	<b>9,691,520</b>	<b>1.57</b>
	SHORT TERM STERLING BONDS – 19.38% (30.11.13 – 12.40%)		
£2,200,000	Abbey National Treasury Services 0.82781% floating rate note 2017	2,201,709	0.36
£5,500,000	ASB Finance 1.10088% floating rate note 2017	5,505,993	0.89
£1,608,000	Asian Development Bank 1% 2016	1,601,324	0.26
625,080	BNY Mellon Compass Euro Credit Short Duration	6,282,053	1.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£5,600,000	BNZ International Funding 1.22656% floating rate note 2016	5,635,056	0.91
£3,453,472	City Financial Defensive Global Bond	5,543,168	0.90
£1,000,000	Council of Europe Development Bank 3.375% 2014	1,012,507	0.16
£2,500,000	Credit Suisse 0.77781% floating rate note 2015	2,500,963	0.40
£3,000,000	Credit Suisse 0.92063% floating rate note 2016	3,000,518	0.48
£1,932,000	European Investment Bank 0.59594% floating rate note 2016	1,933,213	0.31
£5,000,000	Export Development Canada 0.875% 2016	4,966,745	0.80
£1,019,000	Export Development Canada 1% 2014	1,021,439	0.16
£9,750,000	GE Capital UK Funding 1.07813% floating rate note 2016	9,781,200	1.58
£2,000,000	Hypo Real Estate Bank International 0.53469% floating rate note 2015	1,984,103	0.32
£5,000,000	Inter-American Development Bank 1.25% 2017	4,959,265	0.80
£5,000,000	KfW 1.75% 2016	5,070,105	0.82
£2,000,000	Kommunalbanken 1.125% 2016	1,994,528	0.32
£4,000,000	Kommunalbanken 1.125% 2017	3,935,832	0.64
£1,000,000	Kommunalbanken 1.375% 2014	1,004,500	0.16
£5,500,000	Landwirtschaftliche Rentenbank 3.25% 2016	5,779,191	0.93
£6,000,000	L-Bank 0.875% 2017	5,848,530	0.94
£5,000,000	Municipality Finance 1.25% 2016	4,998,125	0.81
£2,310,000	Nederlandse Waterschapsbank 1.07906% floating rate note 2016	2,328,018	0.38
£3,000,000	Nestle Holdings 1.625% 2017	3,017,226	0.49
£2,800,000	Network Rail Infrastructure Finance 1% 2017	2,755,256	0.44
£4,000,000	Network Rail Infrastructure Finance 4.875% 2015	4,242,984	0.69
£5,000,000	Nordea Bank 0.97506% floating rate note 2016	5,016,900	0.81
£3,793,000	Rabobank 2.25% 2014	3,822,311	0.62
£5,000,000	Royal Bank of Canada floating rate note 2019	4,985,375	0.81
£1,600,000	Svenska Handelsbanken 1.875% 2017	1,601,680	0.26
£2,000,000	Transport for London 1.25% 2017	1,977,514	0.32
£3,700,000	Westpac Banking Corporation 1.375% 2015	3,720,002	0.60
	<b>TOTAL SHORT TERM STERLING BONDS</b>	<b>120,027,333</b>	<b>19.38</b>

## CF 7IM BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	STERLING CORPORATE BONDS – 3.66% (30.11.13 – 4.43%)		
£529,000	Affordable Housing Finance 3.8% 2042	536,618	0.09
£1,000,000	Deutsche Bahn Finance 2.75% 2022	998,910	0.16
611,163	Fidelity Institutional Reduced Duration UK Corporate Bond	6,294,975	1.02
2,976,011	Invesco Sterling Bond	7,856,670	1.27
54,171	PFS TwentyFour Monument Bond	6,030,706	0.97
£1,000,000	Transport for London 2.25% 2022	949,550	0.15
	<b>TOTAL STERLING CORPORATE BONDS</b>	<b>22,667,429</b>	<b>3.66</b>
	GLOBAL HIGH YIELD BONDS – 5.07% (30.11.13 – 4.96%)		
10,360,533	Carador Income*	5,651,719	0.91
5,028,718	CVC Credit Partners European Opportunities*	5,368,157	0.87
64,930	iShares Euro High Yield Corporate Bond UCITS ETF	5,818,327	0.94
2,422,342	Natixis International Loomis Sayles High Income	14,528,166	2.35
	<b>TOTAL GLOBAL HIGH YIELD BONDS</b>	<b>31,366,369</b>	<b>5.07</b>
	GLOBAL INDEX LINKED BONDS – 1.86% (30.11.13 – 1.91%)		
€200,000	Deutsche Bundesrepublik 1.5% index-linked 2016	195,888	0.03
€190,000	Deutsche Bundesrepublik 1.75% index-linked 2020	191,929	0.03
€160,000	France Government 1.1% index-linked 2022	153,929	0.03
€490,000	France Government 1.3% index-linked 2019	464,801	0.08
€75,000	France Government 2.1% index-linked 2023	79,111	0.01
€410,000	France Government 2.25% index-linked 2020	472,484	0.08
€55,000	France Government 3.15% index-linked 2032	78,877	0.01
€3,200,000	Italy Treasury 2.1% index-linked 2016	2,903,165	0.47
€1,350,000	Italy Treasury 2.1% index-linked 2017	1,345,632	0.22
€353,000	Spain Government 1.8% index-linked 2024	293,336	0.05
\$1,100,000	US Treasury Inflation protected Securities 0.375% 2023	679,366	0.11
\$1,700,000	US Treasury 0.5% index-linked 2015	1,122,208	0.18
\$1,500,000	US Treasury 1.375% index-linked 2020	1,071,186	0.17
\$1,500,000	US Treasury 1.625% index-linked 2018	1,101,570	0.18
\$1,150,000	US Treasury 1.75% index-linked 2028	895,348	0.14
\$550,000	US Treasury 2.125% index-linked 2041	450,158	0.07
	<b>TOTAL GLOBAL INDEX LINKED BONDS</b>	<b>11,498,988</b>	<b>1.86</b>

Holding	Portfolio of Investments	Value £	31.05.14 %
	GLOBAL CONVERTIBLE BOND – 2.02% (30.11.13 – 0.00%)		
8,917,107	M&G Global Convertibles	12,491,083	2.02
	EMERGING MARKET BONDS – 7.83% (30.11.13 – 4.72%)		
321,106	Ashmore Emerging Markets Total Return	19,028,841	3.07
218,875	iShares Emerging Markets Local Government Bond UCITS ETF	11,147,666	1.80
75,375	PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF	4,699,519	0.76
244,225	SPDR Barclays Emerging Markets Local Bond UCITS ETF	13,619,646	2.20
	<b>TOTAL EMERGING MARKET BONDS</b>	<b>48,495,672</b>	<b>7.83</b>
	INDEX LINKED GILTS – 0.00% (30.11.13 – 2.05%)		
		–	–
	<b>TOTAL BONDS</b>	<b>271,160,495</b>	<b>43.80</b>
	PRIVATE EQUITY – 2.93% (30.11.13 – 3.00%)		
332,380	db x-trackers LPX MM® Private Equity UCITS ETF	9,609,106	1.55
74,188	Partners Group Listed Private Equity	8,502,590	1.38
	<b>TOTAL PRIVATE EQUITY</b>	<b>18,111,696</b>	<b>2.93</b>
	REAL ESTATE – 3.04% (30.11.13 – 2.99%)		
4,494,050	BlackRock Global Property Securities Equity Tracker	6,044,497	0.98
2,490	ING (L) Invest Global Real Estate	12,759,601	2.06
	<b>TOTAL REAL ESTATE</b>	<b>18,804,098</b>	<b>3.04</b>
	HEDGE FUNDS & OTHER STRATEGIES – 1.36% (30.11.13 – 1.57%)		
7,270,085	Dexion Absolute*^ ^	1,024,989	0.17
1,050	EURO STOXX 50 Index Dividend Futures December 2015##	1,860,137	0.30
4,660,340	Goldman Sachs Dynamic Opportunities**	117,968	0.02
9,075	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	5,403,841	0.87
	<b>TOTAL HEDGE FUNDS &amp; OTHER STRATEGIES</b>	<b>8,406,935</b>	<b>1.36</b>

## CF 7IM BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	CURRENCY FUNDS – 1.92% (30.11.13 – 2.03%)		
9,879,000	Nomura Centa FX Currency GBP Notes 2014 <sup>^</sup>	8,856,524	1.43
3,000,000	Nomura Centa FX Currency GBP Notes 2015 <sup>^</sup>	3,039,600	0.49
	<b>TOTAL CURRENCY FUNDS</b>	<b>11,896,124</b>	<b>1.92</b>
	MONEY MARKETS – 3.08% (30.11.13 – 1.78%)		
19,040,000	Goldman Sachs Sterling Liquid Reserves	19,040,000	3.08
	FORWARD CURRENCY CONTRACTS – 0.16% (30.11.13 – 0.40%)		
AUD(6,700,000)	Vs £3,639,623 (expiry 20.06.14)	(74,063)	(0.01)
€(17,500,000)	Vs £15,364,000 (expiry 20.06.14)	1,126,492	0.18
¥(3,400,000,000)	Vs £20,193,621 (expiry 20.06.14)	266,629	0.04
US\$(31,500,000)	Vs £19,069,238 (expiry 20.06.14)	(287,248)	(0.05)
	<b>TOTAL FORWARD CURRENCY CONTRACTS</b>	<b>1,031,810</b>	<b>0.16</b>
	Portfolio of investments#	592,935,507	95.78
	Net other assets	26,152,383	4.22
	<b>Net assets</b>	<b>619,087,890</b>	<b>100.00</b>

All investments are collective investment schemes unless stated otherwise.

Credit Quality	31.05.14 %	30.11.13 %
Investment grade debt securities	21.21	21.09
Non-rated debt securities	0.09	–
Other investments	74.48	75.97
Net other assets	4.22	2.94
	<b>100.00</b>	<b>100.00</b>

\* Ordinary share.

\*\* Delisted security.

<sup>^</sup> Structured product.

<sup>^^</sup> Unlisted security.

# Includes derivative liabilities.

## Future contract.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£206,666,720**

Major purchases	Cost £
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	25,777,652
Ashmore Emerging Markets Total Return	19,346,778
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	13,510,479
M&G Global Convertibles	12,500,000
iShares Emerging Markets Local Government Bond UCITS ETF	10,623,583
PFS TwentyFour Monument Bond	6,000,000
Landwirtschaftliche Rentenbank 3.25% 2016	5,806,020
ASB Finance 1.10013% <i>floating rate note</i> 2017	5,508,030
KfW 1.75% 2016	5,074,850
Municipality Finance 1.25% 2016	5,000,400
Royal Bank of Canada <i>floating rate note</i> 2019	4,987,800
Inter-American Development Bank 1.25% 2017	4,946,500
T. Rowe Price US Large Cap Growth Equity	4,709,520
Natixis International Loomis Sayles High Income	4,565,925
Network Rail Infrastructure Finance 4.875% 2015	4,253,200
Italy Treasury 5.5% 2022	3,960,789
Kommunalbanken 1.125% 2017	3,928,680
Spain Government 4% 2020	3,756,148
Italy Treasury 4.5% 2023	3,711,032
Spain Government 5.85% 2022	3,236,708

In addition to the above, purchases totalling £26,000,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.



## CF 7IM BALANCED FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 31 May 2014

**Total sales for the half year** **£205,698,463**

Major sales	Proceeds £
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	25,900,752
iShares EURO STOXX Total Market Value Large UCITS ETF	15,399,974
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	14,178,106
db x-trackers FTSE All-Share UCITS ETF	13,740,343
Pictet Emerging Local Currency Debt	11,637,033
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	8,504,330
Vanguard U.K. Short-Term Investment Grade Bond Index	6,690,647
Lyxor UCITS ETF Smartix Euro iSTOXX 50 Equal Risk	5,545,787
Invesco Sterling Bond	5,500,000
Russell 2000 Source ETF	4,976,938
Parvest Equity Best Selection Europe ex-UK	4,785,729
Italy Treasury 5.5% 2022	3,935,243
Spain Government 4% 2020	3,884,051
Spain Government 4.5% 2018	3,773,807
Italy Treasury 4.5% 2023	3,688,048
Spain Government 3.3% 2016	3,684,975
db x-trackers MSCI Emerging Markets Index UCITS ETF	3,457,115
Spain Government 5.85% 2016	3,236,363
Spain Government 5.4% 2023	3,157,053
Spain Government 5.5% 2021	3,067,128

In addition to the above, sales totalling £17,500,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
Income:		
Net capital gains	17,212,473	54,925,600
Revenue	4,918,606	6,153,982
Expenses	(3,332,112)	(3,664,532)
Finance costs: Interest	(23)	(2)
Net revenue before taxation	1,586,471	2,489,448
Taxation	101,664	(1,241,253)
Net revenue after taxation	1,688,135	1,248,195
<b>Total return before distributions</b>	18,900,608	56,173,795
Finance costs: Distributions	(2,777,310)	(4,072,018)
<b>Change in net assets attributable to shareholders from investment activities</b>	16,123,298	52,101,777

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
<b>Opening net assets attributable to shareholders</b>	587,902,302	533,666,468
Amounts receivable on issue of shares	47,362,841	38,176,610
Amounts payable on cancellation of shares	(34,894,616)	(46,784,490)
	12,468,225	(8,607,880)
Stamp duty reserve tax	(74,936)	(110,199)
Change in net assets attributable to shareholders from investment activities	16,123,298	52,101,777
Retained distribution on Accumulation shares	2,669,001	3,778,802
<b>Closing net assets attributable to shareholders</b>	619,087,890	580,828,968

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

## CF 7IM BALANCED FUND

Interim Financial Statements (unaudited) (continued)

### BALANCE SHEET

AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		593,296,818		570,683,524
<b>Other assets</b>				
Debtors	40,786,788		3,728,374	
Cash and bank balances	<u>22,758,441</u>		<u>24,045,889</u>	
<b>Total other assets</b>		63,545,229		27,774,263
<b>Total assets</b>		<u>656,842,047</u>		<u>598,457,787</u>
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(361,311)		(79,930)
<b>Other liabilities</b>				
Creditors	(25,729,278)		(6,252,544)	
Bank overdrafts	(11,494,125)		(3,921,103)	
Distribution payable on Income shares	<u>(169,443)</u>		<u>(301,908)</u>	
<b>Total other liabilities</b>		(37,392,846)		(10,475,555)
<b>Total liabilities</b>		<u>(37,754,157)</u>		<u>(10,555,485)</u>
<b>Net assets attributable to shareholders</b>		<u>619,087,890</u>		<u>587,902,302</u>

## CF 7IM MODERATELY ADVENTUROUS FUND

### ACD'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2014

#### IMPORTANT INFORMATION

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Capita Financial Managers Limited has updated the Prospectus to comply with new Financial Conduct Authority rules requiring added disclosures for funds which use the term 'total return' in either their name or objectives. The qualifying statement added to the investment objectives and policy of the Fund make it clear to investors that a positive return is not guaranteed.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

#### INVESTMENT OBJECTIVE AND POLICY

The CF 7IM Moderately Adventurous Fund ('the Fund') aims to provide a total return primarily by way of growth in capital. There is a risk of fluctuations in capital values. The Fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. While assets with scope for capital growth in real terms are likely to represent a significant part of the portfolio, the portfolio may also include other assets held primarily for income generation. The Fund may use different asset classes, with a substantial proportion in equities.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The IMA Mixed Investment 40-85% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

There is no guarantee that a positive return will be delivered.

CAPITA FINANCIAL MANAGERS LIMITED  
ACD of CF 7IM Moderately Adventurous Fund  
29 July 2014

## CF 71M MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.2%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 40-85% Shares Sector which is the Fund benchmark was 2.6%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M Moderately Adventurous 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund rose in value from £260.5 million<sup>3</sup> at 30 November 2013 to £280.3 million<sup>4</sup> at 31 May 2014.

In the six months under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we added to US equity buying more of the T.Rowe Price US Large Cap Growth Equity fund and added to the S&P 500 equally weighted index certificates. Later on we switched some of the UK, US and EM exposure from ETFs and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these markets.

We sold iShares EURO STOXX Total Market Value Large UCITS ETF to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we extended the maturity of the peripheral eurozone government bonds to pick up a little more return – the yields on the shorter dated bonds had contracted to a level where we thought there was only little scope for further improvement. Going a little longer out down the yield curve meant we could pick up more yield and enhance returns. At the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other such event.

We also made a further allocation to EM bonds in line with our tactical allocation target. The EM bonds market has grown strongly over the past few years and the asset class was in our opinion was currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We bought a holding in the Ashmore Emerging Markets Total Return fund and added to the holdings of EM bonds ETFs.

We bought a holding in the M&G Global Convertibles fund using some of the high yield allocation to fund the investment. The option to convert the holding into equity is an added source of return which cannot be accessed by holding an equity or bond alone. In addition a globally diversified convertibles portfolio offers diversification in terms of the companies issuing the bonds which tend to be smaller or medium sized and many of these such companies find it is preferable to issue a convertible rather than a conventional bond because of the lower initial cost, finally convertibles, while not capturing all the upside in an equity bull market provide much more protection when equity markets retreat.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

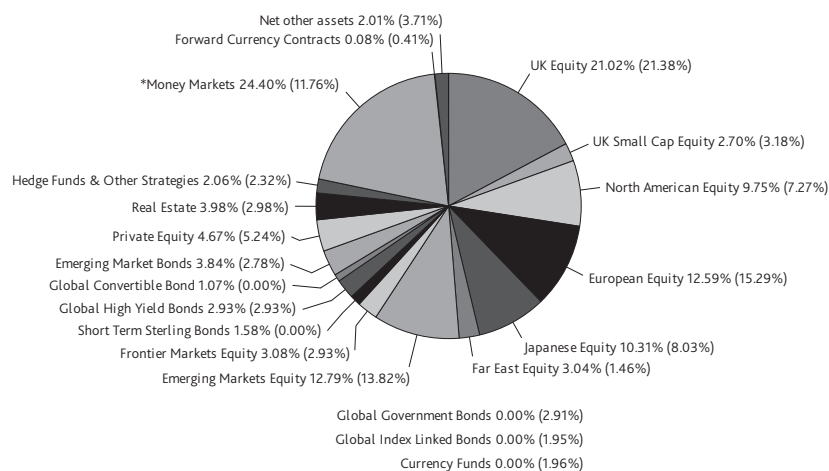
For the half year ended 31 May 2014

### PORTFOLIO REVIEW (continued)

The level of cash at the end of period was higher than at the beginning which arose from the sale of the global government bonds and which we decided to continue to hold as cash as protection from short term volatility over the period up until the decision by the ECB.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro, in particular to hedge the European bonds, and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

## FUND INFORMATION

### PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2009	142.37	108.38	0.2563
2010	158.25	135.84	0.2165
2011	161.43	136.04	0.0907
2012	157.61	143.76	0.3293
2013	184.34	157.63	0.8624
2014*	187.72	176.46	0.6234

'A' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2009	144.19	109.53	0.2703
2010	160.60	137.79	0.2254
2011	163.98	138.04	0.0972
2012	161.07	145.87	0.3342
2013	188.35	161.09	0.8785
2014*	192.61	181.07	0.6680

'B' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2009	146.25	110.88	0.5787
2010	163.31	139.94	0.3992
2011	166.94	140.69	0.4973
2012	164.66	148.91	0.6952
2013	193.09	164.69	1.2864
2014*	197.71	185.72	1.1305

CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	143.67	109.18	0.9154
2010	159.77	137.15	0.5684
2011	162.90	137.54	0.8719
2012	159.17	145.24	1.0641
2013	186.46	159.20	1.6471
2014*	189.85	178.17	1.5453

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	148.40	112.27	0.8959
2010	166.12	142.18	0.5810
2011	169.99	143.39	0.9093
2012	168.34	152.00	1.1431
2013	197.77	168.37	1.7327
2014*	202.79	190.34	1.6411

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	142.35	108.24	0.1447
2010	158.22	135.76	0.2277
2011	161.33	135.92	0.1206
2012	157.43	143.60	0.3250
2013	184.16	157.45	0.8336
2014*	187.41	176.19	0.8550

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	144.14	109.47	0.1687
2010	160.55	137.75	0.2306
2011	163.95	138.03	0.1223
2012	161.04	145.86	0.3513
2013	188.51	161.07	0.8767
2014*	192.74	181.20	0.8773

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	142.30	138.37	–
2010	157.63	135.57	0.1160
2011	160.58	135.08	–
2012	156.18	142.19	–
2013	182.15	156.19	0.3336
2014*	183.69	168.56	0.1253

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	144.09	140.11	–
2010	159.70	137.34	0.1176
2011	162.70	136.83	–
2012	158.66	144.13	–
2013	185.02	158.66	0.3362
2014*	187.70	177.55	0.1294

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### PERFORMANCE RECORD (continued)

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014##	102.68	98.44	0.1564

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014##	102.69	98.45	0.1564

\* To 31 May 2014.

# From 1 December 2009.

## From 26 February 2014 to 31 May 2014.

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	4,128,286	2,899,853	142.36
	'A' Accumulation	69,054,086	47,803,947	144.45
	'B' Accumulation	78,753,467	53,471,953	147.28
	'C' Income	4,475,190	3,113,820	143.72
	'C' Accumulation	36,295,643	24,171,338	150.16
	'D' Income	2,867,380	2,016,222	142.22
	'D' Accumulation	35,361,134	24,481,763	144.44
	'O' Income	867,264	614,494	141.13
	'O' Accumulation	4,373,081	3,056,749	143.06
30.11.12	'A' Income	4,093,753	2,647,059	154.65
	'A' Accumulation	63,061,220	39,902,250	158.04
	'B' Accumulation	68,266,389	42,260,296	161.54
	'C' Income	4,977,248	3,188,046	156.12
	'C' Accumulation	42,375,931	25,665,044	165.11
	'D' Income	3,171,617	2,053,105	154.48
	'D' Accumulation	37,593,920	23,790,628	158.02
	'O' Income	1,004,791	655,428	153.30
	'O' Accumulation	6,821,658	4,380,299	155.73
30.11.13	'A' Income	563,982	310,328	181.74
	'A' Accumulation	2,912,228	1,562,956	186.33
	'B' Accumulation	65,754,572	34,417,550	191.05
	'C' Income	10,525,564	5,745,504	183.20
	'C' Accumulation	141,731,748	72,417,617	195.71
	'D' Income	2,237,176	1,233,784	181.33
	'D' Accumulation	35,677,552	19,131,802	186.48
	'O' Income	920,562	511,397	180.01
	'O' Accumulation	138,861	75,924	182.89
31.05.14*	'A' Income	25,656	13,691	187.39
	'A' Accumulation	2,906,596	1,511,694	192.27
	'B' Accumulation	60,273,914	30,539,618	197.36
	'C' Income	6,187,990	3,269,024	189.29
	'C' Accumulation	155,855,269	76,988,057	202.44
	'D' Income	1,534,724	820,351	187.08
	'D' Accumulation	31,071,916	16,149,318	192.40
	'O' Income	438	250	175.10
	'O' Accumulation	468	250	187.38
	'S' Income	3,973,900	3,882,795	102.35
	'S' Accumulation	18,446,287	17,994,007	102.51

\* See page 81 for details of share class launch.

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

### ONGOING CHARGES FIGURE

Expense Type	31.05.14					
	%					
	'A'	'B'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90	0.65
Other expenses	0.09	0.09	0.09	0.09	0.09	0.09
	1.49	1.24	0.99	1.49	1.99	0.74
Collective investment scheme costs	0.50	0.50	0.50	0.50	0.50	0.50
Ongoing charges figure	1.99	1.74	1.49	1.99	2.49	1.24

Expense Type	30.11.13				
	%				
	'A'	'B'	'C'	'D'	'O'
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90
Other expenses	0.09	0.09	0.09	0.09	0.09
	1.49	1.24	0.99	1.49	1.99
Collective investment scheme costs	0.54	0.54	0.54	0.54	0.54
Ongoing charges figure	2.03	1.78	1.53	2.03	2.53

\* See page 81 for details of share class launch.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	-
'A' Accumulation	-
'B' Accumulation	-
'C' Income	0.2264
'C' Accumulation	0.2377
'D' Income	-
'D' Accumulation	-
'O' Income	-
'O' Accumulation	-
'S' Income	0.1564
'S' Accumulation	0.1564

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM Moderately Adventurous Fund	3.22	6.33	19.55	58.67
IMA Mixed Investment 40-85% Shares Sector#	2.66	4.66	20.34	61.26

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

### PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 54.20% (30.11.13 – 61.95%)		
	UK EQUITY – 17.60% (30.11.13 – 19.10%)		
477,563	Dimensional UK Value	10,162,551	3.63
148	FTSE 100 Index Futures June 2014##	531,718	0.19
8,381,180	Majedie UK Focus	12,561,712	4.48
84,985	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	12,429,056	4.43
13,836,524	Threadneedle UK Equity Income	13,653,882	4.87
	<b>TOTAL UK EQUITY</b>	<b>49,338,919</b>	<b>17.60</b>
	UK SMALL CAP EQUITY – 2.70% (30.11.13 – 3.18%)		
2,170,042	BlackRock Mid Cap UK Equity Tracker	3,270,253	1.17
2,801,533	Old Mutual UK Smaller Companies	4,305,677	1.53
	<b>TOTAL UK SMALL CAP EQUITY</b>	<b>7,575,930</b>	<b>2.70</b>
	NORTH AMERICAN EQUITY – 6.56% (30.11.13 – 7.27%)		
499	MSCI USA Equal Weighted Index Future June 2014##	270,516	0.10
98,071	Pzena US Large Cap Dynamic Value	9,494,619	3.39
549,801	T. Rowe Price US Large Cap Growth Equity	8,614,075	3.07
	<b>TOTAL NORTH AMERICAN EQUITY</b>	<b>18,379,210</b>	<b>6.56</b>
	EUROPEAN EQUITY – 12.59% (30.11.13 – 15.29%)		
550	A.P. Møller-Mærsk*	854,917	0.30
10,984	BNP Paribas*	458,759	0.16
1,361	Cie Generale des Etablissements Michelin*	100,091	0.04
698	Coloplast*	35,912	0.01
12,239	Delhaize Group*	519,340	0.19
3,498,416	Edinburgh Partners European Opportunities	7,175,251	2.56
14,649	Elekta*	113,030	0.04
53,371	Enel*	180,273	0.06
48,599	GDF Suez*	809,702	0.29
11,898	Henkel AG & Company <i>non-voting preference shares</i>	819,737	0.29
5,497	Hennes & Mauritz*	138,748	0.05
28,476	Industrivärden*	340,822	0.12
93,572	ING Groep*	782,161	0.28



CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
6,023	Investment AB Kinnevik*	142,563	0.05
104,130	iShares EURO STOXX Mid UCITS ETF	3,840,314	1.37
159,480	iShares EURO STOXX Small UCITS ETF	3,806,788	1.36
14,285	Koninklijke Ahold*	154,851	0.05
61,441	Koninklijke KPN*	135,455	0.05
11,964	Legrand*	451,950	0.16
7,588	Merck KGaA*	778,723	0.28
1,904	Münchener Rückversicherungs-Gesellschaft*	251,626	0.09
7,416	Neste Oil*	90,496	0.03
23,575	Nokia*	113,538	0.04
2,533	Novartis*	135,564	0.05
2,018	Novo Nordisk*	50,989	0.02
52,530	Parvest Equity Best Selection Europe ex-UK	6,575,074	2.35
2,713	Publicis Groupe*	139,642	0.05
3,328	Renault*	186,946	0.07
36,864	Repsol*	619,735	0.22
2,818	Roche Holding*	495,206	0.18
39,346	Südzucker*	475,970	0.17
14,147	Swiss Re*	751,003	0.27
10,733	Telefonaktiebolaget LM Ericsson*	80,276	0.03
53,349	Tenaris*	712,636	0.25
15,803	Vinci*	697,955	0.25
14,737	Vivendi*	230,605	0.08
5,900	Volkswagen non-voting preference shares	935,715	0.33
11,560	Yara International*	314,970	0.11
4,461	Zurich Insurance Group*	799,400	0.29
	TOTAL EUROPEAN EQUITY	35,296,733	12.59
	JAPANESE EQUITY – 4.00% (30.11.13 – 4.72%)		
419,767	Baillie Gifford Overseas Japanese Growth	3,439,151	1.23
7,446,221	GLG Japan CoreAlpha	7,744,070	2.76
252	TOPIX Index Future June 2014	28,485	0.01
	TOTAL JAPANESE EQUITY	11,211,706	4.00
	FAR EAST EQUITY – 1.49% (30.11.13 – 1.46%)		
884,292	First State Asia Pacific Leaders	4,028,482	1.44
136	MSCI Pacific ex Japan Index Future June 2014	147,523	0.05
	TOTAL FAR EAST EQUITY	4,176,005	1.49

Holding	Portfolio of Investments	Value £	31.05.14 %
	EMERGING MARKETS EQUITY – 6.18% (30.11.13 – 8.00%)		
646,842	Charlemagne Magna Emerging Markets Dividend	6,137,884	2.19
9,788,789	Lazard Emerging Markets	9,394,301	3.35
665	Mini MSCI Emerging Markets Index Futures June 2014##	1,780,582	0.64
	TOTAL EMERGING MARKETS EQUITY	17,312,767	6.18
	FRONTIER MARKETS EQUITY – 3.08% (30.11.13 – 2.93%)		
417,187	Franklin Templeton Frontier Markets	8,619,079	3.08
	TOTAL EQUITIES	151,910,349	54.20
	BONDS – 28.25% (30.11.13 – 18.66%)		
	GLOBAL GOVERNMENT BONDS – 0.00% (30.11.13 – 2.91%)	–	–
	SHORT TERM STERLING BONDS – 20.41% (30.11.13 – 8.09%)		
£1,500,000	Abbey National Treasury Services 0.82781% floating rate note 2017	1,501,165	0.53
£2,500,000	ASB Finance 1.10088% floating rate note 2017	2,502,724	0.89
£1,500,000	Asian Development Bank 1% 2016	1,493,772	0.53
208,360	BNY Mellon Compass Euro Credit Short Duration	2,094,018	0.75
£600,000	BNZ International Funding 1.22656% floating rate note 2016	603,756	0.22
1,444,179	City Financial Defensive Global Bond	2,318,052	0.83
£1,773,000	Council of Europe Development Bank 1.75% 2016	1,797,969	0.64
£2,500,000	Credit Suisse 0.92063% floating rate note 2016	2,500,432	0.89
£1,650,000	European Investment Bank 0.62769% floating rate note 2015	1,651,162	0.59
£2,500,000	European Investment Bank 3% 2015	2,583,350	0.92
£2,500,000	Export Development Canada 0.875% 2016	2,483,372	0.89
£2,000,000	GE Capital UK Funding 1.07813% floating rate note 2016	2,006,400	0.72
£1,000,000	HSBC Bank 0.92769% floating rate note 2016	1,003,100	0.36
£1,000,000	Hypo Real Estate Bank International 0.53469% floating rate note 2015	992,052	0.35

CF 71M MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£2,500,000	Inter-American Development Bank 1.25% 2017	2,479,632	0.88
£1,500,000	KfW 1.75% 2016	1,521,032	0.54
£1,302,000	KfW 3.125% 2014	1,319,421	0.47
£2,500,000	Kommunalbanken 1.125% 2017	2,459,895	0.88
£1,945,000	Kommunalbanken 1.375% 2015	1,959,782	0.70
£2,500,000	Landwirtschaftliche Rentenbank 3.25% 2016	2,626,905	0.94
£2,500,000	L-Bank 0.875% 2017	2,436,887	0.87
£2,500,000	Municipality Finance 1.25% 2016	2,499,063	0.89
£2,000,000	Nestle Holdings 1.625% 2017	2,011,484	0.72
£2,500,000	Network Rail Infrastructure Finance 1.125% 2016	2,499,915	0.89
£1,000,000	Nordea Bank 0.97506% floating rate note 2016	1,003,380	0.36
£1,250,000	Nordea Bank 3.875% 2015	1,303,415	0.47
£2,500,000	Reseau Ferre de France 2.375% 2015	2,556,915	0.91
£2,500,000	Royal Bank of Canada floating rate note 2019	2,492,688	0.89
£2,500,000	Swedish Export Credit 1.125% 2016	2,492,162	0.89
	TOTAL SHORT TERM STERLING BONDS	57,193,900	20.41
	GLOBAL HIGH YIELD BONDS – 2.93% (30.11.13 – 2.93%)		
3,777,774	Carador Income*	2,060,793	0.73
24,590	iShares Euro High Yield Corporate Bond UCITS ETF	2,203,491	0.79
660,237	Natixis International Loomis Sayles High Income	3,959,817	1.41
	TOTAL GLOBAL HIGH YIELD BONDS	8,224,101	2.93
	GLOBAL INDEX LINKED BONDS – 0.00% (30.11.13 – 1.95%)	–	–
	GLOBAL CONVERTIBLE BOND – 1.07% (30.11.13 – 0.00%)		
2,140,106	M&G Global Convertibles	2,997,860	1.07

Holding	Portfolio of Investments	Value £	31.05.14 %
	EMERGING MARKET BONDS – 3.84% (30.11.13 – 2.78%)		
58,381	Ashmore Emerging Markets Total Return	3,459,683	1.24
44,250	PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF	2,758,921	0.98
81,350	SPDR Barclays Emerging Markets Local Bond UCITS ETF	4,536,629	1.62
	TOTAL EMERGING MARKET BONDS	10,755,233	3.84
	TOTAL BONDS	79,171,094	28.25
	PRIVATE EQUITY – 4.67% (30.11.13 – 5.24%)		
163,635	db x-trackers LPX MM® Private Equity UCITS ETF	4,730,688	1.69
275,000	NB Private Equity Partners*	1,737,865	0.62
57,765	Partners Group Listed Private Equity	6,620,371	2.36
	TOTAL PRIVATE EQUITY	13,088,924	4.67
	REAL ESTATE – 3.98% (30.11.13 – 2.98%)		
1,620,164	BlackRock Global Property Securities Equity Tracker	2,179,121	0.78
830	ING (L) Invest Global Real Estate	4,255,141	1.52
829,633	Macau Property Opportunities*	1,993,193	0.71
4,356,029	Premier Pan European Property Share	2,726,874	0.97
	TOTAL REAL ESTATE	11,154,329	3.98
	HEDGE FUNDS & OTHER STRATEGIES – 1.24% (30.11.13 – 1.42%)		
2,001,656	Dexion Absolute*^^	282,208	0.10
350	EURO STOXX 50 Index Dividend Futures December 2015###	851,442	0.31
3,366,189	Goldman Sachs Dynamic Opportunities**	85,209	0.03
3,780	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	2,250,856	0.80
	TOTAL HEDGE FUNDS & OTHER STRATEGIES	3,469,715	1.24
	CURRENCY FUNDS – 0.00% (30.11.13 – 1.96%)	–	–

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	MONEY MARKETS – 5.57% (30.11.13 – 3.67%)		
15,600,000	Goldman Sachs Sterling Liquid Reserves	15,600,000	5.57
	FORWARD CURRENCY CONTRACTS – 0.08% (30.11.13 – 0.41%)		
AUD(1,900,000)	Vs £1,032,132 (expiry 20.06.14)	(21,003)	(0.01)
€(3,500,000)	Vs £3,105,043 (expiry 20.06.14)	257,481	0.09
¥(2,000,000,000)	Vs £11,878,601 (expiry 20.06.14)	156,840	0.06
US\$(18,200,000)	Vs £11,008,545 (expiry 20.06.14)	(156,728)	(0.06)
	TOTAL FORWARD CURRENCY CONTRACTS	236,590	0.08
	Portfolio of investments#	274,631,001	97.99
	Net other assets	5,646,157	2.01
	Net assets	280,277,158	100.00

All investments are collective investment schemes unless stated otherwise.

- \* Ordinary share.
- \*\* Delisted security.
- ^ Structured product.
- ^^ Unlisted security.
- # Includes derivative liabilities.
- ## Future contract.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

Total purchases for the half year **£96,985,932**

Major purchases	Cost £
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	11,959,089
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	6,658,000
T. Rowe Price US Large Cap Growth Equity	4,893,968
Ashmore Emerging Markets Total Return	3,512,413
M&G Global Convertibles	3,000,000
Landwirtschaftliche Rentenbank 3.25% 2016	2,639,100
European Investment Bank 3% 2015	2,585,250
Reseau Ferre de France 2.375% 2015	2,559,750
ASB Finance 1.13188% <i>floating rate note</i> 2017	2,503,650
Network Rail Infrastructure Finance 1.125% 2016	2,501,750
Credit Suisse 0.92063% <i>floating rate note</i> 2016	2,500,275
Municipality Finance 1.25% 2016	2,500,200
Premier Pan European Property Share	2,496,550
Royal Bank of Canada <i>floating rate note</i> 2019	2,493,900
Swedish Export Credit 1.125% 2016	2,490,500
Inter-American Development Bank 1.25% 2017	2,473,250
Kommunalbanken 1.125% 2017	2,455,425
Lazard Emerging Markets	2,200,000
Nestle Holdings 1.625% 2017	1,997,640
Council of Europe Development Bank 1.75% 2016	1,803,389

In addition to the above, purchases totalling £8,550,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

## CF 7IM MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 31 May 2014

**Total sales for the half year** **£87,090,349**

Major sales	Proceeds £
iShares EURO STOXX Total Market Value Large UCITS ETF	13,971,669
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	12,016,199
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	6,935,037
db x-trackers FTSE All-Share UCITS ETF	5,109,676
iShares MSCI Emerging Markets UCITS ETF	5,069,555
Russell 2000 Source ETF	4,136,189
Nomura Centa FX Currency GBP Notes 2014	3,545,887
Edinburgh Partners European Opportunities	3,100,000
Parvest Equity Best Selection Europe ex-UK	2,676,764
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	2,637,867
TOBAM Anti-Benchmark Emerging Markets	2,395,820
db x-trackers LPX MM® Private Equity UCITS ETF	2,000,701
Nomura Centa FX Currency GBP Notes 2015	1,555,500
Italy Treasury 5.5% 2022	1,377,335
Italy Treasury 2.1% index-linked 2016	1,374,367
Italy Treasury 4.5% 2023	1,290,817
Spain Government 5.85% 2022	1,011,364
BlackRock Mid Cap UK Equity Tracker	1,000,000
Spain Government 5.4% 2023	986,579
Spain Government 5.5% 2021	865,722

In addition to the above, sales totalling £2,500,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
Income:		
Net capital gains	8,911,207	32,734,930
Revenue	1,628,590	1,971,744
Expenses	(1,467,377)	(1,580,668)
Finance costs: Interest	(5)	-
Net revenue before taxation	161,208	391,076
Taxation	(11,144)	(282,368)
Net revenue after taxation	150,064	108,708
<b>Total return before distributions</b>	9,061,271	32,843,638
Finance costs: Distributions	(205,414)	(550,503)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>8,855,857</b>	<b>32,293,135</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
<b>Opening net assets attributable to shareholders</b>	260,462,245	231,366,527
Amounts receivable on issue of shares	31,589,636	16,186,403
Amounts payable on cancellation of shares	(20,806,624)	(24,728,359)
	10,783,012	(8,541,956)
Stamp duty reserve tax	(35,099)	(38,518)
Change in net assets attributable to shareholders from investment activities	8,855,857	32,293,135
Retained distribution on Accumulation shares	211,143	512,351
<b>Closing net assets attributable to shareholders</b>	<b>280,277,158</b>	<b>255,591,539</b>

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

## CF 7IM MODERATELY ADVENTUROUS FUND

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		274,808,732		250,866,701
<b>Other assets</b>				
Debtors	15,912,899		1,013,679	
Cash and bank balances	10,970,752		14,761,050	
<b>Total other assets</b>		26,883,651		15,774,729
<b>Total assets</b>		<u>301,692,383</u>		<u>266,641,430</u>
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(177,731)		(62,246)
<b>Other liabilities</b>				
Creditors	(14,775,021)		(4,250,795)	
Bank overdrafts	(6,448,999)		(1,777,242)	
Distribution payable on Income shares	(13,474)		(88,902)	
<b>Total other liabilities</b>		(21,237,494)		(6,116,939)
<b>Total liabilities</b>		<u>(21,415,225)</u>		<u>(6,179,185)</u>
<b>Net assets attributable to shareholders</b>		<u>280,277,158</u>		<u>260,462,245</u>

## CF 7IM ADVENTUROUS FUND

ACD'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2014

### IMPORTANT INFORMATION

The following change was effective from 24 January 2014:

- The 'O' Income and 'O' Accumulation share classes were closed and are no longer available for investment.

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

### INVESTMENT OBJECTIVE AND POLICY

The CF 7IM Adventurous Fund ('the Fund') aims to provide capital growth. There is a risk of wide fluctuations in capital values. The Fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. Assets with scope for capital growth in real terms are likely to represent a major part of the portfolio. The Fund may use different asset classes, with the comparison primarily in equities.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The IMA Flexible Investment Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED

ACD of CF 7IM Adventurous Fund

29 July 2014

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.8%<sup>1</sup>. Over the same period the peer group average return for the IMA Flexible Investment sector which is the Fund benchmark was 2.1%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 7IM Adventurous 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund value rose from £55.0 million<sup>3</sup> at 30 November 2013 to £67.9 million<sup>4</sup> at 31 May 2014.

We generally increased risk across the Fund buying riskier equities at the expense of safer ones for example by holding more Japan, Far East and EM equities at the end of the period than at the beginning trimming less risky equities such as the UK and Europe.

At the beginning of the period we increased the US equity allocation adding to the S&P equally weighted certificate. Later on we introduced some index futures to raise exposure to the UK and EM where we had before generally used certificates or baskets of equities as they are a cheaper and more efficient way to gain exposure to the equities of these markets.

We sold iShares EURO STOXX Total Market Value Large UCITS ETF to introduce a low cost in-house basket of equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

We have held an overweight position in EM equity for about a year. This is a contrarian view with many suggesting the tapering of the US Fed's asset purchases will lead to a much reduced growth rate in these markets but we believe that given their small size relative to the Developed Markets, if global growth does pick up as we expect it to they will be substantial beneficiaries.

We raised our target on Far East equity buying a holding in the MSCI Pacific ex Japan Index Future to complement the existing holding of TOBAM Anti-Benchmark Asia Pacific ex Japan fund. Frontier Market equities performed very well over the last six months but the allocation slipped back because we did not add to it with new cash flows.

Within alternative we bought a new real estate holding in the Premier Pan European Property Share fund. It invests in commercial property REITs (Real Estate Investment Trusts) and property companies which have a focus on asset management in the UK and Europe; areas where we see good scope for yield contraction and rental growth.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

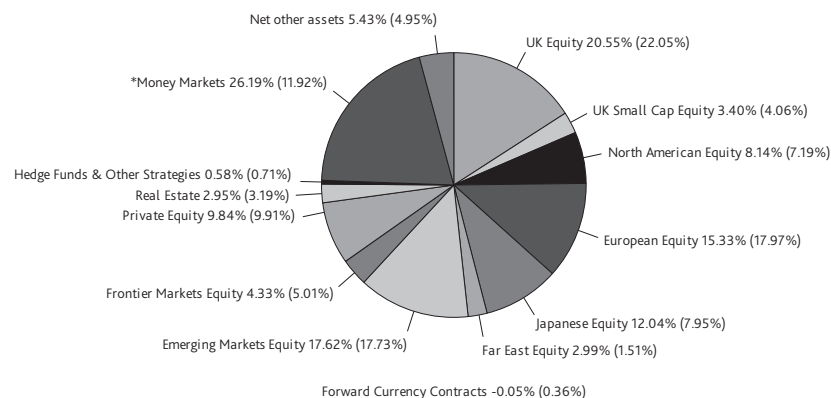
## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

### FUND INFORMATION

#### PERFORMANCE RECORD

##### 'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	134.16	94.74	0.2254
2010	150.38	124.70	0.1301
2011	153.82	126.11	-
2012	148.40	134.51	0.0141
2013	178.62	148.46	0.6204
2014*	183.87	171.75	-

##### 'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	135.06	95.15	0.2583
2010	151.53	125.66	0.1310
2011	155.16	127.18	-
2012	150.19	135.67	0.0142
2013	181.15	150.38	0.6255
2014*	186.46	174.18	-

##### 'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	137.10	96.40	0.3912
2010	154.22	127.73	0.2842
2011	158.11	129.60	-
2012	153.50	138.46	0.1959
2013	185.63	153.70	0.8206
2014*	191.36	178.60	0.5880

CF 7IM ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	136.99	96.58	0.5258
2010	153.98	127.43	0.3549
2011	157.72	129.58	0.2561
2012	152.74	138.22	0.5282
2013	184.57	152.58	1.0876
2014*	189.55	176.78	0.9405

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	139.07	97.59	0.5327
2010	156.83	129.73	0.3603
2011	161.01	132.06	0.2608
2012	156.92	141.36	0.5387
2013	190.16	157.14	1.1086
2014*	196.32	183.09	0.9724

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	134.05	94.55	0.1575
2010	150.31	124.65	0.0963
2011	153.21	125.49	–
2012	147.28	133.37	0.0016
2013	177.04	146.91	0.5934
2014*	182.12	170.12	0.1169

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	134.97	95.07	0.2068
2010	151.44	125.59	0.1262
2011	155.05	127.07	–
2012	150.05	135.55	0.0017
2013	181.06	150.24	0.6109
2014*	186.38	174.09	0.1701

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	133.97	129.00	–
2010	149.49	124.33	–
2011	152.63	124.98	–
2012	146.67	132.80	–
2013	176.28	146.68	–
2014##	178.40	175.10	–

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	134.89	129.89	–
2010	150.52	125.16	–
2011	153.82	125.92	–
2012	147.87	133.88	–
2013	177.43	147.98	–
2014##	177.61	174.32	–



CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

PERFORMANCE RECORD (continued)

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.98	98.47	0.1259

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	102.99	98.47	0.1259

\* To 31 May 2014.

# From 1 December 2009.

## Closed on 24 January 2014.

### From 26 February 2014 to 31 May 2014.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	459,424	345,451	132.99
	'A' Accumulation	8,778,178	6,544,797	134.12
	'B' Accumulation	16,078,824	11,761,334	136.71
	'C' Income	234,971	171,990	136.62
	'C' Accumulation	7,554,165	5,419,820	139.38
	'D' Income	136,818	103,479	132.22
	'D' Accumulation	7,692,225	5,739,982	134.01
	'O' Income	329	250	131.67
	'O' Accumulation	442,881	333,742	132.70
30.11.12	'A' Income	471,277	324,850	145.08
	'A' Accumulation	8,004,176	5,446,754	146.95
	'B' Accumulation	15,258,806	10,161,541	150.16
	'C' Income	515,786	346,092	149.03
	'C' Accumulation	8,773,562	5,716,236	153.48
	'D' Income	244,989	170,595	143.61
	'D' Accumulation	9,647,648	6,571,237	146.82
	'O' Income	359	250	143.60
	'O' Accumulation	801,551	554,046	144.67
30.11.13	'A' Income	12,839	7,262	176.80
	'A' Accumulation	636,257	354,844	179.31
	'B' Accumulation	14,851,406	8,081,134	183.78
	'C' Income	1,043,885	574,112	181.83
	'C' Accumulation	29,163,630	15,487,261	188.31
	'D' Income	275,692	157,425	175.13
	'D' Accumulation	9,000,280	5,021,958	179.22
	'O' Income	437	250	174.47
	'O' Accumulation	435	250	173.72
31.05.14*	'A' Income	13,331	7,262	183.58
	'A' Accumulation	429,247	230,574	186.16
	'B' Accumulation	13,831,421	7,239,664	191.05
	'C' Income	872,537	461,041	189.25
	'C' Accumulation	37,191,560	18,974,784	196.01
	'D' Income	255,425	140,475	181.83
	'D' Accumulation	11,866,699	6,377,190	186.08
	'S' Income	381,169	371,167	102.69
	'S' Accumulation	3,057,777	2,973,834	102.82

\* See page 103 for details of share class launch and closure.

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

### ONGOING CHARGES FIGURE

Expense Type	31.05.14				
	%				
	'A'	'B'	'C'	'D'	'S'*
ACD's periodic charge	1.40	1.15	0.90	1.40	0.65
Other expenses	0.15	0.15	0.15	0.15	0.15
	1.55	1.30	1.05	1.55	0.80
Collective investment scheme costs	0.45	0.45	0.45	0.45	0.45
Ongoing charges figure	2.00	1.75	1.50	2.00	1.25

Expense Type	30.11.13				
	%				
	'A'	'B'	'C'	'D'	'O'*
ACD's periodic charge	1.40	1.15	0.90	1.40	1.90
Other expenses	0.16	0.16	0.16	0.16	0.16
	1.56	1.31	1.06	1.56	2.06
Collective investment scheme costs	0.54	0.54	0.54	0.54	0.54
Ongoing charges figure	2.10	1.85	1.60	2.10	2.60

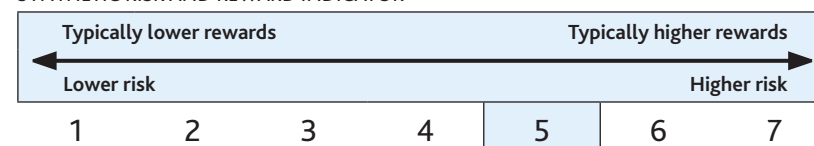
\* See page 103 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	–
'A' Accumulation	–
'B' Accumulation	–
'C' Income	–
'C' Accumulation	–
'D' Income	–
'D' Accumulation	–
'S' Income	0.1259
'S' Accumulation	0.1259

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM Adventurous Fund	3.79	7.89	22.54	68.85
IMA Flexible Investment Sector#	2.28	3.93	17.00	61.77

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

### PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 55.47% (30.11.13 – 69.47%)		
	UK EQUITY – 15.19% (30.11.13 – 19.62%)		
80,227	Dimensional UK Value	1,707,229	2.51
56	FTSE 100 Index Futures June 2014##	188,119	0.28
1,751,056	Majedie UK Focus	2,624,483	3.87
22,100	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	3,232,125	4.76
2,593,155	Threadneedle UK Equity Income	2,558,925	3.77
	<b>TOTAL UK EQUITY</b>	<b>10,310,881</b>	<b>15.19</b>
	UK SMALL CAP EQUITY – 3.40% (30.11.13 – 4.06%)		
778,934	BlackRock Mid Cap UK Equity Tracker	1,173,854	1.73
737,246	Old Mutual UK Smaller Companies	1,133,073	1.67
	<b>TOTAL UK SMALL CAP EQUITY</b>	<b>2,306,927</b>	<b>3.40</b>
	NORTH AMERICAN EQUITY – 4.99% (30.11.13 – 7.19%)		
119	MSCI USA Equal Weighted Index Future June 2014##	59,399	0.09
13,780	Pzena US Large Cap Dynamic Value	1,334,123	1.96
127,266	T. Rowe Price US Large Cap Growth Equity	1,993,949	2.94
	<b>TOTAL NORTH AMERICAN EQUITY</b>	<b>3,387,471</b>	<b>4.99</b>
	EUROPEAN EQUITY – 14.09% (30.11.13 – 17.01%)		
127	A.P. Møller-Mærsk*	197,408	0.29
2,542	BNP Paribas*	106,169	0.16
315	Cie Generale des Etablissements Michelin*	23,166	0.03
161	Coloplast*	8,283	0.01
2,833	Delhaize Group*	120,213	0.18
820,012	Edinburgh Partners European Opportunities	1,681,844	2.48
3,391	Elektro*	26,165	0.04
12,354	Enel*	41,729	0.06
35	EURO STOXX 50 Future June 2014##	78,269	0.12
11,249	GDF Suez*	187,418	0.28
2,754	Henkel AG & Company <i>non-voting preference shares</i>	189,742	0.28
1,272	Hennes & Mauritz*	32,106	0.05
6,591	Industrivärden*	78,886	0.12

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
21,660	ING Groep*	181,054	0.27
1,394	Investment AB Kinnevik*	32,996	0.05
39,280	iShares EURO STOXX Mid UCITS ETF	1,448,646	2.13
84,310	iShares EURO STOXX Small UCITS ETF	2,012,480	2.96
3,306	Koninklijke Ahold*	35,838	0.05
14,222	Koninklijke KPN*	31,354	0.05
2,769	Legrand*	104,601	0.15
1,756	Merck KGaA*	180,210	0.27
440	Münchener Rückversicherungs-Gesellschaft*	58,149	0.09
1,716	Neste Oil*	20,940	0.03
5,457	Nokia*	26,281	0.04
586	Novartis*	31,362	0.05
467	Novo Nordisk*	11,800	0.02
9,029	Parvest Equity Best Selection Europe ex-UK	1,130,170	1.66
628	Publicis Groupe*	32,324	0.05
770	Renault*	43,254	0.06
8,533	Repsol*	143,452	0.21
652	Roche Holding*	114,576	0.17
9,107	Südzucker*	110,168	0.16
3,274	Swiss Re*	173,802	0.26
2,484	Telefonaktiebolaget LM Ericsson*	18,579	0.02
12,349	Tenaris*	164,958	0.24
3,658	Vinci*	161,559	0.23
3,411	Vivendi*	53,376	0.08
1,365	Volkswagen non-voting preference shares	216,483	0.31
2,675	Yara International*	72,884	0.11
1,032	Zurich Insurance Group*	184,932	0.27
	<b>TOTAL EUROPEAN EQUITY</b>	<b>9,567,626</b>	<b>14.09</b>
	JAPANESE EQUITY – 3.31% (30.11.13 – 5.32%)		
122,007	Baillie Gifford Overseas Japanese Growth	999,604	1.47
1,150,688	GLG Japan CoreAlpha	1,196,715	1.76
85	TOPIX Index Future June 2014##	56,175	0.08
	<b>TOTAL JAPANESE EQUITY</b>	<b>2,252,494</b>	<b>3.31</b>
	FAR EAST EQUITY – 1.35% (30.11.13 – 1.51%)		
192,823	First State Asia Pacific Leaders	878,426	1.29
35	MSCI Pacific ex Japan Index Future June 2014##	37,965	0.06
	<b>TOTAL FAR EAST EQUITY</b>	<b>916,391</b>	<b>1.35</b>

Holding	Portfolio of Investments	Value £	31.05.14 %
	EMERGING MARKETS EQUITY – 8.81% (30.11.13 – 9.75%)		
259,161	Charlemagne Magna Emerging Markets Dividend	2,459,177	3.62
3,024,154	Lazard Emerging Markets	2,902,281	4.27
216	Mini MSCI Emerging Markets Index Futures June 2014##	621,034	0.92
	<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>5,982,492</b>	<b>8.81</b>
	FRONTIER MARKETS EQUITY – 4.33% (30.11.13 – 5.01%)		
895,000	Advance Frontier Markets*^^	521,338	0.77
117,075	Franklin Templeton Frontier Markets	2,418,774	3.56
	<b>TOTAL FRONTIER MARKETS EQUITY</b>	<b>2,940,112</b>	<b>4.33</b>
	<b>TOTAL EQUITIES</b>	<b>37,664,394</b>	<b>55.47</b>
	BONDS – 17.20% (30.11.13 – 7.37%)		
	SHORT TERM STERLING BONDS – 17.20% (30.11.13 – 7.37%)		
£400,000	Abbey National Treasury Services 0.82781% floating rate note 2017	400,311	0.59
£250,000	Abbey National Treasury Services 2.12769% floating rate note 2015	252,725	0.37
£600,000	ASB Finance 1.10088% floating rate note 2017	600,654	0.88
£500,000	Asian Development Bank 1% 2016	497,924	0.73
£754,000	Bank Nederlandse Gemeenten 2.375% 2015	771,423	1.14
£500,000	Credit Suisse 0.92063% floating rate note 2016	500,086	0.74
£500,000	European Investment Bank 0.62769% floating rate note 2015	500,352	0.74
£600,000	European Investment Bank 3% 2015	620,004	0.91
£500,000	Export Development Canada 0.875% 2016	496,674	0.73
£500,000	HSBC Bank 0.92769% floating rate note 2016	501,550	0.74
£600,000	Inter-American Development Bank 1.25% 2017	595,112	0.88
£500,000	KfW 3.125% 2014	506,690	0.75
£600,000	Kommunalbanken 1.125% 2017	590,375	0.87
£500,000	Landwirtschaftliche Rentenbank 3.25% 2016	525,381	0.77
£500,000	L-Bank 0.875% 2017	487,377	0.72
£500,000	Municipality Finance 1.25% 2016	499,813	0.74
£500,000	Nestle Holdings 1.625% 2017	502,871	0.74
£600,000	Network Rail Infrastructure Finance 1.125% 2016	599,980	0.88

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£500,000	Nordea Bank 3.875% 2015	521,366	0.77
£600,000	Reseau Ferre de France 2.375% 2015	613,660	0.90
£600,000	Royal Bank of Canada floating rate note 2019	598,245	0.88
£500,000	Swedish Export Credit 1.125% 2016	498,432	0.73
	TOTAL SHORT TERM STERLING BONDS	11,681,005	17.20
	PRIVATE EQUITY – 9.84% (30.11.13 – 9.91%)		
35,515	db x-trackers LPX MM® Private Equity UCITS ETF	1,026,739	1.51
158,667	HarbourVest Global Private Equity*	1,068,913	1.57
248,823	IP Group*	445,393	0.66
16,550	NB Private Equity Partners Eurocrest Listing*	103,601	0.15
153,400	NB Private Equity Partners LSE Listing*	969,413	1.43
66,625	Pantheon International Participation*	751,530	1.11
14,297	Partners Group Listed Private Equity	1,638,561	2.41
128,800	Princess Private Equity Holdings*	678,983	1.00
	TOTAL PRIVATE EQUITY	6,683,133	9.84
	REAL ESTATE – 2.95% (30.11.13 – 3.19%)		
217	ING (L) Invest Global Real Estate	1,114,598	1.64
206,271	Macau Property Opportunities*	495,566	0.73
628,903	Premier Pan European Property Share	393,693	0.58
	TOTAL REAL ESTATE	2,003,857	2.95
	HEDGE FUNDS & OTHER STRATEGIES – 0.17% (30.11.13 – 0.20%)		
42	EURO STOXX 50 Index Dividend Futures December 2015##	101,495	0.15
444,425	Goldman Sachs Dynamic Opportunities**	11,250	0.02
	TOTAL HEDGE FUNDS & OTHER STRATEGIES	112,745	0.17
	MONEY MARKETS – 8.99% (30.11.13 – 4.55%)		
6,100,000	Goldman Sachs Sterling Liquid Reserves	6,100,000	8.99

Holding	Portfolio of Investments	Value £	31.05.14 %
	FORWARD CURRENCY CONTRACTS – (0.05)% (30.11.13 – 0.36%)		
AUD(420,000)	Vs £203,710 (expiry 20.06.14)	(4,145)	(0.01)
€(1,000,000)	Vs £835,050 (expiry 20.06.14)	(21,461)	(0.03)
¥(480,000,000)	Vs £2,850,864 (expiry 20.06.14)	37,642	0.06
US\$(5,050,000)	Vs £3,059,055 (expiry 20.06.14)	(47,974)	(0.07)
	TOTAL FORWARD CURRENCY CONTRACTS	(35,938)	(0.05)
	Portfolio of investments#	64,209,196	94.57
	Net other assets	3,689,970	5.43
	Net assets	67,899,166	100.00

All investments are collective investment schemes unless stated otherwise.

\* Ordinary share.

\*\* Delisted security.

^ Structured product.

^^ Quoted on the Alternative Investment Market (AIM).

# Includes derivative liabilities.

## Future contract.

## CF 7IM ADVENTUROUS FUND

ACD's Report (continued)

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£21,716,048**

Major purchases	Cost £
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	3,109,912
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	2,310,759
T. Rowe Price US Large Cap Growth Equity	1,125,126
Lazard Emerging Markets	800,000
iShares EURO STOXX Small UCITS ETF	754,860
Charlemagne Magna Emerging Markets Dividend	650,000
European Investment Bank 3% 2015	620,460
Reseau Ferre de France 2.375% 2015	614,340
ASB Finance 1.10088% <i>floating rate note</i> 2017	600,876
Network Rail Infrastructure Finance 1.125% 2016	600,420
Royal Bank of Canada <i>floating rate note</i> 2019	598,536
Inter-American Development Bank 1.25% 2017	593,580
Kommunalbanken 1.125% 2017	589,302
Landwirtschaftliche Rentenbank 3.25% 2016	527,820
Credit Suisse 0.92063% <i>floating rate note</i> 2016	500,055
Municipality Finance 1.25% 2016	500,040
Nestle Holdings 1.625% 2017	499,410
Asian Development Bank 1% 2016	498,450
Swedish Export Credit 1.125% 2016	498,100
Abbey National Treasury Services 0.82781% <i>floating rate note</i> 2017	400,100

In addition to the above, purchases totalling £3,600,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

**Total sales for the half year** **£15,814,390**

Sales	Proceeds £
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	3,124,763
iShares EURO STOXX Total Market Value Large UCITS ETF	3,104,274
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	2,426,831
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	1,510,854
db x-trackers MSCI Emerging Markets UCITS ETF	1,433,591
db x-trackers FTSE All-Share UCITS ETF	1,002,897
Parvest Equity Best Selection Europe ex-UK	973,369
Dimensional UK Value	500,000
Amundi ETF MSCI Japan UCITS ETF	463,273
Russell 2000 Source ETF	419,297
Edinburgh Partners European Opportunities	300,000
TOBAM Anti-Benchmark Emerging Markets	284,041
BlackRock Global Property Securities Equity Tracker	271,200

The summary of material portfolio changes represents all of the sales during the half year.

CF 7IM ADVENTUROUS FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		2,587,722		7,632,527
Revenue	302,467		277,720	
Expenses	(357,908)		(321,996)	
Finance costs: Interest	—		(9)	
Net expense before taxation	(55,441)		(44,285)	
Taxation	(2,578)		(2,068)	
Net expense after taxation		(58,019)		(46,353)
<b>Total return before distributions</b>		2,529,703		7,586,174
Finance costs: Distributions		(3,644)		(9,492)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>2,526,059</u>		<u>7,576,682</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		54,984,861		43,718,154
Amounts receivable on issue of shares	16,522,365		4,310,979	
Amounts payable on cancellation of shares	(6,128,572)		(6,975,311)	
		10,393,793		(2,664,332)
Stamp duty reserve tax		(9,291)		(7,556)
Change in net assets attributable to shareholders from investment activities		2,526,059		7,576,682
Retained distribution on Accumulation shares		3,744		8,967
<b>Closing net assets attributable to shareholders</b>		<u>67,899,166</u>		<u>48,631,915</u>

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		64,282,776		52,276,294
<b>Other assets</b>				
Debtors	1,686,575		760,498	
Cash and bank balances	6,445,530		3,186,841	
<b>Total other assets</b>		8,132,105		3,947,339
<b>Total assets</b>		<u>72,414,881</u>		<u>56,223,633</u>
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(73,580)		(13,632)
<b>Other liabilities</b>				
Creditors	(2,148,686)		(837,389)	
Bank overdrafts	(2,292,982)		(382,167)	
Distribution payable on Income shares	(467)		(5,584)	
<b>Total other liabilities</b>		(4,442,135)		(1,225,140)
<b>Total liabilities</b>		<u>(4,515,715)</u>		<u>(1,238,772)</u>
<b>Net assets attributable to shareholders</b>		<u>67,899,166</u>		<u>54,984,861</u>

CF 7IM SUSTAINABLE BALANCE FUND  
ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 MAY 2014

IMPORTANT INFORMATION

The following change was effective from 24 January 2014:

- The 'O' Accumulation and 'O' Income share classes were closed and are no longer available for investment.

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

INVESTMENT OBJECTIVE AND POLICY

The CF 7IM Sustainable Balance Fund ('the Fund') aims to provide a balance of income and capital appreciation. There may be some risk to capital. The Fund invests predominantly in a range of securities and collective investment vehicles managed by selected fund managers.

The Fund will only invest in individual securities where the underlying companies, countries and institutions score well on social and environmental criteria.

To measure these criteria, the industry from which an investment has been made and the position of the investment relative to its peer group are analysed. The social aspects of companies' relationships with suppliers, the general public, employees, clients and competitors are considered. The environmental aspects of pre-production sourcing, production processes, products and services, as well as the environmental strategy/policy and environmental management systems are also examined.

Certain products and manufacturing processes are so high-risk that they are not rated as being compatible with the criteria. Companies from certain industries or with significant exposure to certain activities are precluded, such as:

Tobacco industry  
Armaments  
Pornography  
Nuclear power generation  
Chlorine, agrochemicals and GMOs in agriculture

The Fund may also invest in collective investment vehicles (including exchange traded funds and open or closed ended funds) that track recognised ethical or socially responsible indices or are managed with appropriate ethical, social or environmental criteria.

The Fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Fund may use different asset classes, with investment primarily in equities and fixed interest securities with no long term preponderance to either class. The Fund may also invest in money market instruments, warrants, deposits, cash and near cash, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

The IMA Mixed Investment 20-60% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED  
ACD of CF 7IM Sustainable Balance Fund  
29 July 2014

INVESTMENT MANAGER'S REPORT

PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 1.6%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 20-60% Shares Sector, which is the Fund benchmark, was 3.0%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 7IM Sustainable Balance 'D' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.



## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO REVIEW

The Fund rose in value in the reporting period from £38.7 million at 30 November 2013<sup>3</sup> to £43.3 million at 31 May 2014<sup>4</sup>.

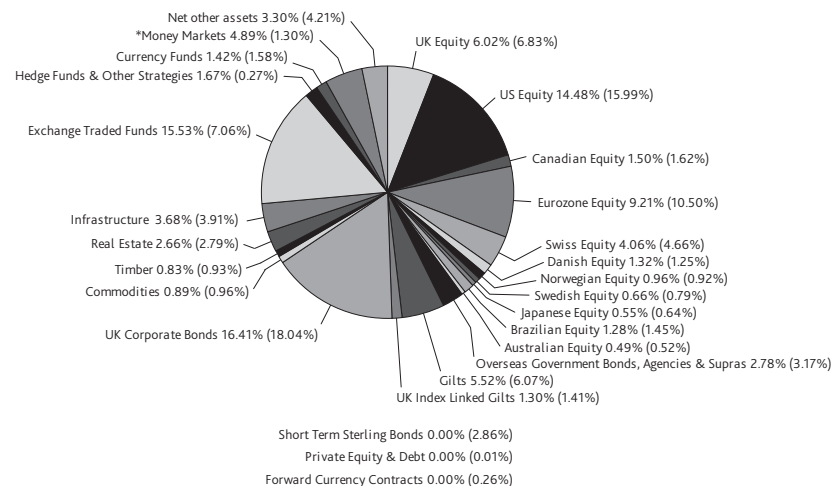
In the six month under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds. This increase in equity allocation was mainly driven by the increase in the equity tactical tilt in the Master Portfolio.

In the Master Portfolio we diversified the ETF holdings selling some of the iShares Dow Jones Global Sustainability Screened UCITS ETF to buy the corresponding UBS MSCI Sustainability product which is significantly cheaper and also to add a UBS MSCI Pacific Socially Responsible UCITS ETF product which has a focus on Japan and Asia; something we had not been able to do before because a suitable product had not been available. This therefore raised the exposure to the Asia Pacific region and Japan; an area we had been looking to increase exposure to in line with the tactical asset allocation target. In the event, despite Japan and Asian equity markets having been fairly weak over the last six months, the timing of entry into the Pacific ETF meant the holding was showing a small profit at the end of May.

We took up the rights in Greencoat UK Wind and later sold them to take a small profit. The portfolio of renewable infrastructure holdings: Greencoat UK Wind, Bluefield Solar Income fund, Foresight Solar fund and The Renewable Infrastructure Group represent around 3% of the overall Fund and deliver an expected average index-linked yield of around 7% with some scope for capital uplift.

In the bond portfolio the Investment Manager added to the holding of the UK Treasury 5% 2018 gilt.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	92.34	75.76	2.2190
2010	95.04	85.98	2.0910
2011	96.78	85.02	1.8540
2012	94.88	88.91	2.1614
2013	104.79	94.51	2.2877
2014*	103.72	99.49	1.9489

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	97.28	78.64	2.4164
2010	103.02	92.49	2.3986
2011	105.11	93.43	2.5028
2012	107.58	98.81	2.5240
2013	119.80	107.51	2.4628
2014*	120.49	115.58	2.2440

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	97.28	78.61	2.2560
2010	103.41	92.58	2.6440
2011	105.63	93.92	2.0825
2012	108.29	99.36	2.5749
2013	120.73	108.23	2.4672
2014*	121.50	116.51	2.2636

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	92.74	75.85	2.2615
2010	95.70	86.67	2.1480
2011	97.55	85.88	2.1881
2012	96.24	89.93	2.3477
2013	106.73	96.06	2.1976
2014*	106.30	101.81	1.9849

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	98.63	79.49	2.3360
2010	105.24	94.06	2.4893
2011	107.65	95.81	2.5899
2012	111.02	101.46	2.6222
2013	124.18	110.95	2.5291
2014*	125.26	119.96	2.2956

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	91.71	75.31	2.2723
2010	94.42	85.40	2.2446
2011	95.77	84.11	1.8448
2012	93.70	87.95	2.2078
2013	103.51	93.39	2.1380
2014*	102.44	98.30	1.9023

## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)  
Fund Information (continued)

### PERFORMANCE RECORD (continued)

#### 'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	96.88	78.33	1.6591
2010	102.54	92.16	2.3519
2011	104.58	92.92	2.3412
2012	106.88	98.26	2.5472
2013	118.96	106.81	2.4350
2014*	119.57	114.73	2.2331

#### 'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	89.99	87.38	–
2010	94.47	85.48	1.0920
2011	96.19	84.30	1.8780
2012	93.38	88.05	2.2960
2013	103.06	93.12	1.8514
2014##	100.97	99.44	0.7160

#### 'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009#	96.13	93.34	–
2010	102.19	92.17	1.1640
2011	104.06	92.30	2.0315
2012	105.64	97.50	2.5292
2013	117.29	105.57	1.9449
2014##	116.83	115.06	0.8226

#### 'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	101.37	98.86	0.7736

#### 'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014###	101.37	98.86	0.7736

\* To 31 May 2014.

# From 1 December 2009.

## Closed on 24 January 2014.

### From 26 February 2014 to 31 May 2014.

## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

Fund Information (continued)

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	17,395,187	19,842,576	87.67
	'A' Accumulation	4,452,692	4,570,519	97.42
	'B' Accumulation	62,414	63,719	97.95
	'C' Income	206,188	232,649	88.63
	'C' Accumulation	887,939	888,096	99.98
	'D' Income	688,234	793,637	86.72
	'D' Accumulation	2,858,220	2,950,115	96.89
	'O' Income	50,647	58,311	86.86
	'O' Accumulation	122,476	127,345	96.18
	30.11.12	'A' Income	18,101,453	19,291,444
'A' Accumulation		3,034,010	2,848,933	106.50
'B' Accumulation		68,300	63,719	107.19
'C' Income		722,873	759,570	95.17
'C' Accumulation		2,904,226	2,643,732	109.85
'D' Income		720,254	777,353	92.65
'D' Accumulation		4,293,927	4,058,158	105.81
'O' Income		57,694	62,481	92.34
'O' Accumulation		132,684	126,830	104.61
30.11.13		'A' Income	398,397	391,820
	'A' Accumulation	898,442	760,570	118.13
	'B' Accumulation	85,798	72,063	119.06
	'C' Income	20,442,381	19,662,948	103.96
	'C' Accumulation	12,713,319	10,378,256	122.50
	'D' Income	521,260	518,648	100.50
	'D' Accumulation	3,500,460	2,984,576	117.28
	'O' Income	751	750	100.08
	'O' Accumulation	867	750	115.61
	31.05.14*	'A' Income	332,794	325,459
'A' Accumulation		887,027	737,882	120.21
'B' Accumulation		88,573	73,068	121.22
'C' Income		20,213,914	19,285,085	104.82
'C' Accumulation		13,209,885	10,570,274	124.97
'D' Income		498,843	493,793	101.02
'D' Accumulation		2,362,470	1,980,383	119.29
'S' Income		463,739	462,024	100.37
'S' Accumulation		4,997,974	4,941,378	101.15

\* See page 124 for details of share class launch and closure.

### ONGOING CHARGES FIGURE

Expense Type	31.05.14 %				
	'A'	'B'	'C'	'D'	'S'*
ACD's periodic charge	1.75	1.65	1.25	1.85	1.00
Other expenses	0.16	0.16	0.16	0.16	0.16
	1.91	1.81	1.41	2.01	1.16
Collective investment scheme costs	0.13	0.13	0.13	0.13	0.13
Ongoing charges figure	2.04	1.94	1.54	2.14	1.29

Expense Type	30.11.13 %				
	'A'	'B'	'C'	'D'	'O'*
ACD's periodic charge	1.75	1.65	1.25	1.85	2.25
Other expenses	0.18	0.18	0.18	0.18	0.18
	1.93	1.83	1.43	2.03	2.43
Collective investment scheme costs	0.11	0.11	0.11	0.11	0.11
Ongoing charges figure	2.04	1.94	1.54	2.14	2.54

\* See page 124 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

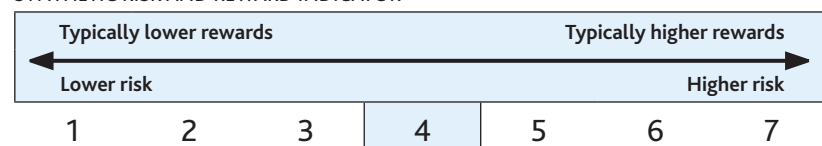
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

Fund Information (continued)

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

During the period the indicator changed from 5 to 4. The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	1.2242
'A' Accumulation	1.4140
'B' Accumulation	1.4244
'C' Income	1.2467
'C' Accumulation	1.4404
'D' Income	1.1849
'D' Accumulation	1.4040
'S' Income	0.7736
'S' Accumulation	0.7736

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM Sustainable Balance Fund	1.61	2.95	15.27	38.60
IMA Mixed Investment 20-60% Shares Sector#	2.99	3.69	16.79	48.79

# Source: Morningstar.

The performance of the Fund is based on the published price per 'D' Accumulation share which includes reinvested income.

## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 40.53% (30.11.13 – 45.17%)		
	UK EQUITY – 6.02% (30.11.13 – 6.83%)		
50,000	Aviva	262,000	0.61
22,800	BG Group	278,388	0.65
11,346	Intertek Group	330,963	0.77
6,654	Reckitt Benckiser Group	339,354	0.79
67,263	Rexam	357,503	0.83
19,150	Standard Chartered	257,089	0.60
31,200	Tesco	94,708	0.22
70,909	Vodafone Group	148,519	0.34
12,500	Whitbread	523,125	1.21
	<b>TOTAL UK EQUITY</b>	<b>2,591,649</b>	<b>6.02</b>
	NORTH AMERICAN EQUITY – 15.98% (30.11.13 – 17.61%)		
	US EQUITY – 14.48% (30.11.13 – 15.99%)		
1,354	Apple	510,959	1.19
6,300	Baxter International	279,441	0.65
8,280	Catamaran Corporation	216,016	0.50
9,600	Cerner Corporation	309,346	0.72
478	Chipotle Mexican Grill	155,906	0.36
6,800	CVS Caremark Corporation	317,430	0.74
6,583	Ecolab	428,494	1.00
9,400	HMS Holdings Corporation	105,301	0.24
9,387	Intel Corporation	152,836	0.35
2,794	International Business Machines Corporation	307,043	0.71
6,400	Mednax	219,890	0.51
12,000	Microsoft Corporation	292,748	0.68
8,200	Northern Trust Corporation	295,276	0.69
3,450	Qualcomm	165,451	0.38
5,000	Schlumberger	310,073	0.72
8,060	Starbucks Corporation	351,838	0.82
4,500	Stericycle	306,779	0.71
9,700	TJX Companies (The)	314,881	0.73
9,759	United Natural Foods	392,200	0.91
2,700	United Parcel Service	167,198	0.39
3,419	Verizon Communications	101,591	0.24
9,822	Wells Fargo & Company	297,293	0.69
10,400	Whole Foods Market	237,036	0.55
	<b>TOTAL US EQUITY</b>	<b>6,235,026</b>	<b>14.48</b>

Holding	Portfolio of Investments	Value £	31.05.14 %
	CANADIAN EQUITY – 1.50% (30.11.13 – 1.62%)		
4,600	Canadian National Railway	165,781	0.39
6,350	Royal Bank of Canada	260,088	0.60
9,700	TELUS Corporation	217,716	0.51
	<b>TOTAL CANADIAN EQUITY</b>	<b>643,585</b>	<b>1.50</b>
	<b>TOTAL NORTH AMERICAN EQUITY</b>	<b>6,878,611</b>	<b>15.98</b>
	EUROPEAN EQUITY – 16.21% (30.11.13 – 18.12%)		
	EUROZONE EQUITY – 9.21% (30.11.13 – 10.50%)		
3,572	Adidas	228,868	0.53
2,925	Allianz	295,659	0.69
21,250	AXA	312,900	0.73
6,400	BNP Paribas	267,303	0.62
2,274	Continental	320,225	0.74
4,700	Essilor International	294,642	0.68
2,887	Linde	360,280	0.84
3,555	Michelin	261,443	0.61
2,200	Münchener Rückversicherungs-Gesellschaft	290,744	0.67
8,852	Osram Licht	267,888	0.62
10,500	Saipem	163,322	0.38
7,108	SAP	324,340	0.75
5,800	Schneider Electric	325,571	0.76
5,853	Symrise	188,985	0.44
5,600	Verbund	64,668	0.15
	<b>TOTAL EUROZONE EQUITY</b>	<b>3,966,838</b>	<b>9.21</b>
	SWISS EQUITY – 4.06% (30.11.13 – 4.66%)		
12,048	ABB	170,821	0.40
3,600	Baloise Holding	258,092	0.60
7,040	Nestlé	329,590	0.76
1,650	Roche Holdings	289,954	0.67
830	Swatch Group (The)	292,541	0.68
7,700	Swiss Re	408,760	0.95
	<b>TOTAL SWISS EQUITY</b>	<b>1,749,758</b>	<b>4.06</b>

**CF 7IM SUSTAINABLE BALANCE FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	DANISH EQUITY – 1.32% (30.11.13 – 1.25%)		
15,000	Novo Nordisk	379,006	0.88
6,500	Novozymes	189,601	0.44
	TOTAL DANISH EQUITY	568,607	1.32
	NORWEGIAN EQUITY – 0.96% (30.11.13 – 0.92%)		
15,000	Statoil	274,262	0.64
39,000	Storebrand	138,062	0.32
	TOTAL NORWEGIAN EQUITY	412,324	0.96
	SWEDISH EQUITY – 0.66% (30.11.13 – 0.79%)		
17,005	Svenska Cellulosa	282,603	0.66
	TOTAL EUROPEAN EQUITY	6,980,130	16.21
	JAPANESE EQUITY – 0.55% (30.11.13 – 0.64%)		
12,200	Canon	238,193	0.55
	FAR EAST/EMERGING MARKETS EQUITY – 1.77% (30.11.13 – 1.97%)		
	BRAZILIAN EQUITY – 1.28% (30.11.13 – 1.45%)		
45,250	Companhia de Saneamento Basico ADRs	264,106	0.62
30,887	Itau Unibanco Holding ADRs	285,420	0.66
	TOTAL BRAZILIAN EQUITY	549,526	1.28
	AUSTRALIAN EQUITY – 0.49% (30.11.13 – 0.52%)		
11,000	Westpac Banking Corporation	210,022	0.49
	TOTAL FAR EAST/EMERGING MARKETS EQUITY	759,548	1.77
	TOTAL EQUITIES	17,448,131	40.53

Holding	Portfolio of Investments	Value £	31.05.14 %
	DEBT SECURITIES – 28.58% (30.11.13 – 31.55%)		
	OVERSEAS GOVERNMENT BONDS, AGENCIES & SUPRAS – 2.78% (30.11.13 – 3.17%)		
£350,000	European Investment Bank 2.25% 2020	350,707	0.82
£200,000	European Investment Bank 3.875% 2037	206,873	0.48
£190,000	European Investment Bank 5.625% 2032	242,451	0.56
£350,000	KfW 5.625% 2017	396,144	0.92
	TOTAL OVERSEAS GOVERNMENT BONDS, AGENCIES & SUPRAS	1,196,175	2.78
	GILTS – 5.52% (30.11.13 – 6.07%)		
£230,000	Treasury 3.25% 2044	224,223	0.52
£205,000	Treasury 4.25% 2036	235,894	0.55
£200,000	Treasury 4.5% 2019	225,310	0.52
£650,000	Treasury 4.5% 2034	771,688	1.79
£150,000	Treasury 4.75% 2015	158,007	0.37
£250,000	Treasury 4.75% 2038	310,735	0.72
£400,000	Treasury 5% 2018	452,244	1.05
	TOTAL GILTS	2,378,101	5.52
	UK INDEX LINKED GILTS – 1.30% (30.11.13 – 1.41%)		
£510,000	Treasury 0.125% index-linked 2024	560,393	1.30
	UK CORPORATE BONDS – 16.41% (30.11.13 – 18.04%)		
£250,000	Abbey National Treasury Services 5.75% 2026	306,893	0.71
£150,000	Anglian Water Services Financing 4.5% 2027	156,415	0.36
£500,000	Bank Nederlandse Gemeenten 1.875% 2018	498,100	1.16
£405,000	Bank Nederlandse Gemeenten 5.375% 2021	475,286	1.10
£250,000	Deutsche Bahn Finance 2.75% 2022	249,727	0.58
£250,000	Deutsche Telekom International Finance 7.375% 2019	308,027	0.72
£260,000	Dexia Municipal Agency 5.5% 2026	288,600	0.67
£195,000	Dignity Finance 8.151% 2031	271,599	0.63
£250,000	Dwr Cymru Financing 6.015% 2028	302,550	0.70
£120,000	France Telecom 7.25% 2020	147,988	0.34
£150,000	GlaxoSmithKline 5.25% 2033	174,996	0.41
£100,000	GlaxoSmithKline Capital 3.375% 2027	95,843	0.22
£200,000	Heathrow Funding 4.625% 2046	201,046	0.47
£200,000	High Speed Rail Finance 4.375% 2038	208,474	0.49

## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK CORPORATE BONDS (continued)		
£250,000	Intesa Sanpaolo 5.25% 2022	268,262	0.62
£150,000	John Lewis 8.375% 2019	186,111	0.43
£300,000	Lloyds Bank 7.5% 2024	391,801	0.91
£150,000	Nationwide Building Society 5.625% 2019	171,154	0.40
£150,000	Network Rail Infrastructure Finance 3% 2023	152,969	0.36
£400,000	Nordic Investment Bank 5.25% 2019	467,599	1.09
£200,000	Old Mutual 8% 2021	228,690	0.53
£150,000	Reed Elsevier Investments 7% 2017	174,706	0.41
£200,000	Reseau Ferre de France 5.5% 2021	236,718	0.55
£250,000	Scottish Widows 5.5% 2023	263,307	0.61
£235,000	Segro 5.5% 2018	259,514	0.60
£185,000	Siemens Financieringsmaatschappij 6.125% 2016	198,944	0.46
£160,000	Thames Water Utilities Cayman Finance 7.241% 2058	185,719	0.43
£190,000	WM Morrison Supermarkets 4.625% 2023	194,923	0.45
	<b>TOTAL UK CORPORATE BONDS</b>	<b>7,065,961</b>	<b>16.41</b>
	SHORT TERM STERLING BONDS – 2.57% (30.11.13 – 2.86%)		
£300,000	ANZ New Zealand International 1.5% 2015	302,149	0.70
£200,000	BNZ International Funding 1.21406% floating rate note 2016	201,252	0.47
£300,000	FMS Wertmanagement 1.375% 2014	301,260	0.70
£300,000	Municipality Finance 1.5% 2014	301,474	0.70
	<b>TOTAL SHORT TERM STERLING BONDS</b>	<b>1,106,135</b>	<b>2.57</b>
	<b>TOTAL DEBT SECURITIES</b>	<b>12,306,765</b>	<b>28.58</b>
	OTHER ASSETS – 25.27% (30.11.13 – 17.51%)		
	COMMODITIES – 0.89% (30.11.13 – 0.96%)		
2,861	Pictet – Agriculture*	381,142	0.89
	TIMBER – 0.83% (30.11.13 – 0.93%)		
4,114	Pictet – Timber*	356,437	0.83
	PRIVATE EQUITY & DEBT – 0.00% (30.11.13 – 0.01%)		
337,642	Low Carbon Accelerator^^	3	–

Holding	Portfolio of Investments	Value £	31.05.14 %
11,458	REAL ESTATE – 2.66% (30.11.13 – 2.79%) Sarasin Sustainable Equity Real Estate Global*	1,146,826	2.66
	INFRASTRUCTURE – 3.68% (30.11.13 – 3.91%)		
300,000	Bluefield Solar Income Fund	304,500	0.71
300,000	Foresight Solar Fund	299,250	0.70
288,000	Greencoat UK Wind	305,280	0.71
17,085	iShares Global Water UCITS ETF*	352,936	0.82
300,000	Renewables Infrastructure Group (The)	316,500	0.74
	<b>TOTAL INFRASTRUCTURE</b>	<b>1,578,466</b>	<b>3.68</b>
	EXCHANGE TRADED FUNDS – 15.53% (30.11.13 – 7.06%)		
146,840	iShares Dow Jones Global Sustainability Screened UCITS ETF*	2,827,641	6.57
74,650	UBS MSCI Pacific Socially Responsible UCITS ETF*	2,774,740	6.44
23,775	UBS MSCI World Socially Responsible UCITS ETF*	1,085,329	2.52
	<b>TOTAL EXCHANGE TRADED FUNDS</b>	<b>6,687,710</b>	<b>15.53</b>
	HEDGE FUNDS & OTHER STRATEGIES – 0.26% (30.11.13 – 0.27%)		
80	EURO STOXX 50 Index Dividend Futures December 2015##	109,931	0.26
	CURRENCY FUNDS – 1.42% (30.11.13 – 1.58%)		
680,000	Nomura Centa FX Currency GBP Notes 2014^	609,620	1.42
	<b>TOTAL OTHER ASSETS</b>	<b>10,870,135</b>	<b>25.27</b>
	MONEY MARKETS – 2.32% (30.11.13 – 1.30%)		
1,000,000	Morgan Stanley Sterling Liquidity*	1,000,000	2.32
	FORWARD CURRENCY CONTRACTS – 0.00% (30.11.13 – 0.26%)		
AUD(2,000,000)	Vs £1,086,455 (expiry 20.06.14)	(22,108)	(0.01)
¥(375,000,000)	Vs £2,227,238 (expiry 20.06.14)	29,407	0.01
	<b>TOTAL FORWARD CURRENCY CONTRACTS</b>	<b>7,299</b>	<b>–</b>



## CF 7IM SUSTAINABLE BALANCE FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

	Value £	31.05.14 %
Portfolio of investments#	41,632,330	96.70
Net other assets	1,422,889	3.30
Net assets	<u>43,055,219</u>	<u>100.00</u>
All investments are ordinary shares listed on a regulated market unless stated otherwise.		
<b>Credit Quality</b>	<b>31.05.14</b>	<b>30.11.13</b>
	<b>%</b>	<b>%</b>
Investment grade debt securities	28.15	31.06
Non-rated debt securities	0.43	0.49
Other investments	68.12	64.24
Net other assets	3.30	4.21
	<u>100.00</u>	<u>100.00</u>

\* Collective investment scheme.

^ Structured product.

^^ Unlisted security.

# Includes derivative liabilities.

## Future contract.

Definition:

ADRs – American Depositary Receipts.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£7,946,585**

Purchases	Cost £
UBS MSCI World Socially Responsible UCITS ETF	2,802,523
UBS MSCI Pacific Socially Responsible UCITS ETF	2,749,360
iShares Dow Jones Global Sustainability Screened UCITS ETF	989,172
European Investment Bank 2.25% 2020	348,250
Treasury 5% 2018	342,090
Abbey National Treasury Services 5.75% 2026	303,790
Baxter International	263,800
Greencoat UK Wind	147,600

In addition to above, purchases totalling £500,000 were made in short term investment funds during the half year.

**Total sales for the half year** **£4,143,586**

Sales	Proceeds £
UBS MSCI World Socially Responsible UCITS ETF	1,748,831
iShares Dow Jones Global Sustainability Screened UCITS ETF	988,615
European Investment Bank 4.125% 2017	379,050
Treasury 4.25% 2039	340,440
Alexion Pharmaceuticals	269,093
Santander UK 6.5% 2015	268,098
Greencoat UK Wind	149,459

The summary of material portfolio changes represents all of the purchases and sales during the half year.

CF 7IM SUSTAINABLE BALANCE FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		600,636		2,574,255
Revenue	593,472		552,566	
Expenses	(299,587)		(297,916)	
Finance costs: Interest	—		—	
Net revenue before taxation	293,885		254,650	
Taxation	(30,932)		(23,825)	
Net revenue after taxation	262,953		230,825	
<b>Total return before distributions</b>	863,589		2,805,080	
Finance costs: Distributions	(474,826)		(459,906)	
<b>Change in net assets attributable to shareholders from investment activities</b>	388,763		2,345,174	

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>	38,561,675		30,035,421	
Amounts receivable on issue of shares	5,218,116		4,444,519	
Amounts payable on cancellation of shares	(1,342,496)		(2,294,537)	
	3,875,620		2,149,982	
Stamp duty reserve tax	(598)		(842)	
Change in net assets attributable to shareholders from investment activities	388,763		2,345,174	
Retained distribution on Accumulation shares	229,759		185,682	
<b>Closing net assets attributable to shareholders</b>	43,055,219		34,715,417	

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>	41,654,438		36,939,604	
<b>Other assets</b>				
Debtors	393,707		591,595	
Cash and bank balances	1,463,650		1,340,089	
<b>Total other assets</b>	1,857,357		1,931,684	
<b>Total assets</b>	43,511,795		38,871,288	
<b>LIABILITIES</b>				
<b>Investment liabilities</b>	(22,108)		—	
<b>Other liabilities</b>				
Creditors	(102,581)		(100,350)	
Bank overdrafts	(78,051)		(57,546)	
Distribution payable on Income shares	(253,836)		(151,717)	
<b>Total other liabilities</b>	(434,468)		(309,613)	
<b>Total liabilities</b>	(456,576)		(309,613)	
<b>Net assets attributable to shareholders</b>	43,055,219		38,561,675	

CF 71M AAP MODERATELY CAUTIOUS FUND  
ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 MAY 2014

IMPORTANT INFORMATION

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Capita Financial Managers Limited has updated the Prospectus to comply with new Financial Conduct Authority rules requiring added disclosures for funds which use the term 'total return' in either their name or objectives. The qualifying statement added to the investment objectives and policy of the Fund make it clear to investors that a positive return is not guaranteed.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

INVESTMENT OBJECTIVE AND POLICY

The CF 71M AAP (Asset Allocated Passives) Moderately Cautious Fund ('the Fund') aims to provide a total return, substantially by way of income though with some capital appreciation. There may be a moderate risk to capital.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Fund may use different asset classes, with a substantial proportion in fixed interest, or instruments that track the returns of fixed interest.

Investment may also be made in equities, exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

IMA Mixed Investment 0-35% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED  
ACD of CF 71M AAP Moderately Cautious Fund  
29 July 2014

INVESTMENT MANAGER'S REPORT

PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 2.6%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 0-35% Shares Sector which is the Fund benchmark was 2.5%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M AAP Moderately Cautious 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

## CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO REVIEW

The Fund value rose from £527.4 million<sup>3</sup> at 30 November 2013 to £579.7 million<sup>4</sup> at 31 May 2014.

In the six month under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we increased the US equity allocation adding to the S&P equally weighted certificate. We switched some of the UK, US and EM exposure from equity baskets and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these regions. We also sold down the EURO STOXX 50 futures and disposed of the Lyxor MSCI EMU Value UCITS ETF to fund a purchase in a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this region.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore raised exposure to Japan TOPIX futures using some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we extended the maturity of the peripheral eurozone government bonds to pick up a little more return – the yields on the shorter dated bonds had contracted to a level where we thought there was only little scope for further improvement. Going a little longer out down the yield curve meant we could pick up more yield and enhance returns. At the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other such event.

In contrast to extending the maturity of the peripheral eurozone bonds, we shortened maturity in the high yield bond allocation buying the PIMCO Short-Term High Yield Corporate Bond Index Source ETF so building the credit risk in the Fund but without adding much duration risk selling the holding of iShares Markit iBOXX® \$ High Yield Capped Bond UCITS ETF.

We also made a further allocation to EM bonds in line with our tactical allocation target. The EM bonds market has grown strongly over the past few years and the asset class was in our opinion currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We added to the holding of SPDR Barclays Emerging Markets Local Bond UCITS ETF, trimming the holding of UK corporate bonds and disposing of the holdings of UK index-linked bonds where we thought potential returns were less attractive, but retaining the global index-linked bonds which we felt still offered good value.

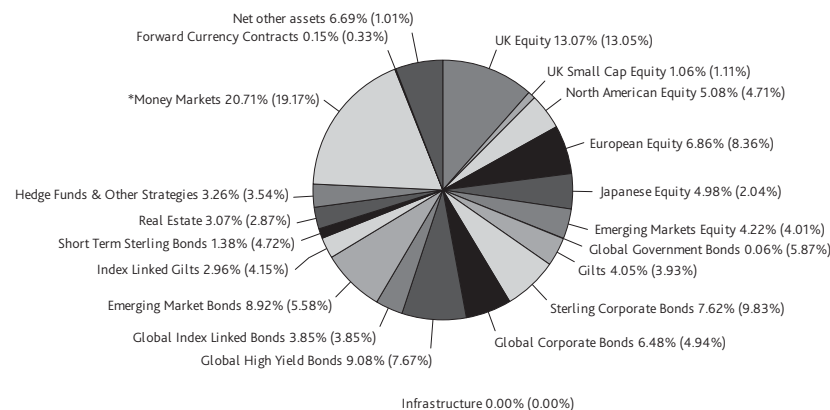
The level of cash at the end of period was higher than at the beginning which arose from the end of May sale of the global government bonds which we decided to continue to hold as cash as protection from short term volatility over the year end ahead of the ECB decision.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.83	87.82	2.8000
2010	105.66	98.14	1.9373
2011	106.43	98.79	2.1456
2012	106.34	101.48	2.3990
2013	113.99	105.33	2.4935
2014*	111.89	107.61	2.2019

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	105.09	89.88	2.7527
2010	111.18	102.52	2.0211
2011	113.61	106.14	2.2837
2012	117.73	110.85	2.5934
2013	126.99	117.65	2.7612
2014*	127.19	122.32	2.4942

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	103.17	88.70	2.7040
2010	107.62	99.80	1.9536
2011	108.64	101.03	2.1866
2012	109.25	104.07	2.4642
2013	117.34	108.47	2.5579
2014*	115.65	111.08	2.2727

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	105.93	90.33	2.7966
2010	112.65	103.49	2.0306
2011	115.46	107.98	2.3044
2012	120.35	113.05	2.6475
2013	130.03	120.29	2.8162
2014*	130.77	125.60	2.5569

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.48	87.73	2.6804
2010	104.86	97.51	1.9290
2011	105.40	97.71	2.1286
2012	104.78	100.15	2.3630
2013	112.16	103.60	2.4610
2014*	109.74	105.64	2.1482

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	104.54	89.62	2.7139
2010	110.15	101.87	1.9972
2011	112.27	104.81	2.2641
2012	115.79	109.24	2.5617
2013	124.75	115.71	2.7107
2014*	124.54	119.89	2.4453

CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.35	87.68	2.6522
2010	104.63	97.33	1.9212
2011	105.12	97.41	2.1444
2012	104.37	99.78	2.3622
2013	111.66	103.14	2.4439
2014*	109.16	105.11	2.1579

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	104.44	89.59	2.6844
2010	109.92	101.74	1.9977
2011	111.96	104.50	2.2211
2012	115.34	108.86	2.5568
2013	124.20	115.26	2.6963
2014*	123.89	119.29	2.3128

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	102.27	99.46	0.6100

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	102.26	99.45	0.6100

\* To 31 May 2014.

# From 26 February 2014 to 31 May 2014.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	4,022,539	4,004,538	100.45
	'A' Accumulation	29,578,092	27,092,390	109.17
	'C' Income	14,954,158	14,549,685	102.78
	'C' Accumulation	81,986,094	73,775,259	111.13
	'D' Income	11,367,014	11,447,142	99.30
	'D' Accumulation	126,346,300	117,255,217	107.75
	'O' Income	1,786,943	1,805,368	98.98
	'O' Accumulation	4,321,108	4,022,561	107.42
30.11.12	'A' Income	4,866,876	4,646,633	104.74
	'A' Accumulation	44,166,136	37,851,765	116.68
	'C' Income	29,421,051	27,341,712	107.61
	'C' Accumulation	154,470,131	129,538,654	119.25
	'D' Income	11,711,248	11,347,077	103.21
	'D' Accumulation	147,963,120	128,894,549	114.79
	'O' Income	1,245,426	1,211,595	102.79
	'O' Accumulation	6,084,572	5,321,073	114.35
30.11.13	'A' Income	1,886,782	1,733,348	108.85
	'A' Accumulation	10,117,102	8,176,401	123.74
	'C' Income	46,184,363	41,129,664	112.29
	'C' Accumulation	323,521,566	254,809,761	126.97
	'D' Income	8,995,219	8,412,534	106.93
	'D' Accumulation	135,187,170	111,404,488	121.35
	'O' Income	917,813	862,532	106.41
	'O' Accumulation	82,628	68,426	120.76
31.05.14*	'A' Income	1,140,756	1,032,378	110.50
	'A' Accumulation	9,556,620	7,530,358	126.91
	'C' Income	45,985,721	40,261,936	114.22
	'C' Accumulation	320,927,763	245,958,062	130.48
	'D' Income	6,387,751	5,894,426	108.37
	'D' Accumulation	122,866,816	98,878,292	124.26
	'O' Income	353,990	328,397	107.79
	'O' Accumulation	84,577	68,426	123.60
	'S' Income	6,314,761	6,225,275	101.44
	'S' Accumulation	65,500,134	64,192,233	102.04

\* See page 146 for details of share class launch.

## CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)  
Fund Information (continued)

### ONGOING CHARGES FIGURE

Expense Type	31.05.14				
	'A'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.00	0.50	1.40	1.50	0.25
Other expenses	0.05	0.05	0.05	0.05	0.05
	<u>1.05</u>	<u>0.55</u>	<u>1.45</u>	<u>1.55</u>	<u>0.30</u>
Collective investment scheme costs	0.14	0.14	0.14	0.14	0.14
Ongoing charges figure	<u>1.19</u>	<u>0.69</u>	<u>1.59</u>	<u>1.69</u>	<u>0.44</u>

Expense Type	30.11.13			
	'A'	'C'	'D'	'O'
ACD's periodic charge	1.00	0.50	1.40	1.50
Other expenses	0.05	0.05	0.05	0.05
	<u>1.05</u>	<u>0.55</u>	<u>1.45</u>	<u>1.55</u>
Collective investment scheme costs	0.13	0.13	0.13	0.13
Ongoing charges figure	<u>1.18</u>	<u>0.68</u>	<u>1.58</u>	<u>1.68</u>

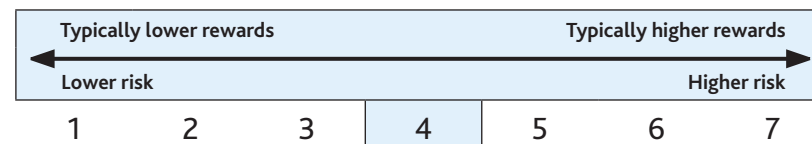
\* See page 146 for details of share class launch.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	1.1430
'A' Accumulation	1.3006
'C' Income	1.1803
'C' Accumulation	1.3332
'D' Income	1.1218
'D' Accumulation	1.2739
'O' Income	1.1215
'O' Accumulation	1.2668
'S' Income	0.6100
'S' Accumulation	0.6100

## CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)  
Fund Information (continued)

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM AAP Moderately Cautious Fund	2.57	1.98	12.80	34.52
IMA Mixed Investment 0-35% Shares Sector#	2.62	2.05	13.01	38.09

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

### PORTFOLIO STATEMENT AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 23.64% (30.11.13 – 24.60%)		
	UK EQUITY – 11.37% (30.11.13 – 10.51%)		
46,721	3i Group	201,695	0.03
20,920	Aberdeen Asset Management	93,094	0.02
2,140	Aberforth Smaller Companies	24,032	–
1,493	Absolute Return Trust <i>preference shares</i> ^^^	506	–
4,405	Admiral Group	64,181	0.01
4,566	Advance Developing Markets	19,348	–
25,242	Afren	38,519	0.01
4,003	African Barrick Gold	8,631	–
6,377	Aggreko	106,241	0.02
8,262	Alent	26,703	0.01
47,402	Alliance Trust (The)	214,447	0.04
18,331	AMEC	221,439	0.04
11,220	Amlin	52,723	0.01
41,192	Anglo American	600,373	0.10
6,355	Antofagasta	50,046	0.01
7,291	Aquarius Platinum	1,823	–
44,738	ARM Holdings	411,142	0.07
6,493	Ashmore Group	22,907	–
19,305	Ashtead Group	169,981	0.03
2,210	Asia Resource Minerals****	4,376	–
9,265	Associated British Foods	279,618	0.05
37,025	AstraZeneca	1,585,966	0.27
2,250	Aveva Group	50,333	0.01
87,333	Aviva	457,625	0.08
23,367	Babcock International Group	283,442	0.05
79,643	BAE Systems	336,970	0.06
14,029	Balfour Beatty	33,094	0.01
480,194	Barclays	1,185,599	0.20
43,147	Barratt Developments	154,121	0.03
11,666	BBA Aviation	36,538	0.01
20,182	Beazley	49,365	0.01
2,316	Bellway	31,961	0.01
4,876	Berendsen	48,467	0.01
4,293	Berkeley Group Holdings	96,764	0.02
2,763	Betfair Group	27,409	0.01
99,317	BG Group	1,212,661	0.21
4,938	BH Global	59,256	0.01
599	BH Macro	11,669	–
63,753	BHP Billiton	1,190,906	0.21
55,587	BlackRock Throgmorton Trust	161,341	0.03
6,993	BlackRock World Mining	31,993	0.01
6,120	Bodycote	45,655	0.01
28,612	Booker Group	40,658	0.01



**CF 7IM AAP MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

<b>Holding</b>	<b>Portfolio of Investments</b>	<b>Value £</b>	<b>31.05.14 %</b>
	UK EQUITY <i>(continued)</i>		
3,573	Bovis Homes Group	27,101	0.01
543,070	BP	2,731,099	0.47
25,529	Brewin Dolphin Holdings	81,386	0.01
51,932	British American Tobacco	1,869,812	0.32
26,126	British Land Company	186,801	0.03
28,760	British Sky Broadcasting Group	253,519	0.04
8,800	Britvic	65,692	0.01
196,999	BT Group	782,086	0.14
15,739	BTG	93,883	0.02
7,952	Bunzl	132,798	0.02
13,014	Burberry Group	199,375	0.03
8,817	Bwin.Party Digital Entertainment	10,492	-
49,244	Cable & Wireless Communications	26,050	0.01
8,549	Cairn Energy	16,867	-
414	Caledonia Investments	9,195	-
21,689	Capita**	239,880	0.04
21,769	Capital & Counties Properties	73,557	0.01
26,594	Carillion	94,169	0.02
4,502	Carnival	109,128	0.02
10,845	Catlin Group	56,719	0.01
42,419	Centamin	25,770	-
118,087	Centrica	396,300	0.07
7,742	Chemring Group	17,381	-
10,877	Cineworld Group	37,330	0.01
3,988	Close Brothers Group	52,841	0.01
1,620	CLS Holdings	22,194	-
27,155	Cobham	86,462	0.01
1	Coca-Cola HBC	14	-
61,630	Compass Group	612,910	0.11
18,224	CRH	298,327	0.05
4,040	CSR	23,957	-
5,376	Daily Mail & General	46,798	0.01
6,981	Darty	6,004	-
3,698	DCC	129,541	0.02
916	De La Rue	7,864	-
17,798	Debenhams	13,526	-
2,379	Dechra Pharmaceuticals	16,427	-
2,460	Derwent London	67,306	0.01
8,915	Development Securities	21,106	-
33,228	Dexion Equity Alternative***	33	-
14,469	Dexion Equity****	603	-
68,099	Diageo	1,306,820	0.23
3,346	Dialight	30,131	0.01
47,086	Direct Line Insurance Group	119,222	0.02
74,026	Dixons Retail	35,895	0.01

<b>Holding</b>	<b>Portfolio of Investments</b>	<b>Value £</b>	<b>31.05.14 %</b>
	UK EQUITY <i>(continued)</i>		
2,954	Domino Printing Sciences	22,967	-
7,403	Drax Group	46,528	0.01
48,732	DS Smith	154,724	0.03
2,795	Dunedin Enterprise Investment Trust	11,879	-
2,085	Dunelm Group	19,036	-
6,190	easyJet	94,707	0.02
10,115	Edinburgh Dragon Trust	26,046	0.01
5,589	Edinburgh Investment Trust (The)	34,037	0.01
12,434	Electrocomponents	35,574	0.01
8,631	Elementis	24,685	-
19,701	EnQuest	27,700	-
13,325	Enterprise Inns	18,029	-
10,620	Essar Energy	7,407	-
5,526	Essentra	43,628	0.01
13,898	eSure Group	36,830	0.01
5,151	Evrax	5,383	-
3,806	Exillon Energy	5,290	-
34,609	Experian	358,549	0.06
6,306	Fenner	21,970	-
2,814	Ferrexpo	3,852	-
2,406	Fidessa Group	55,699	0.01
40,746	FirstGroup	57,085	0.01
49,017	Foreign & Colonial Investment Trust	185,137	0.03
5,732	Fresnillo	46,171	0.01
148	FTSE 100 Index Future June 2014##	294,556	0.05
1,396	Fuller Smith & Turner	13,304	-
39,456	G4S	98,601	0.02
4,950	Galliford Try	55,886	0.01
1,115	Gem Diamonds	1,770	-
2,353	Genus	25,154	-
65,034	GKN	255,258	0.04
144,060	GlaxoSmithKline	2,306,401	0.40
261,507	Glencore Xstrata	845,452	0.15
1,377,864	Goldman Sachs Dynamic Opportunities***	34,878	0.01
11,502	Grafton Group	65,676	0.01
13,304	Great Portland Estates	86,609	0.01
8,207	Greene King	70,170	0.01
1,941	Halfords Group	9,451	-
13,572	Halma	80,143	0.01
17,217	Hammerson	102,527	0.02
6,085	Hargreaves Lansdown	74,176	0.01
17,118	Hays	25,865	-
17,349	Henderson European Focus Trust	170,541	0.03
3,694	Henderson EuroTrust	31,214	0.01
10,817	Henderson Far East Income	34,101	0.01

**CF 7IM AAP MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
65,837	Henderson Group	164,263	0.03
15,978	Henderson Smaller Companies Investment Trust (The)	86,920	0.02
5,345	Herald Investment Trust	36,239	0.01
30,119	HICL Infrastructure Company	41,112	0.01
3,025	Hikma Pharmaceuticals	51,546	0.01
2,853	Hill & Smith Holdings	15,749	-
8,028	Hiscox	54,631	0.01
4,236	Hochschild Mining	6,269	-
16,156	Home Retail Group	30,438	0.01
4,771	Homeserve	16,116	-
19,031	Howden Joinery Group	60,766	0.01
562,368	HSBC Holdings	3,537,857	0.61
12,430	Hunting	101,553	0.02
10,646	ICAP	42,488	0.01
8,653	IG Group	52,048	0.01
3,574	Imagination Technologies Group	8,402	-
6,069	IMI	96,861	0.02
24,937	Imperial Tobacco Group	671,304	0.12
7,694	Inchcape	47,857	0.01
9	Informa	46	-
7,915	Inmarsat	57,819	0.01
233,093	Innovation Group	78,086	0.01
5,631	InterContinental Hotels Group	132,497	0.02
7,218	Intermediate Capital Group	30,178	0.01
58,653	International Consolidated Airlines	230,800	0.04
9,795	International Personal Finance	59,652	0.01
36,911	International Public Partnerships	47,837	0.01
5,571	Intertek Group	162,506	0.03
18,702	Intu Properties	58,893	0.01
5,203	Investec	26,926	-
28,118	IP Group	50,331	0.01
100,666	ITV	183,313	0.03
5,674	Jardine Lloyd Thompson Group	58,783	0.01
16,014	John Wood Group	125,950	0.02
4,245	Johnson Matthey	136,349	0.02
1,994	JPMorgan European Fledgeling	22,612	-
14,261	JPMorgan European Investment Trust	32,872	0.01
9,570	Jupiter Fund Management	38,337	0.01
7,320	Kazakhmys	20,232	-
3,618	Keller Group	34,461	0.01
43,189	Kenmare Resources	4,319	-
6,958	Kentz Corporation	50,550	0.01
73,641	Kingfisher	288,599	0.05
28,752	Ladbrokes	43,876	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
8,333	Laird	24,999	-
4,847	Lamprell	7,998	-
3,464	Lancashire Holdings	22,481	-
23,363	Land Securities Group	249,283	0.04
183,112	Legal & General Group	421,524	0.07
1,627,330	Lloyds Banking Group	1,266,551	0.22
4,261	London Stock Exchange Group	83,388	0.01
25,146	LondonMetric Property	36,411	0.01
2,708	Lonmin	6,957	-
33,524	Man Group	33,625	0.01
39,872	Marks & Spencer Group	179,065	0.03
13,642	Meggitt	66,095	0.01
41,371	Melrose Industries	115,797	0.02
12,825	Mercantile	194,042	0.03
51,886	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	7,588,328	1.31
4,884	Michael Page International	22,393	-
2,430	Micro Focus International	20,242	-
11,318	Mitchells & Butlers	47,626	0.01
8,988	Mitie Group	30,137	0.01
3,176	MJ Gleeson Group	12,228	-
15,875	Mondi	170,021	0.03
8,514	MoneySupermarket.com Group	15,036	-
6,999	Morgan Crucible	23,741	-
48,746	Morrison (Wm.) Supermarkets	98,272	0.02
3,773	Murray International	40,937	0.01
9,359	National Express Group	25,924	-
90,621	National Grid	806,074	0.14
4,324	Next	286,897	0.05
2,713	North American Income Trust (The)	22,314	-
10,493	Ocado Group	40,545	0.01
152,403	Old Mutual	307,854	0.05
10,322	Ophir Energy	26,476	-
6,606	Optos	11,131	-
842	Oxford Instruments	10,971	-
6,318	Pace	23,705	-
2,186	Pantheon International Participations	24,658	-
10,506	Paragon Group Companies	39,471	0.01
23,635	Pearson	276,530	0.05
41,737	Pendragon	12,312	-
9,851	Pennon Group	77,183	0.01
7,498	Persimmon	100,248	0.02
6,704	Petroceltic International^^	10,240	-
13,444	Petrofac	169,529	0.03
2,428	Petropavlovsk	1,414	-

**CF 7IM AAP MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
2,314	Phoenix Group Holdings	15,006	–
3,572	Playtech	24,200	–
4,099	Polymetal International	21,417	–
4,095	Premier Foods	2,406	–
13,314	Premier Oil	46,865	0.01
3,892	Provident Financial	81,421	0.01
71,789	Prudential	994,278	0.17
8,929	Punch Taverns	960	–
3,563	PZ Cussons	12,542	–
16,857	QinetiQ Group	35,231	0.01
2,077	Randgold Resources	90,495	0.02
17,477	Reckitt Benckiser Group	891,327	0.15
41,193	Reed Elsevier	391,745	0.07
27,145	Regus	52,173	0.01
785	Renishaw	13,314	–
33,102	Rentokil Initial	39,027	0.01
46,134	Rexam	245,202	0.04
1,877	Rightmove	43,021	0.01
37,502	Rio Tinto	1,146,249	0.20
3,311	RIT Capital Partners	43,308	0.01
5,468	Robert Walters	17,170	–
55,943	Rolls-Royce Holdings	581,807	0.10
1,990	Rotork	51,800	0.01
68,384	Royal Bank of Scotland Group	236,951	0.04
107,584	Royal Dutch Shell 'A'	2,522,307	0.44
66,154	Royal Dutch Shell 'B'	1,610,519	0.28
17,176	Royal Mail Group	87,855	0.02
10,303	RPC Group	62,745	0.01
21,275	RSA Insurance Group	102,077	0.02
24,327	SABMiller	805,345	0.14
23,784	Sage Group (The)	97,467	0.02
30,954	Sainsbury (J)	107,008	0.02
3,669	Schroders	94,844	0.02
49	Schroders <i>non-voting</i>	964	–
8,887	Scottish Mortgage	91,980	0.02
4,026	Scottish Oriental Smaller Companies (The)	31,463	0.01
12,307	Segro	45,450	0.01
15,443	Serco Group	57,386	0.01
5,121	Severn Trent	100,730	0.02
10,223	Shaftesbury	68,494	0.01
17,825	Shire	608,546	0.11
62,349	SIG	122,828	0.02
18,504	Smith & Nephew	193,552	0.03
7,403	Smiths Group	97,794	0.02
4,757	SOCO International	19,927	–
2,505	Spectris	57,415	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
3,393	Spirax-Sarco Engineering	97,006	0.02
25,600	Spirent Communications	26,726	–
5,920	Sports Direct International	46,561	0.01
19,874	SSE	309,041	0.05
16,931	St. James's Place	132,485	0.02
12,010	Stagecoach Group	46,743	0.01
61,369	Standard Chartered	823,879	0.14
61,480	Standard Life	245,797	0.04
627	SuperGroup	7,292	–
4,500	SVG Capital	19,557	–
11,459	Synthomer	30,023	0.01
11,873	TalkTalk Telecom Group	38,041	0.01
10,050	Tate & Lyle	69,596	0.01
154,381	Taylor Wimpey	167,195	0.03
4,414	TelecityGroup	31,384	0.01
3,825	Temple Bar	47,889	0.01
22,538	Templeton Emerging Markets	125,086	0.02
230,598	Tesco	699,980	0.12
44,450	Thomas Cook Group	72,898	0.01
1,723	TR European Growth Trust	9,838	–
10,920	Travis Perkins	183,674	0.03
19,648	Trinity Mirror	31,633	0.01
9,806	TT Electronics	20,225	–
20,378	TUI Travel	83,570	0.01
27,243	Tullow Oil	229,658	0.04
4,748	UBM	31,954	0.01
6,766	UDG Healthcare	23,275	–
1,212	Ultra Electronics holdings	22,410	–
28,177	Unilever	754,580	0.13
13,948	United Utilities Group	120,999	0.02
3,971	Vedanta Resources	43,681	0.01
8,262	Vesuvius	37,856	0.01
722	Victrex	13,010	–
747,404	Vodafone Group	1,565,438	0.27
6,856	Weir Group (The)	179,627	0.03
5,812	Whitbread	243,232	0.04
17,825	William Hill	63,368	0.01
8,615	Witan Investment Trust	61,425	0.01
5,304	Wolseley	176,252	0.03
36,691	WPP	471,846	0.08
2,293	WS Atkins	30,107	0.01
	TOTAL UK EQUITY	65,850,979	11.37

**CF 71M AAP MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK SMALL CAP EQUITY – 1.06% (30.11.13 – 1.11%)		
4,077,125	BlackRock Mid Cap UK Equity Tracker*	6,144,227	1.06
	NORTH AMERICAN EQUITY – 1.77% (30.11.13 – 4.71%)		
3,403	Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014^	9,976,891	1.72
1,051	MSCI USA Equal Weighted NTR USD Index Futures June 2014##	248,419	0.05
	<b>TOTAL NORTH AMERICAN EQUITY</b>	<b>10,225,310</b>	<b>1.77</b>
	EUROPEAN EQUITY – 6.86% (30.11.13 – 5.66%)		
1,059	A.P. Møller-Mærsk	1,646,104	0.28
35,523	Abertis Infraestructuras	464,546	0.08
151,749	Aegon	785,518	0.14
151,749	Aegon rights	–	–
21,665	Alfa Laval	338,776	0.06
50,805	ArcelorMittal	462,906	0.08
22,855	BNP Paribas	954,565	0.16
6,691	CGG	53,888	0.01
6,229	Coloplast	320,481	0.06
11,074	Delhaize Group	469,905	0.08
64,917	E.ON	752,561	0.13
39,567	Elektro	305,294	0.05
62,239	GDF Suez	1,036,957	0.18
21,177	Henkel non-voting preference shares	1,459,032	0.25
5,969	Hennes & Mauritz	150,661	0.03
37,819	Husqvarna	176,873	0.03
125,713	Iberdrola	538,963	0.09
9,866	Industrivärden	118,084	0.02
14,574	ING Groep	121,823	0.02
725,549	Intesa Sanpaolo	1,450,831	0.25
16,409	Investment AB Kinnevik	388,397	0.07
47,448	iShares EURO STOXX Mid UCITS ETF*	1,749,882	0.30
71,348	iShares EURO STOXX Small UCITS ETF*	1,703,077	0.29
80,371	Koninklijke Ahold	871,234	0.15
21,895	Koninklijke KPN	48,271	0.01
13,838	Merck KGaA	1,420,132	0.25
12,169	Munich Re	1,608,210	0.28
18,049	Neste Oil	220,248	0.04
24,712	Nestle	1,156,936	0.20

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
9,365	Nokian Renkaat	236,787	0.04
5,660	Novo Nordisk	143,012	0.02
7,815	Orion	146,989	0.03
4,702	Pernod Ricard	344,074	0.06
9,226	Publicis Groupe	474,875	0.08
12,462	Reed Elsevier	166,467	0.03
13,683	Renault	768,623	0.13
7,485	Repsol	125,833	0.02
5,906	Roche Holding	1,037,859	0.18
8,242	Sanofi	525,406	0.09
30,399	Schneider Electric	1,706,383	0.29
12,336	Skanska	170,548	0.03
34,450	Source Man GLG Continental Europe Plus UCITS ETF*	3,951,070	0.68
55,203	Stora Enso	337,489	0.06
17,607	Südzucker	212,993	0.04
28,328	Swiss Re	1,503,811	0.26
4,447	Technip	285,004	0.05
12,995	Tele2	91,801	0.02
25,078	Telefonaktiebolaget LM Ericsson	187,567	0.03
24,426	Telefonica	244,513	0.04
19,264	Telefonica Deutschland Holding	89,407	0.02
36,003	Telenor	509,163	0.09
43,025	Tenaris	574,728	0.10
2,246	Thales	80,222	0.01
34,706	UPM-Kymmene	364,501	0.06
8,938	Vinci	394,756	0.07
4,737	Voestalpine	130,446	0.02
13,703	Volkswagen non-voting preference shares	2,173,237	0.38
21,554	Yara International	587,272	0.10
7,650	Zurich Insurance Group	1,370,861	0.24
	<b>TOTAL EUROPEAN EQUITY</b>	<b>39,709,852</b>	<b>6.86</b>
	JAPANESE EQUITY – 0.05% (30.11.13 – 0.15%)		
410	TOPIX Index Future June 2014##	307,091	0.05
	EMERGING MARKETS EQUITY – 2.53% (30.11.13 – 2.46%)		
353	Mini MSCI Emerging Markets Index Futures June 2014##	995,661	0.17
2,176	TOBAM Anti-Benchmark Emerging Markets*	13,666,186	2.36
	<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>14,661,847</b>	<b>2.53</b>
	<b>TOTAL EQUITIES</b>	<b>136,899,306</b>	<b>23.64</b>

**CF 7IM AAP MODERATELY CAUTIOUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	BONDS – 59.94% (30.11.13 – 65.53%)		
	GLOBAL GOVERNMENT BONDS – 0.06% (30.11.13 – 5.87%)		
€433,000	Spain Government Bond 1.8% 2024	359,814	0.06
	GILTS – 4.05% (30.11.13 – 3.93%)		
£980,000	Treasury 1.75% 2017	998,103	0.17
£4,590,000	Treasury 2% 2016	4,689,791	0.81
£3,300,000	Treasury 2.75% 2015	3,349,830	0.58
£3,000,000	Treasury 4% 2022	3,365,274	0.58
£1,700,000	Treasury 4.25% 2036	1,956,192	0.34
£1,700,000	Treasury 4.25% 2049	2,020,452	0.35
£1,700,000	Treasury 4.75% 2030	2,064,157	0.36
£4,420,000	Treasury 5% 2018	4,997,301	0.86
	TOTAL GILTS	23,441,100	4.05
	STERLING CORPORATE BONDS – 7.62% (30.11.13 – 9.83%)		
£724,000	Affordable Housing Finance 3.8% 2042	734,425	0.13
81,107	UBS Sterling Corporate Bond Indexed*	8,066,037	1.39
352,299	Vanguard U.K. Short-Term Investment Grade Bond Index*	35,303,261	6.10
	TOTAL STERLING CORPORATE BONDS	44,103,723	7.62
	GLOBAL CORPORATE BONDS – 6.48% (30.11.13 – 4.94%)		
33,893,219	BlackRock Overseas Corporate Bond Tracker*	37,519,793	6.48
	GLOBAL HIGH YIELD BONDS – 9.08% (30.11.13 – 7.67%)		
158,884	iShares Markt iBOXX® Euro High Yield Bond UCITS ETF*	14,237,473	2.46
599,815	PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF*	38,352,354	6.62
	TOTAL GLOBAL HIGH YIELD BONDS	52,589,827	9.08

Holding	Portfolio of Investments	Value £	31.05.14 %
	GLOBAL INDEX LINKED BONDS – 3.85% (30.11.13 – 3.85%)		
€360,000	Deutsche Bundesrepublik 1.5% index-linked 2016	352,598	0.06
€330,000	Deutsche Bundesrepublik 1.75% index-linked 2020	333,350	0.06
€300,000	France Government Bond 1.1% index-linked 2022	288,618	0.05
€850,000	France Government Bond 1.3% index-linked 2019	806,287	0.14
€130,000	France Government Bond 2.1% index-linked 2023	137,126	0.02
€720,000	France Government Bond 2.25% index-linked 2020	829,728	0.14
€110,000	France Government Bond 3.15% index-linked 2032	157,753	0.03
€5,000,000	Italy Treasury 2.1% index-linked 2016	4,536,196	0.78
€5,000,000	Italy Treasury 2.1% index-linked 2017	4,983,823	0.86
\$3,000,000	US Treasury 0.375% index-linked 2023	1,852,816	0.32
\$3,000,000	US Treasury 0.5% index-linked 2015	1,980,366	0.34
\$2,600,000	US Treasury 1.375% index-linked 2020	1,856,723	0.32
\$2,600,000	US Treasury 1.625% index-linked 2018	1,909,388	0.33
\$2,000,000	US Treasury 1.75% index-linked 2028	1,557,127	0.27
\$900,000	US Treasury 2.125% index-linked 2041	736,622	0.13
	TOTAL GLOBAL INDEX LINKED BONDS	22,318,521	3.85
	EMERGING MARKET BONDS – 8.92% (30.11.13 – 5.58%)		
347,435	PIMCO Emerging Markets Advantage Local Bond Index Source ETF*	21,662,053	3.74
538,295	SPDR Barclays Emerging Markets Local Bond UCITS ETF*	30,018,987	5.18
	TOTAL EMERGING MARKET BONDS	51,681,040	8.92
	INDEX LINKED GILTS – 2.96% (30.11.13 – 4.15%)		
£375,000	Treasury 0.625% index-linked 2040	522,729	0.09
£1,260,000	Treasury 0.75% index-linked 2047	1,992,258	0.35
£1,640,000	Treasury 1.25% index-linked 2017	2,372,080	0.41
£2,835,000	Treasury 1.25% index-linked 2027	4,481,562	0.77
£890,000	Treasury 1.25% index-linked 2055	1,871,976	0.32
£1,710,000	Treasury 2% index-linked 2035	3,565,027	0.62
£635,000	Treasury 2.5% index-linked 2020	2,318,975	0.40
	TOTAL INDEX LINKED GILTS	17,124,607	2.96

**CF 7IM AAP MODERATELY CAUTIOUS FUND**

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS – 16.92% (30.11.13 – 19.71%)		
£8,048,000	Bank Nederlandse Gemeenten 2.375% 2015	8,233,973	1.42
759,294	BNY Mellon Compass – Euro Credit Short Duration*	7,630,903	1.32
£1,000,000	BNZ International Funding 1.22656% <i>floating</i> <i>rate note</i> 2016	1,006,260	0.17
£3,300,000	Caisse d'Amortissement de la Dette Sociale 3.75% 2014	3,327,701	0.58
£2,000,000	Council of Europe Development Bank 1.625% 2015	2,023,730	0.35
£3,500,000	Council of Europe Development Bank 3.375% 2014	3,543,775	0.61
£1,600,000	Deutsche Pfandbriefbank 0.97594% <i>floating</i> <i>rate note</i> 2016	1,599,989	0.28
£7,000,000	European Investment Bank 3.25% 2016	7,351,743	1.27
£6,000,000	Export Development Canada 0.875% 2016	5,960,094	1.03
£5,000,000	International Bank for Reconstruction & Development 1% 2016	4,983,400	0.86
£1,100,000	KfW 1.75% 2016	1,115,423	0.19
£6,000,000	Kommunalbanken 1.375% 2015	6,045,600	1.04
£2,450,000	Landwirtschaftliche Rentenbank 3.25% 2016	2,574,367	0.45
£1,500,000	L-Bank 0.875% 2017	1,462,133	0.25
£2,000,000	Municipality Finance 1.5% 2014	2,009,824	0.35
£4,200,000	Nederlandse Waterschapsbank 2.125% 2016	4,289,687	0.74
£4,600,000	Network Rail Infrastructure Finance 1% 2017	4,526,492	0.78
50,159	PIMCO Sterling Short Maturity Source ETF*	5,055,526	0.87
£3,000,000	Rabobank Nederland 3.25% 2017	3,132,330	0.54
£1,000,000	Rabobank 2.25% 2014	1,007,727	0.17
£4,500,000	Rabobank Nederland 4% 2015	4,668,300	0.81
£2,300,000	Reseau Ferre de France 2.375% 2015	2,352,362	0.41
£3,000,000	Svensk Exportkredit 0.875% 2015	2,999,835	0.52
£4,000,000	Svenska Handelsbanken 0.92688% <i>floating rate</i> <i>note</i> 2016	4,011,464	0.69
£5,600,000	Svenska Handelsbanken 1.875% 2017	5,605,880	0.97
£1,450,000	Westpac Banking Corporation 1.375% 2015	1,457,839	0.25
	TOTAL SHORT TERM STERLING BONDS	97,976,357	16.92
	TOTAL BONDS	347,114,782	59.94
	REAL ESTATE – 3.07% (30.11.13 – 2.87%)		
13,235,929	BlackRock Global Property Securities Equity Tracker*	17,802,325	3.07

Holding	Portfolio of Investments	Value £	31.05.14 %
	INFRASTRUCTURE – 0.00% (30.11.13 – 0.00%)		
5	Ansaldo	32	–
1	Fletcher Building	4	–
600	Sanofi <i>contingent value rights</i>	183	–
	TOTAL INFRASTRUCTURE	219	–
	HEDGE FUNDS & OTHER STRATEGIES – 1.34% (30.11.13 – 1.48%)		
1,263,843	Dexion Absolute € ^^^	178,186	0.03
1,346	EURO STOXX 50 Index Dividend Futures December 2015##	998,172	0.17
11,100	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	6,609,657	1.14
	TOTAL HEDGE FUNDS & OTHER STRATEGIES	7,786,015	1.34
	MONEY MARKETS – 5.17% (30.11.13 – 4.18%)		
12,600,000	Goldman Sachs Sterling Liquid Reserves*	12,600,000	2.18
17,013,604	Royal London Cash Plus*	17,309,029	2.99
	TOTAL MONEY MARKETS	29,909,029	5.17
	FORWARD CURRENCY CONTRACTS – 0.15% (30.11.13 – 0.33%)		
AUD(3,600,000)	Vs £1,955,618 (expiry 20.06.14)	(39,795)	(0.01)
€(37,100,000)	Vs £31,501,401 (expiry 20.06.14)	1,317,247	0.23
¥(575,000,000)	Vs £3,415,098 (expiry 20.06.14)	45,091	0.01
£(30,687,837)	Vs US\$50,700,000 (expiry 20.06.14)	(457,776)	(0.08)
	TOTAL FORWARD CURRENCY CONTRACTS	864,767	0.15

## CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

	Value £	31.05.14 %
Portfolio of investments#	540,376,443	93.31
Net other assets	38,742,446	6.69
Net assets	<u>579,118,889</u>	<u>100.00</u>
All investments are ordinary shares listed on a regulated market unless stated otherwise.		
<b>Credit Quality</b>	<b>31.05.14</b>	<b>30.11.13</b>
	%	%
Investment grade debt securities	25.65	33.60
Non-rated debt securities	0.13	–
Other investments	67.53	65.39
Net other assets	6.69	1.01
	<u>100.00</u>	<u>100.00</u>

\* Collective investment scheme.

\*\* Related party holding.

\*\*\* Delisted security.

\*\*\*\* Suspended security.

^ Structured product.

^^ Quoted on the Alternative Investment Market (AIM).

^^^ Unlisted security.

# Includes derivative liabilities.

## Future contract.

Definition:

ADRs – American Depositary Receipts.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

<b>Total purchases for the half year</b>		<b>£189,058,641</b>
<b>Major purchases</b>		<b>Cost £</b>
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF		21,607,232
SPDR Barclays Emerging Markets Local Bond UCITS ETF		20,497,315
BlackRock Overseas Corporate Bond Tracker		11,000,000
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014		9,482,910
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015		7,301,398
Italy Treasury 5.5% 2022		6,238,243
BlackRock Global Property Securities Equity Tracker		6,000,000
Italy Treasury 4.5% 2023		5,844,876
iShares Markit iBOXX® Euro High Yield Bond UCITS ETF		5,804,428
BNY Mellon Compass – Euro Credit Short Duration		5,100,000
International Bank for Reconstruction & Development 1% 2016		4,989,600
Spain Government Bond 5.85% 2022		4,551,620
Spain Government Bond 5.4% 2023		4,435,230
Rabobank Nederland 3.25% 2017		3,132,300
Export Development Canada 0.875% 2016		2,984,100
Spain Government Bond 5.5% 2021		2,718,802
Italy Treasury 4.75% 2021		2,666,219
Italy Treasury 4% 2020		2,373,366
Reseau Ferre de France 2.375% 2015		2,354,970
Volkswagen <i>non-voting preference shares</i>		2,142,904

In addition to the above, purchases totalling £39,350,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents 20 largest purchases during the half year.

## CF 7IM AAP MODERATELY CAUTIOUS FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 31 May 2014

**Total sales for the half year** **£184,652,826**

Major sales	Proceeds £
Lyxor ETF MSCI EMU Value UCITS ETF	16,480,958
iShares Markit iBOXX® \$ High Yield Capped Bond UCITS ETF	14,399,184
UBS Sterling Corporate Bond Indexed	9,500,000
PIMCO Sterling Short Maturity Source ETF	7,504,558
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	7,336,265
Italy Treasury 5.5% 2022	6,198,007
BNY Mellon Compass – Euro Credit Short Duration	6,000,000
Italy Treasury 4.5% 2023	5,808,676
Spain Government Bond 5.5% 2017	5,738,421
Italy Treasury 4.75% 2017	5,654,976
Spain Government Bond 5.85% 2022	4,551,136
BlackRock Global Property Securities Equity Tracker	4,500,000
Spain Government Bond 5.4% 2023	4,439,606
European Investment Bank 6.25% 2014	4,200,000
General Electric Capital Corporation 5.25% 2013	3,850,000
iShares EURO STOXX Mid UCITS ETF	2,875,019
iShares EURO STOXX Small UCITS ETF	2,875,014
Spain Government Bond 5.5% 2021	2,819,779
Spain Government Bond 3.8% 2017	2,778,339
Italy Treasury 4.75% 2017	2,765,027

In addition to the above, sales totalling £31,498,950 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
Income:		
Net capital gains	10,788,621	24,316,885
Revenue	6,807,547	5,532,384
Expenses	(2,101,040)	(2,101,230)
Finance costs: Interest	(287)	(102)
Net revenue before taxation	4,706,220	3,431,052
Taxation	(546,167)	(352,486)
Net revenue after taxation	4,160,053	3,078,566
<b>Total return before distributions</b>	14,948,674	27,395,451
Finance costs: Distributions	(5,472,709)	(4,685,739)
<b>Change in net assets attributable to shareholders from investment activities</b>	9,475,965	22,709,712

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
<b>Opening net assets attributable to shareholders</b>	526,892,643	399,928,560
Amounts receivable on issue of shares	66,533,629	77,085,106
Amounts payable on cancellation of shares	(28,773,257)	(19,266,296)
Stamp duty reserve tax	37,760,372	57,818,810
Change in net assets attributable to shareholders from investment activities	(39,194)	(56,946)
Retained distribution on Accumulation shares	9,475,965	22,709,712
Accumulation shares	5,029,103	4,467,424
<b>Closing net assets attributable to shareholders</b>	579,118,889	484,867,560

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.



## CF 7IM AAP MODERATELY CAUTIOUS FUND

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		540,874,014		521,560,985
<b>Other assets</b>				
Debtors	39,674,624		4,704,031	
Cash and bank balances	15,116,079		3,486,091	
<b>Total other assets</b>		54,790,703		8,190,122
<b>Total assets</b>		<u>595,664,717</u>		<u>529,751,107</u>
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(497,571)		–
<b>Other liabilities</b>				
Creditors	(15,245,144)		(2,237,678)	
Bank overdrafts	(208,320)		(57,846)	
Distribution payable on Income shares	(594,793)		(562,940)	
<b>Total other liabilities</b>		(16,048,257)		(2,858,464)
<b>Total liabilities</b>		<u>(16,545,828)</u>		<u>(2,858,464)</u>
<b>Net assets attributable to shareholders</b>		<u>579,118,889</u>		<u>526,892,643</u>

## CF 7IM AAP BALANCED FUND

ACD'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2014

### IMPORTANT INFORMATION

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

### INVESTMENT OBJECTIVE AND POLICY

The CF 7IM AAP (Asset Allocated Passives) Balanced Fund ('the Fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide a balance of income and capital appreciation. There may be some risk to capital.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Fund invests predominantly in a range of equities and fixed interest investments or instruments that track the returns of equity and fixed interest indices. The Fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Fund may use different asset classes, with investment primarily in equities and fixed interest investments, or instruments that track the returns of equity and fixed interest indices, with no long-term preponderance to either class.

Investment may also be made in exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

The Fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

The IMA Mixed Investment 20-60% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED

ACD of CF 7IM AAP Balanced Fund

29 July 2014

## CF 7IM AAP BALANCED FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 2.9%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 20-60% Shares Sector which is the Fund benchmark was 3.0%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 7IM AAP Balanced 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund value rose from £991.9 million<sup>3</sup> at 30 November 2013 to £1156.5 million<sup>4</sup> at 31 May 2014.

In the six month under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we increased the US equity allocation adding to the S&P equally weighted certificate. We switched some of the UK, US and EM exposure from equity baskets and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these regions.

We sold EURO STOXX 50 futures and iShares small and mid cap ETFs down to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we extended the maturity of the peripheral eurozone government bonds to pick up a little more return – the yields on the shorter dated bonds had contracted to a level where we thought there was only little scope for further improvement. Going a little longer out down the yield curve meant we could pick up more yield and enhance returns. At the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other such event.

In contrast to extending the maturity of the peripheral eurozone bonds, we shortened maturity in the high yield bond allocation buying the PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF so building the credit risk in the Fund but without adding much duration risk selling the holding of iShares Markit iBOXX® \$ High Yield Capped Bond UCITS ETF.

We also made a further allocation to EM bonds in line with our tactical allocation target. The size of the EM bonds market has grown strongly over the past few years and the asset class was in our opinion currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We added to the holding of SPDR Barclays Emerging Markets Local Bond UCITS ETF, trimming the holding of UK corporate bonds and disposing of the holdings of UK index-linked bonds where we thought potential returns were less attractive, but retaining the global index-linked bonds which we felt still offered good value.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

## CF 7IM AAP BALANCED FUND

ACD's Report (continued)

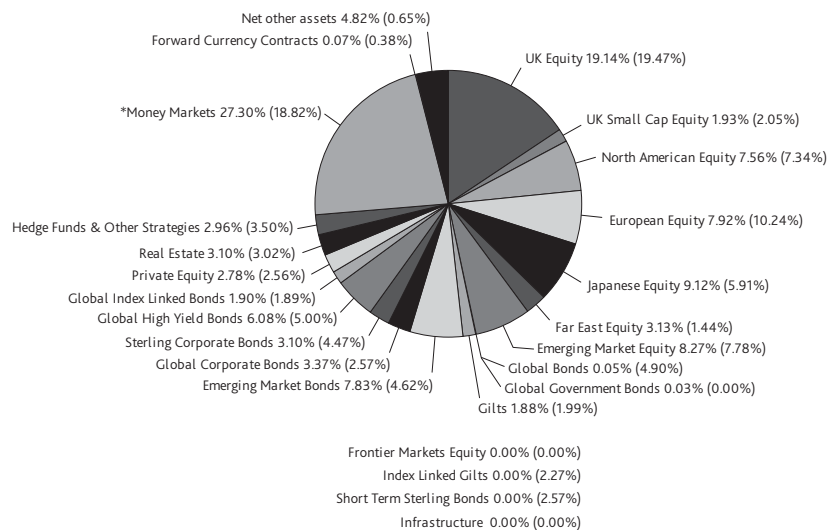
Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO REVIEW (continued)

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

### SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

## FUND INFORMATION

### PERFORMANCE RECORD

#### 'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.09	79.60	1.3090
2010	107.45	96.57	1.4527
2011	109.72	96.41	1.9133
2012	107.21	100.69	1.9653
2013	119.76	107.56	2.0169
2014*	119.15	112.84	1.8762

#### 'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	102.93	80.60	1.4835
2010	111.90	99.45	1.4898
2011	114.86	101.29	1.9604
2012	116.06	107.02	2.0773
2013	129.68	116.47	2.1871
2014*	131.02	124.08	2.0531

#### 'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.76	79.98	1.5850
2010	108.41	97.31	1.7121
2011	110.87	97.50	2.1440
2012	108.70	101.90	2.2108
2013	121.54	109.00	2.2614
2014*	121.18	114.62	2.1371

CF 7IM AAP BALANCED FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	103.82	80.96	1.7340
2010	113.42	100.36	1.7623
2011	116.70	103.02	2.2308
2012	118.63	109.11	2.3407
2013	132.75	119.05	2.4551
2014*	134.68	127.39	2.3644

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	100.79	79.50	0.9640
2010	106.91	96.18	1.2804
2011	109.00	95.74	1.0143
2012	106.24	99.91	1.8247
2013	118.55	106.61	1.8399
2014*	117.70	111.58	1.7195

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	102.90	80.36	1.3714
2010	110.78	98.80	1.3017
2011	113.49	100.01	1.7541
2012	114.14	105.45	1.9211
2013	127.37	114.54	1.9701
2014*	128.28	121.61	1.8678

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	100.39	79.42	0.5373
2010	106.45	95.78	1.1940
2011	108.50	95.30	1.6462
2012	105.66	99.40	1.8139
2013	117.86	106.03	1.8133
2014*	116.93	110.89	1.6917

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	102.16	80.30	0.4491
2010	110.49	98.65	1.2243
2011	113.17	99.71	1.7096
2012	113.69	105.09	1.8979
2013	126.82	114.09	1.9517
2014*	125.80	114.06	1.8055

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	102.54	98.88	0.6050

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	102.54	98.88	0.6050

\* To 31 May 2014.

# From 26 February 2014 to 31 May 2014.

CF 7IM AAP BALANCED FUND

ACD's Report (continued)  
Fund Information (continued)

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	8,634,244	8,623,235	100.13
	'A' Accumulation	102,505,861	96,510,975	106.21
	'C' Income	18,568,577	18,344,114	101.22
	'C' Accumulation	155,159,679	143,553,902	108.08
	'D' Income	11,605,231	11,671,656	99.43
	'D' Accumulation	157,405,870	150,177,066	104.81
	'O' Income	3,264,477	3,298,975	98.95
	'O' Accumulation	26,352,375	25,219,150	104.49
	30.11.12	'A' Income	9,477,778	8,948,344
'A' Accumulation		137,274,768	119,686,972	114.69
'C' Income		38,484,433	35,869,671	107.29
'C' Accumulation		272,921,453	232,895,406	117.19
'D' Income		11,918,980	11,350,298	105.01
'D' Accumulation		172,946,016	153,290,362	112.82
'O' Income		4,227,601	4,047,732	104.44
'O' Accumulation		30,897,266	27,490,816	112.39
30.11.13		'A' Income	1,934,731	1,675,140
	'A' Accumulation	12,732,906	10,025,156	127.01
	'C' Income	78,235,113	66,733,474	117.24
	'C' Accumulation	715,263,631	548,949,615	130.30
	'D' Income	10,563,676	9,243,619	114.28
	'D' Accumulation	169,767,556	136,312,850	124.54
	'O' Income	2,782,925	2,450,281	113.58
	'O' Accumulation	4,979	4,017	123.94
	31.05.14*	'A' Income	2,081,467	1,765,711
'A' Accumulation		13,197,084	10,098,850	130.68
'C' Income		79,001,372	65,957,433	119.78
'C' Accumulation		772,013,119	574,718,966	134.33
'D' Income		8,081,333	6,935,601	116.52
'D' Accumulation		155,555,146	121,586,274	127.94
'O' Income		376,198	324,944	115.77
'O' Accumulation		4,819	4,017	119.98
'S' Income		13,248,291	13,031,150	101.67
'S' Accumulation		112,044,579	109,556,282	102.27

\* See page 175 for details of share class launch.

ONGOING CHARGES FIGURE

Expense Type	31.05.14 %				
	'A'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.00	0.50	1.40	1.50	0.25
Other expenses	0.04	0.04	0.04	0.04	0.04
	<u>1.04</u>	<u>0.54</u>	<u>1.44</u>	<u>1.54</u>	<u>0.29</u>
Collective investment scheme costs	0.14	0.14	0.14	0.14	0.14
Ongoing charges figure	1.18	0.68	1.58	1.68	0.43

Expense Type	30.11.13 %			
	'A'	'C'	'D'	'O'
ACD's periodic charge	1.00	0.50	1.40	1.50
Other expenses	0.05	0.05	0.05	0.05
	<u>1.05</u>	<u>0.55</u>	<u>1.45</u>	<u>1.55</u>
Collective investment scheme costs	0.14	0.14	0.14	0.14
Ongoing charges figure	1.19	0.69	1.59	1.69

\* See page 175 for details of share class launch.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

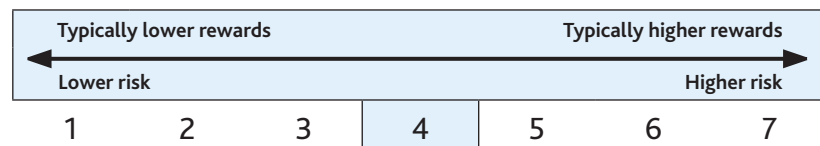
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

## CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Fund Information (continued)

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

During the period the indicator changed from 5 to 4. The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	0.9556
'A' Accumulation	1.0478
'C' Income	1.0851
'C' Accumulation	1.2055
'D' Income	0.8748
'D' Accumulation	0.9537
'O' Income	0.8522
'O' Accumulation	0.8959
'S' Income	0.6050
'S' Accumulation	0.6050

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM AAP Balanced Fund	2.91	3.56	15.55	46.94
IMA Mixed Investment 20-60% Shares Sector#	2.99	3.69	16.79	48.79

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

CF 7IM AAP BALANCED FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	EQUITIES – 36.32% (30.11.13 – 42.69%)		
	UK EQUITY – 18.08% (30.11.13 – 17.50%)		
810,722	3i Group	3,499,887	0.30
44,295	3i Infrastructure	61,349	0.01
5,533	Aberdeen Asian Smaller Companies	49,686	–
61,616	Aberdeen Asset Management	274,191	0.02
16,975	Aberforth Smaller Companies	190,629	0.02
7,879	Absolute Return Trust <i>preference shares</i> ^^^	2,669	–
11,649	Admiral Group	169,726	0.01
88,268	Afren	134,697	0.01
4,553	African Barrick Gold	9,816	–
16,299	Aggreko	271,541	0.02
14,448	Alent	46,696	–
212,079	Alliance Trust (The)	959,445	0.08
50,441	AMEC	609,327	0.05
25,185	Amlin	118,344	0.01
10,289	Anglesey Mining	386	–
115,888	Anglo American	1,689,068	0.15
22,567	Antofagasta	177,715	0.02
63,152	Aquarius Platinum	15,788	–
125,729	ARM Holdings	1,155,449	0.10
4,241	Artemis Alpha Trust	12,299	–
33,680	Ashmore Group	118,823	0.01
37,203	Ashtead Group	327,572	0.03
27,881	Asia Resource Minerals****	55,204	0.01
27,742	Associated British Foods	837,253	0.07
38,451	Assura Group	16,534	–
104,747	AstraZeneca	4,486,838	0.39
8,828	Aveva Group	197,482	0.02
249,344	Aviva	1,306,562	0.11
70,130	Babcock International Group	850,677	0.08
296,264	BAE Systems	1,253,493	0.11
114,463	Balfour Beatty	270,018	0.02
1,018	Bank of Georgia Holdings	25,623	–
1,354,519	Barclays	3,344,307	0.29
4,878	Barr	30,487	–
70,752	Barratt Developments	252,726	0.02
22,971	BBA Aviation	71,945	0.01
38,056	Beazley	93,085	0.01
11,385	Bellway	157,113	0.01
9,044	Berendsen	89,897	0.01
17,187	Berkeley Group Holdings	387,395	0.03
5,085	Betfair Group	50,443	0.01
281,089	BG Group	3,432,097	0.30
6,021	BH Global	72,252	0.01

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	UK EQUITY (continued)		
2,780	BH Macro	54,154	0.01
2,120	BH Macro €	32,682	–
186,797	BHP Billiton	3,489,368	0.30
16,171	Big Yellow Group	80,790	0.01
10,056	Biotech Growth Trust (The)	45,855	–
25,482	BlackRock Frontiers Investment Trust	30,324	–
22,968	BlackRock World Mining	105,079	0.01
25,011	Bloomsbury Publishing	41,268	–
46,009	BlueCrest AllBlue	83,000	0.01
9,846	Bodycote	73,451	0.01
61,489	Booker Group	87,376	0.01
10,698	Bovis Homes Group	81,144	0.01
1,532,874	BP	7,708,823	0.67
24,604	Brewin Dolphin Holdings	78,438	0.01
150,253	British American Tobacco	5,409,859	0.47
14,923	British Empire Securities and General	74,913	0.01
60,226	British Land Company	430,616	0.04
69,228	British Sky Broadcasting Group	610,245	0.05
13,952	Britvic	104,152	0.01
12,640	Brown (N) Group	59,155	0.01
602,692	BT Group	2,392,687	0.21
35,488	BTG	211,686	0.02
23,546	Bunzl	393,218	0.03
38,952	Burberry Group	596,745	0.05
31,439	Bwin.Party Digital Entertainment	37,412	–
153,102	Cable & Wireless Communications	80,991	0.01
32,543	Cairn Energy	64,207	0.01
4,044	Caledonia Investments	89,817	0.01
3,204	Cape	9,716	–
48,980	Capita**	541,719	0.05
42,169	Capital & Counties Properties	142,489	0.01
37,654	Capital & Regional	17,321	–
5,920	Carclo	6,512	–
37,605	Carillion	133,159	0.01
13,374	Carnival	324,186	0.03
1,291	Carpetright	6,784	–
27,140	Catlin Group	141,942	0.01
77,932	Centamin	47,344	–
355,949	Centrica	1,194,565	0.10
10,680	Chemring Group	23,977	–
9,414	Cineworld Group	32,309	–
10,565	Close Brothers Group	139,986	0.01
91,700	Cobham	291,973	0.03
12,343	Coca-Cola HBC	169,223	0.01
159,900	Compass Group	1,590,206	0.14

CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
3,426	Computacenter	20,933	-
17,065	Connect Group	34,685	-
5,137	Consort Medical	43,947	-
27,086	Costain Group	71,778	0.01
6,809	Countrywide	36,905	-
4,354	Cranswick	55,122	0.01
66,520	CRH	1,088,932	0.09
7,878	Croda International	207,349	0.02
15,484	CSR	91,820	0.01
9,689	Daily Mail & General	84,343	0.01
32,727	Darty	28,145	-
4,411	DCC	154,517	0.01
3,634	De La Rue	31,198	-
78,864	Debenhams	59,937	0.01
3,085	Dechra Pharmaceuticals	21,302	-
5,436	Derwent London	148,729	0.01
7,435	Development Securities	17,602	-
13,209	Devro	33,749	-
4,089	Dexion Equity Alternative***	4	-
1,781	Dexion Equity****	74	-
201,373	Diageo	3,864,348	0.33
4,032	Dialight	36,308	-
6,858	Dignity	96,286	0.01
7,983	Diploma	52,209	0.01
150,015	Direct Line Insurance Group	379,838	0.03
250,861	Dixons Retail	121,643	0.01
14,054	Domino Printing Sciences	109,270	0.01
4,483	Domino's Pizza UK & IRL	25,194	-
26,039	Drax Group	163,655	0.01
76,517	DS Smith	242,941	0.02
4,935	Dunedin Enterprise Investment Trust	20,974	-
14,135	Dunedin Income Growth Investment Trust	39,295	-
5,314	Dunelm Group	48,517	-
12,394	E2V Technologies	20,078	-
17,111	easyJet	261,798	0.02
65,870	Ecofin Water & Power Opportunities	100,616	0.01
13,664	Edinburgh Dragon Trust	35,185	-
20,306	Edinburgh Investment Trust (The)	123,664	0.01
5,789	Electric and General***	-	-
22,495	Electrocomponents	64,358	0.01
18,715	Elementis	53,525	0.01
31,450	EnQuest	44,219	-
59,141	Enterprise Inns	80,018	0.01
26,679	Essar Energy	18,609	-
15,627	Essentra	123,375	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
20,656	eSure Group	54,738	0.01
2,665	Euromoney Institutional Investor	31,687	-
6,695	European Investment Trust	52,422	0.01
18,317	Evraz	19,141	-
10,102	Exillon Energy	14,042	-
98,772	Experian	1,023,278	0.09
8,872	Fenner	30,910	-
25,910	Ferrexpo	35,471	-
36,204	Fidelity China Special Situations	36,602	-
2,256	Fidessa Group	52,226	0.01
4,878	Findel	11,805	-
100,838	FirstGroup	141,274	0.01
100,812	Foreign & Colonial Investment Trust	380,767	0.03
112,886	Fortune Oil	14,111	-
13,154	Fresnillo	105,955	0.01
17,958	Friends Life Group	56,173	0.01
187	FTSE 100 Index Future June 2014##	539,960	0.05
3,850	Fuller Smith & Turner	36,691	-
89,772	G4S	224,340	0.02
3,629	Galliford Try	40,971	-
8,674	Gem Diamonds	13,770	-
4,682	Genesis Emerging Markets	25,142	-
2,674	Genus	28,585	-
198,026	GKN	777,252	0.07
408,550	GlaxoSmithKline	6,540,886	0.57
759,958	Glencore Xstrata	2,456,944	0.21
1,802	Go-Ahead Group	39,644	-
3,121,610	Goldman Sachs Dynamic Opportunities***	79,017	0.01
16,253	Grainger	35,269	-
16,890	Great Portland Estates	109,954	0.01
26,097	Greencore Group	76,047	0.01
20,073	Greene King	171,624	0.01
12,891	Halfords Group	62,766	0.01
42,853	Halma	253,047	0.02
47,966	Hammerson	285,638	0.02
12,002	Hansard Global	10,562	-
9,204	Hardy Oil & Gas	8,330	-
13,569	Hargreaves Lansdown	165,406	0.01
56,132	Hays	84,815	0.01
21,773	HellermannTyton Group	67,170	0.01
4,835	Henderson European Focus Trust	47,528	0.01
3,694	Henderson EuroTrust	31,214	-
24,863	Henderson Far East Income	78,381	0.01
121,198	Henderson Group	302,389	0.03



CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
15,877	Henderson Smaller Companies Investment Trust (The)	86,371	0.01
31,409	Heritage Oil	99,818	0.01
1,365	HgCapital	14,333	-
138,565	HICL Infrastructure Company	189,141	0.02
8,589	Hikma Pharmaceuticals	146,357	0.01
6,343	Hill & Smith Holdings	35,013	-
14,835	Hiscox	100,952	0.01
26,495	Hochschild Mining	39,213	-
58,613	Home Retail Group	110,427	0.01
13,606	Homeserve	45,961	0.01
41,472	Howden Joinery Group	132,420	0.01
1,609,883	HSBC Holdings	10,127,774	0.88
18,722	Hunting	152,959	0.01
34,914	ICAP	139,342	0.01
19,729	IG Group	118,670	0.01
11,402	Imagination Technologies Group	26,806	-
16,979	IMI	270,985	0.02
73,873	Imperial Tobacco Group	1,988,661	0.17
25,575	Inchcape	159,077	0.01
41,984	Informa	215,798	0.02
27,880	Inmarsat	203,663	0.02
16,514	InterContinental Hotels Group	388,574	0.03
319,150	Intermediate Capital Group	1,334,366	0.12
188,169	International Consolidated Airlines	740,445	0.06
16,952	International Personal Finance	103,238	0.01
98,772	International Public Partnerships	128,009	0.01
4,715	Interserve	30,482	-
17,355	Intertek Group	506,245	0.04
41,911	Intu Properties	131,978	0.01
26,640	Investec	137,862	0.01
24,665	IP Group	44,150	-
8,729	ITE Group	20,347	-
408,722	ITV	744,283	0.06
1,707	James Fisher & Sons	22,396	-
9,841	Jardine Lloyd Thompson Group	101,953	0.01
21,498	JKX Oil & Gas	13,114	-
8,497	John Menzies	56,505	0.01
30,320	John Wood Group	238,467	0.02
15,810	Johnson Matthey	507,817	0.04
40,418	Johnston Press	1,673	-
263,525	Johnston Press rights	2,978	-
3,625	JPMorgan European Fledgeling	41,108	0.01
14,256	JPMorgan European Investment Trust	32,860	-
15,016	JPMorgan Indian	59,839	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
21,477	Jupiter Fund Management	86,037	0.01
22,772	Kazakhmys	62,942	0.01
51,794	Kcom Group	47,961	0.01
2,573	Keller Group	24,508	-
104,991	Kenmare Resources	10,499	-
14,017	Kentz Corporation	101,834	0.01
1,057	Kier Group	17,948	-
209,097	Kingfisher	819,451	0.07
3,137	Kofax	14,963	-
41,704	Ladbrokes	63,640	0.01
7,139	Laird	21,417	-
15,642	Lamprell	25,809	-
23,593	Lancashire Holdings	153,119	0.01
57,350	Land Securities Group	611,925	0.05
519,043	Legal & General Group	1,194,837	0.10
4,586,882	Lloyds Banking Group	3,569,970	0.31
21,987	London Stock Exchange Group	430,286	0.04
89,494	LondonMetric Property	129,587	0.01
26,399	Lonmin	67,819	0.01
35,965	Lookers	50,711	-
34,879	Low & Bonar	27,554	-
141,337	Man Group	141,761	0.01
111,498	Marks & Spencer Group	500,738	0.04
4,033	McBride	4,104	-
68,561	McBride non-cumulative preference shares	-	-
10,997	Mecom Group	12,619	-
47,166	Meggitt	228,519	0.02
81,081	Melrose Industries	226,946	0.02
45,551	Mercantile	689,187	0.06
259,006	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	37,879,628	3.28
26,582	Michael Page International	121,878	0.01
7,384	Micro Focus International	61,509	0.01
5,557	Millennium & Copthorne Hotels	31,703	-
18,231	Mitchells & Butlers	76,716	0.01
25,549	Mitie Group	85,666	0.01
449	MJ Gleeson Group	1,729	-
46,627	Mondi	499,375	0.04
11,973	MoneySupermarket.com Group	21,144	-
18,290	Morgan Crucible	62,040	0.01
135,773	Morrison (Wm.) Supermarkets	273,718	0.02
4,676	Mothercare	8,534	-
5,338	Mucklow A&J Group	22,967	-
10,446	Murray International	113,339	0.01

CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	UK EQUITY (continued)		
13,474	National Express Group	37,323	-
261,195	National Grid	2,323,330	0.20
15,930	NCC Group	28,555	-
2,518	New World Resources	642	-
12,855	Next	852,929	0.07
1,716	North American Income Trust (The)	14,114	-
4,568	Northgate	23,822	-
30,993	Ocado Group	119,757	0.01
441,370	Old Mutual	891,567	0.08
25,110	Ophir Energy	64,407	0.01
4,064	Oxford Instruments	52,954	0.01
17,324	Pace	65,000	0.01
22,017	Paragon Group Companies	82,718	0.01
11,058	Partnership Assurance Group	14,398	-
5,403	PayPoint	56,569	0.01
57,280	Pearson	670,176	0.06
118,064	Pendragon	34,829	-
19,695	Pennon Group	154,310	0.01
19,944	Persimmon	266,651	0.02
22,820	Petra Diamonds	35,531	-
6,461	Petroceltic International^^	9,869	-
37,511	Petrofac	473,014	0.04
49,912	Petropavlovsk	29,074	-
7,101	Phoenix Group Holdings	46,050	0.01
6,336	Phoenix IT Group	6,605	-
19,624	Photo-Me International	26,983	-
27,143	Picton Property Income	16,625	-
15,829	Playtech	107,241	0.01
27,166	Polar Capital Global Healthcare Growth & Income Trust	40,274	0.01
9,201	Polar Capital Technology	42,785	0.01
10,253	Polymetal International	53,572	0.01
5,748	Premier Farnell	12,255	-
7,970	Premier Foods	4,682	-
27,733	Premier Oil	97,620	0.01
9,599	Provident Financial	200,811	0.02
214,023	Prudential	2,964,219	0.26
52,471	Punch Taverns	5,641	-
17,890	PZ Cussons	62,973	0.01
37,874	QinetiQ Group	79,157	0.01
31,093	Quintain Estates and Development	29,538	-
5,574	Randgold Resources	242,859	0.02
4,611	Rank Group	7,401	-
5,864	Rathbone Brothers	120,857	0.01
50,641	Reckitt Benckiser Group	2,582,691	0.22

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	UK EQUITY (continued)		
32,542	Redrow	87,310	0.01
113,083	Reed Elsevier	1,075,419	0.09
55,587	Regus	106,838	0.01
46,375	Renewables Infrastructure Group (The)	48,926	0.01
2,741	Renishaw	46,487	0.01
82,346	Rentokil Initial	97,086	0.01
6,618	Restaurant Group (The)	39,576	-
89,286	Rexam	474,555	0.04
4,658	Rightmove	106,761	0.01
106,097	Rio Tinto	3,242,855	0.28
8,478	RIT Capital Partners	110,892	0.01
147,512	Rolls-Royce Holdings	1,534,125	0.13
19,766,608	Rolls-Royce Holdings 'C'	-	-
4,962	Rotork	129,161	0.01
198,998	Royal Bank of Scotland Group	689,528	0.06
309,807	Royal Dutch Shell 'A'	7,263,425	0.63
191,345	Royal Dutch Shell 'B'	4,658,294	0.40
47,549	Royal Mail Group	243,213	0.02
8,292	RPC Group	50,498	-
16,531	RPS Group	48,023	-
32,547	RSA Insurance Group	156,161	0.01
73,996	SABMiller	2,449,638	0.21
75,615	Sage Group (The)	309,870	0.03
96,295	Sainsbury (J)	332,892	0.03
7,311	Salamander Energy	10,839	-
8,949	Savills	56,737	0.01
7,662	Schroders	198,063	0.02
50,621	Scottish Mortgage	523,927	0.05
1,267	SDL	4,092	-
48,768	Segro	180,100	0.02
27,950	Senior	82,788	0.01
31,896	Serco Group	118,526	0.01
12,797	Severn Trent	251,717	0.02
9,109	Shaftesbury	61,030	0.01
28,664	Shanks Group	30,670	-
48,438	Shire	1,653,673	0.14
71,459	SIG	140,774	0.01
64,009	Smith & Nephew	669,534	0.06
29,576	Smiths Group	390,699	0.03
17,929	SOCO International	75,105	0.01
9,034	Spectris	207,059	0.02
3,881	Spirax-Sarco Engineering	110,958	0.01
72,875	Spirent Communications	76,082	0.01
15,703	Sports Direct International	123,504	0.01
60,035	SSE	933,544	0.08

CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	UK EQUITY (continued)		
19,360	St. Ives	40,801	-
58,472	St. James's Place	457,543	0.04
32,214	Stagecoach Group	125,377	0.01
174,628	Standard Chartered	2,344,381	0.20
220,750	Standard Life	882,558	0.08
20,594	Standard Life Investment Property Income	15,600	-
873	SuperGroup	10,153	-
4,328	Synergy Health	54,792	0.01
25,942	Synthomer	67,968	0.01
25,898	TalkTalk Telecom Group	82,977	0.01
29,648	Tate & Lyle	205,312	0.02
431,673	Taylor Wimpey	467,502	0.04
2,958	Ted Baker	56,646	0.01
14,189	TelecityGroup	100,884	0.01
1,381	Telecom Plus	20,977	-
3,502	Temple Bar	43,845	-
23,559	Templeton Emerging Markets	130,752	0.01
666,930	Tesco	2,024,466	0.18
872	Thames River Multi Hedge preference shares^ ^ ^	656	-
94,142	Thomas Cook Group	154,393	0.01
20,166	Topps Tiles	23,947	-
1,722	TR European Growth Trust	9,833	-
20,021	Travis Perkins	336,753	0.03
13,200	Tribal Group	23,166	-
34,124	Trinity Mirror	54,940	0.01
21,515	TT Electronics	44,375	-
66,631	TUI Travel	273,254	0.02
17,951	Tullett Prebon	52,022	0.01
76,631	Tullow Oil	645,999	0.06
13,619	UBM	91,656	0.01
4,575	Ultra Electronics holdings	84,592	0.01
83,222	Unilever	2,228,685	0.19
16,906	Unite Group	71,056	0.01
8,703	UDG Healthcare	29,938	-
49,345	United Utilities Group	428,068	0.04
11,525	UTV Media	25,470	-
18,515	Vectura Group	23,931	-
13,308	Vedanta Resources	146,388	0.01
21,505	Vesuvius	98,536	0.01
3,306	Victrex	59,574	0.01
3,006	Vitec Group (The)	17,269	-
2,127,553	Vodafone Group	4,456,160	0.39
4,041	Volex Group	3,657	-
15,123	Weir Group (The)	396,223	0.03

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	UK EQUITY (continued)		
22,333	WH Smith	230,923	0.02
17,610	Whitbread	736,979	0.06
53,261	William Hill	189,343	0.02
7,360	Wilmington Group	14,518	-
4,237	Wincanton	5,010	-
10,115	Witan Investment Trust	72,120	0.01
19,028	Wolseley	632,300	0.05
20,476	Workspace Group	117,225	0.01
7,665	Worldwide Healthcare	100,105	0.01
122,177	WPP	1,571,196	0.14
4,827	WS Atkins	63,379	0.01
4,799	Xaar	41,439	-
9,391	Xchanging	14,063	-
771	XP Power	11,951	-
	TOTAL UK EQUITY	208,904,363	18.08
	UK SMALL CAP EQUITY – 1.93% (30.11.13 – 2.05%)		
14,809,783	BlackRock Mid Cap UK Equity Tracker*	22,318,343	1.93
	NORTH AMERICAN EQUITY – 2.44% (30.11.13 – 7.34%)		
9,309	Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014^	27,292,058	2.36
3,249	MSCI USA Equal Weighted NTR USD Index Futures June 2014##	854,002	0.08
	TOTAL NORTH AMERICAN EQUITY	28,146,060	2.44
	EUROPEAN EQUITY – 7.75% (30.11.13 – 7.16%)		
2,395	A.P. Møller-Mærsk	3,722,775	0.32
80,099	Abertis Infraestructuras	1,047,481	0.09
342,181	Aegon	1,771,275	0.15
342,181	Aegon rights	-	-
48,850	Alfa Laval	763,869	0.07
114,845	ArcelorMittal	1,046,401	0.09
51,666	BNP Paribas	2,157,888	0.19
14,536	CGG	117,071	0.01
13,749	Coloplast	707,383	0.06
24,970	Delhaize Group	1,059,557	0.09
146,205	E.ON	1,694,905	0.15

**CF 7IM AAP BALANCED FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	EUROPEAN EQUITY (continued)		
89,218	Elekta	688,395	0.06
76	Euro STOXX 50 Future June 2014##	6,801	-
140,692	GDF Suez	2,344,054	0.20
47,871	Henkel non-voting preference shares	3,298,169	0.28
13,494	Hennes & Mauritz	340,597	0.03
82,160	Husqvarna	384,248	0.03
283,473	Iberdrola	1,215,320	0.11
21,433	Industrivärden	256,526	0.02
32,944	ING Groep	275,376	0.02
1,640,107	Intesa Sanpaolo	3,279,611	0.28
36,998	Investment AB Kinnevik	875,734	0.08
105,914	iShares EURO STOXX Mid UCITS ETF*	3,906,108	0.34
159,023	iShares EURO STOXX Small UCITS ETF*	3,795,879	0.33
181,229	Koninklijke Ahold	1,964,550	0.17
47,565	Koninklijke KPN	104,864	0.01
31,282	Merck KGaA	3,210,332	0.28
27,439	Munich Re	3,626,237	0.31
39,841	Neste Oil	486,172	0.04
55,862	Nestle	2,615,277	0.23
20,671	Nokian Renkaat	522,650	0.05
12,296	Novo Nordisk	310,684	0.03
16,978	Orion	319,332	0.03
10,602	Pernod Ricard	775,813	0.07
20,855	Publicis Groupe	1,073,436	0.09
27,075	Reed Elsevier	361,668	0.03
30,851	Renault	1,733,010	0.15
16,921	Repsol	284,465	0.02
13,316	Roche Holding	2,340,015	0.20
18,582	Sanofi	1,184,555	0.10
68,676	Schneider Electric	3,854,982	0.33
26,800	Skanska	370,516	0.03
78,850	Source Man GLG Continental Europe Plus UCITS ETF*	9,043,307	0.78
124,476	Stora Enso	760,997	0.07
38,867	Südzucker	470,176	0.04
63,874	Swiss Re	3,390,794	0.29
9,815	Technip	629,034	0.05
29,376	Tele2	207,522	0.02
56,690	Telefonaktiebolaget LM Ericsson	424,005	0.04
55,215	Telefonica	552,722	0.05
41,849	Telefonica Deutschland Holding	194,227	0.02
81,181	Telenor	1,148,082	0.10
97,014	Tenaris	1,295,913	0.11
4,880	Thales	174,302	0.02
78,257	UPM-Kymmene	821,898	0.07

Holding	Portfolio of Investments	Value	31.05.14
		£	%
	EUROPEAN EQUITY (continued)		
20,206	Vinci	892,418	0.08
10,707	Voestalpine	294,846	0.03
30,977	Volkswagen non-voting preference shares	4,912,820	0.43
48,724	Yara International	1,327,560	0.11
17,248	Zurich Insurance Group	3,090,798	0.27
	TOTAL EUROPEAN EQUITY	89,525,402	7.75
	JAPANESE EQUITY – 0.03% (30.11.13 – 3.17%)		
1,499	TOPIX Index Future June 2014	412,711	0.03
	FAR EAST EQUITY – 1.46% (30.11.13 – 1.44%)		
600	MSCI Pacific ex Japan Index Futures June 2014##	580,231	0.05
2,110	TOBAM Anti-Benchmark Pacific Ex-Japan*	16,239,034	1.41
	TOTAL FAR EAST EQUITY	16,819,265	1.46
	EMERGING MARKETS EQUITY – 4.63% (30.11.13 – 4.03%)		
1,515	Mini MSCI Emerging Markets Index Futures June 2014##	4,289,696	0.37
7,843	TOBAM Anti-Benchmark Emerging Markets*	49,256,547	4.26
	TOTAL EMERGING MARKETS EQUITY	53,546,243	4.63
	FRONTIER MARKETS EQUITY – 0.00% (30.11.13 – 0.00%)		
5	Russell Old Mutual S&P Africa Custom Index*	46	-
	TOTAL EQUITIES	419,672,433	36.32
	BONDS – 44.68% (30.11.13 – 42.92%)		
	GLOBAL BONDS – 0.05% (30.11.13 – 4.90%)		
€300,381	Marfin Investment 6.3% 2020^^^	207,711	0.02
€487,743	Marfin Investment 7% 2019^^^	396,789	0.03
	TOTAL GLOBAL BONDS	604,500	0.05
	GLOBAL GOVERNMENT BONDS – 0.03% (30.11.13 – 0.00%)		
€467,000	Spain Government Bond 1.8% 2024	388,067	0.03



**CF 7IM AAP BALANCED FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Value	31.05.14		
£	%	Portfolio of Investments	Holding
		SHORT TERM STERLING BONDS <i>(continued)</i>	
£5,700,000		Deutsche Pfandbriefbank 0.97594% <i>floating rate note</i> 2016	
5,699,962	0.49		
£5,000,000		European Bank for Reconstruction & Development 0.875% 2014	
5,009,645	0.43		
£2,582,800		European Investment Bank 2.25% 2015	
2,610,721	0.23		
£3,000,000		European Investment Bank 3% 2015	
3,100,020	0.27		
£6,000,000		European Investment Bank 3.25% 2016	
6,301,494	0.55		
£10,000,000		Export Development Canada 0.875% 2016	
9,933,490	0.86		
£5,000,000		FMS Wertmanagement 1% 2015	
5,011,200	0.43		
£7,500,000		GE Capital UK Funding 1.07813% <i>floating rate note</i> 2016	
7,524,000	0.65		
£1,600,000		GE Capital UK Funding 5.125% 2015	
1,651,201	0.14		
£10,000,000		International Bank for Reconstruction & Development 1% 2016	
9,966,800	0.86		
£2,800,000		KfW 1.75% 2016	
2,839,259	0.25		
£10,000,000		Kommunalbanken 1.125% 2016	
9,972,640	0.86		
£8,700,000		Kommunalbanken 1.375% 2015	
8,766,120	0.76		
£2,525,000		Landwirtschaftliche Rentenbank 3.25% 2016	
2,653,174	0.23		
£8,000,000		L-Bank 0.875% 2017	
7,798,040	0.68		
£3,500,000		L-Bank 1.5% 2015	
3,533,705	0.31		
£8,000,000		Municipality Finance 1.25% 2016	
7,997,000	0.69		
£2,000,000		Municipality Finance 1.5% 2014	
2,009,824	0.17		
£4,200,000		Nederlandse Waterschapsbank 2.125% 2016	
4,289,687	0.37		
£10,000,000		Nestle Holdings 1.625% 2017	
10,057,420	0.87		
£4,600,000		Network Rail Infrastructure Finance 1% 2017	
4,526,492	0.39		
£3,000,000		Network Rail Infrastructure Finance 1.125% 2016	
2,999,898	0.26		
£2,000,000		Network Rail Infrastructure Finance 4.875% 2015	
2,121,492	0.18		
128,975		PIMCO Sterling Short Maturity Source ETF*	
12,999,390	1.12		
£7,000,000		Rabobank Nederland 3.25% 2017	
7,308,770	0.63		
£869,000		Rabobank Nederland 4% 2015	
901,501	0.08		
£11,500,000		Reseau Ferre de France 2.375% 2015	
11,761,809	1.02		
£5,000,000		Svenska Handelsbanken 0.92688% <i>floating rate note</i> 2016	
5,014,330	0.43		
£5,600,000		Svenska Handelsbanken 1.875% 2017	
5,605,880	0.49		
£1,450,000		Westpac Banking Corporation 1.375% 2015	
1,457,839	0.13		
		TOTAL SHORT TERM STERLING BONDS	
236,250,777	20.44		
		TOTAL BONDS	
516,368,900	44.68		

Value	31.05.14		
£	%	Portfolio of Investments	Holding
		PRIVATE EQUITY – 2.78% (30.11.13 – 2.56%)	
210,154		American Capital	1,848,022
107,659		Apollo Global Management	1,593,050
165,527		Apollo Investment Corporation	825,984
212,081		Ares Capital Corporation	2,178,535
200,131		Blackstone Group (The)	3,705,896
35,446		Carlyle Group (The)	654,464
17,351		Electra Private Equity	480,623
44,304		Eurazeo	2,280,750
39,090		Eurazeo <i>rights</i>	100,617
39,090		Eurazeo <i>subscription shares</i>	–
97,760		Fifth Street Finance Corporation	541,445
17,366		GIMV	535,365
44,442		Hercules Technology Growth Capital	404,055
33,400		Jafco Company	788,707
205,199		KKR & Company	2,779,463
29,803		Main Street Capital Corporation	551,517
77,839		Onex Corporation	2,880,479
18,838		Partners Group Holdings	2,981,238
33,097		PennantPark Investment Corporation	217,839
212,665		Prospect Capital Corporation	1,260,259
175,536		Ratos	1,016,007
32,227		Solar Capital	400,209
199,799		SVG Capital	868,326
40,368		TICC Capital Corporation	232,724
33,965		Wendel	3,057,393
		TOTAL PRIVATE EQUITY	32,182,967
		REAL ESTATE – 3.10% (30.11.13 – 3.02%)	
26,611,866		BlackRock Global Property Securities Equity Tracker*	35,792,959
		3.10	
		INFRASTRUCTURE – 0.00% (30.11.13 – 0.00%)	
1		CPFL Energia <i>ADRs</i>	10
598		Sanofi <i>contingent value rights</i>	182
		TOTAL INFRASTRUCTURE	192

CF 7IM AAP BALANCED FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	HEDGE FUNDS & OTHER STRATEGIES – 1.37% (30.11.13 – 1.60%)		
2,441,469	Dexion Absolute € ^^^	344,216	0.03
2,335	EURO STOXX 50 Index Dividend Futures December 2015##	2,526,711	0.22
21,745	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	12,948,377	1.12
	<b>TOTAL HEDGE FUNDS &amp; OTHER STRATEGIES</b>	<b>15,819,304</b>	<b>1.37</b>
	MONEY MARKETS – 6.86% (30.11.13 – 6.18%)		
17,500,000	Goldman Sachs Sterling Liquid Reserves*	17,500,000	1.51
60,760,023	Royal London Cash Plus*	61,815,060	5.35
	<b>TOTAL MONEY MARKETS</b>	<b>79,315,060</b>	<b>6.86</b>
	FORWARD CURRENCY CONTRACTS – 0.07% (30.11.13 – 0.38%)		
AUD(15,000,000)	Vs £8,148,410 (expiry 20.06.14)	(165,812)	(0.01)
¥(1,060,000,000)	Vs £6,295,658 (expiry 20.06.14)	83,125	0.01
€(48,000,000)	Vs £40,672,720 (expiry 20.06.14)	1,620,445	0.14
£(63,339,245)	Vs US\$105,000,000 (expiry 20.06.14)	(732,610)	(0.07)
	<b>TOTAL FORWARD CURRENCY CONTRACTS</b>	<b>805,148</b>	<b>0.07</b>
	Portfolio of investments#	1,099,956,963	95.18
	Net other assets	55,646,445	4.82
	<b>Net assets</b>	<b>1,155,603,408</b>	<b>100.00</b>

All investments are ordinary shares listed on a regulated market unless stated otherwise.

Credit Quality	31.05.14 %	30.11.13 %
Investment grade debt securities	20.83	20.87
Non-rated debt securities	0.79	17.05
Other investments	73.56	61.43
Net other assets	4.82	0.65
	<b>100.00</b>	<b>100.00</b>

\* Collective investment scheme.

\*\* Related party holding.

\*\*\* Delisted security.

\*\*\*\* Suspended security.

^ Structured product.

^^ Quoted on the Alternative Investment Market (AIM).

^^^ Unlisted security.

# Includes derivative liabilities.

## Future contract.

Definition:

ADRs – American Depositary Receipts.

## CF 7IM AAP BALANCED FUND

ACD's Report (continued)

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£486,583,290**

Major purchases	Cost £
SPDR Barclays Emerging Markets Local Bond UCITS ETF	43,399,136
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	36,447,324
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF	32,822,750
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	25,939,493
BlackRock Global Property Securities Equity Tracker	13,500,000
BlackRock Overseas Corporate Bond Tracker	13,000,000
Reseau Ferre de France 2.375% 2015	11,774,850
Nestlé Holdings 1.625% 2017	9,988,200
International Bank for Reconstruction & Development 1% 2016	9,979,200
Bank Nederlandse Gemeenten 1.875% 2018	9,865,000
Council of Europe Development Bank 1.625% 2015	9,114,750
African Development Bank 1.125% 2016	8,997,300
Italy Treasury 5.5% 2022	8,911,775
TOBAM Anti-Benchmark Emerging Markets	8,760,085
Italy Treasury 4.5% 2023	8,349,822
Municipality Finance 1.25% 2016	8,000,640
iShares Markit iBOXX® Euro High Yield Bond UCITS ETF	7,904,758
Spain Government Bond 5.85% 2022	7,586,033
Spain Government Bond 5.4% 2023	7,392,049
Rabobank Nederland 3.25% 2017	7,308,700

In addition to the above, purchases totalling £116,560,582 were made in short term investment funds during the half year.

The summary of material portfolio changes represents 20 largest purchases during the half year.

**Total sales for the half year** **£408,098,022**

Major sales	Proceeds £
Lyxor ETF MSCI EMU Value UCITS ETF	37,066,498
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	36,621,376
iShares Markit iBOXX® \$ High Yield Capped Bond UCITS ETF	18,904,060
PIMCO Sterling Short Maturity Source UCITS ETF	11,000,852
Vanguard U.K. Short-Term Investment Grade Bond Index	10,000,000
BlackRock Global Property Securities Equity Tracker	10,000,000
Italy Treasury 5.5% 2022	8,854,296
Spain Government Bond 5.5% 2017	8,848,485
Italy Treasury 4.75% 2017	8,708,302
iShares EURO STOXX Small UCITS ETF	8,531,006
iShares EURO STOXX Mid UCITS ETF	8,530,994
Italy Treasury 4.5% 2023	8,298,109
Spain Government Bond 5.85% 2022	7,585,227
Spain Government Bond 5.4% 2023	7,399,343
Treasury 1.25% index-linked 2027	7,332,657
BNY Mellon Compass – Euro Credit Short Duration	6,000,000
UBS Sterling Corporate Bond Indexed	5,000,000
Italy Treasury 4.75% 2021	4,991,828
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	4,894,618
Italy Treasury 4.75% 2016	4,851,886

In addition to the above, sales totalling £98,498,700 were made in short term investment funds during the half year.

The summary of material portfolio changes represents 20 largest sales during the half year.



CF 7IM AAP BALANCED FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		25,306,136		66,626,749
Revenue	12,761,448		8,820,622	
Expenses	(3,617,113)		(3,485,044)	
Finance costs: Interest	(937)		(2,637)	
Net revenue before taxation	9,143,398		5,332,941	
Taxation	(899,647)		(358,782)	
Net revenue after taxation		8,243,751		4,974,159
<b>Total return before distributions</b>		33,549,887		71,600,908
Finance costs: Distributions		(9,258,911)		(6,471,902)
<b>Change in net assets attributable to shareholders from investment activities</b>		24,290,976		65,129,006

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		991,285,517		678,148,295
Amounts receivable on issue of shares	153,303,847		139,631,989	
Amounts payable on cancellation of shares	(22,048,215)		(23,326,123)	
		131,255,632		116,305,866
Stamp duty reserve tax		(85,190)		(99,242)
Change in net assets attributable to shareholders from investment activities		24,290,976		65,129,006
Retained distribution on Accumulation shares		8,856,473		6,304,370
<b>Closing net assets attributable to shareholders</b>		1,155,603,408		865,788,295

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		1,100,855,385		984,798,151
<b>Other assets</b>				
Debtors	65,764,432		9,583,763	
Cash and bank balances	34,421,581		8,937,557	
<b>Total other assets</b>		100,186,013		18,521,320
<b>Total assets</b>		1,201,041,398		1,003,319,471
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(898,422)		-
<b>Other liabilities</b>				
Creditors	(43,501,065)		(10,756,460)	
Bank overdrafts	(163,645)		(461,386)	
Distribution payable on Income shares	(874,858)		(816,108)	
<b>Total other liabilities</b>		(44,539,568)		(12,033,954)
<b>Total liabilities</b>		(45,437,990)		(12,033,954)
<b>Net assets attributable to shareholders</b>		1,155,603,408		991,285,517

## CF 7IM AAP MODERATELY ADVENTUROUS FUND

### ACD'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2014

#### IMPORTANT INFORMATION

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Capita Financial Managers Limited has updated the Prospectus to comply with new Financial Conduct Authority rules requiring added disclosures for funds which use the term 'total return' in either their name or objectives. The qualifying statement added to the investment objectives and policy of the Fund make it clear to investors that a positive return is not guaranteed.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

#### INVESTMENT OBJECTIVE AND POLICY

The CF 7IM AAP (Asset Allocated Passives) Moderately Adventurous Fund ('the Fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide a total return primarily by way of growth in capital. There is a risk of fluctuations in capital values.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Fund invests predominantly in equities or instruments that track the returns of equity indices. While assets with scope for capital growth in real terms are likely to represent a significant part of the portfolio, the portfolio may also include other assets held primarily for income generation. The Fund may use different asset classes, with a substantial proportion in equities or instruments that track the returns of equity indices.

Investment may also be made in exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

The Fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

The IMA Mixed Investment 40-85% Shares Sector is the benchmark comparison against which the performance of the Fund is measured.

#### CAPITA FINANCIAL MANAGERS LIMITED

ACD of CF 7IM AAP Moderately Adventurous Fund

29 July 2014

#### INVESTMENT MANAGER'S REPORT

##### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.6%<sup>1</sup>. Over the same period the peer group average return for the IMA Mixed Investment 40-85% Shares Sector which is the Fund benchmark was 2.6%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some other unexpected surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe which led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia after the toppling of a pro Russian regime in the Ukraine that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 7IM AAP Moderately Adventurous 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

## CF 71M AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO REVIEW

The Fund value rose from £410.4 million<sup>3</sup> at 30 November 2013 and £490.9 million<sup>4</sup> at 31 May 2014.

In the six month under review the tactical allocation to equities increased with a corresponding reduction in the tactical allocation to bonds.

At the beginning of the period we increased the US equity allocation adding to the S&P equally weighted certificate. We switched some of the UK, US and EM exposure from equity baskets and certificates to futures which are a cheaper and more efficient way to gain exposure to the equities of these regions.

We sold EURO STOXX 50 futures and iShares small and mid cap ETFs down to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

Within the bond portfolio we held a basket of global bonds which included risky peripheral eurozone government bonds; a contrarian trade at the time we bought them as there were still fears of a eurozone crisis. However, as these fears receded yields came in and during the period we extended the maturity of these bonds to pick up a little more return. However, at the end of May we sold these positions feeling that the yield contraction over the 18 months we had held the instruments was such that the scope for future returns from these instruments was limited in terms of upside but there was potentially considerable downside risk in the event of some credit or other event such as a disappointing announcement from the ECB.

In contrast to extending the maturity of the peripheral eurozone bonds, we shortened maturity in the high yield bond allocation buying the PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF so building the credit risk in the Fund but without adding much duration.

We also made a further allocation to EM bonds in line with our tactical allocation target. The EM bonds market has grown strongly over the past few years and the asset class was in our opinion currently offering good returns with a lower degree of risk given the better financial position and corporate governance that now prevails in these markets. We added to the holding of SPDR Barclays Emerging Markets Local Bond UCITS ETF but disposed of the holdings of global inflation linked bonds where we thought potential returns were less attractive.

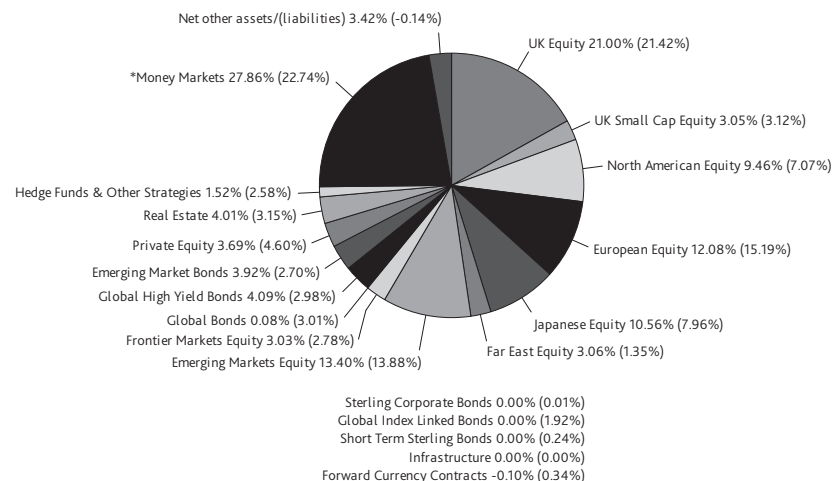
The level of cash at the end of period was higher than at the beginning which arose from the end of May sale of the global government bonds which we decided to continue to hold as cash as protection from short term volatility over the year end ahead of the ECB decision.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.52	73.11	0.3898
2010	108.36	93.63	0.8792
2011	111.02	93.20	1.1270
2012	107.10	98.45	1.3954
2013	123.06	107.37	1.5278
2014*	124.87	116.36	1.3855

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	100.60	73.50	0.6637
2010	110.73	95.17	0.8867
2011	113.92	95.67	1.1478
2012	112.09	101.78	1.4336
2013	129.41	112.70	1.6004
2014*	132.45	123.43	1.4409

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	100.39	73.66	0.4628
2010	109.18	94.40	1.3545
2011	112.02	94.04	1.6596
2012	108.01	99.15	1.9182
2013	124.22	108.18	2.0857
2014*	126.08	117.31	2.0000

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	101.46	73.83	0.9651
2010	112.24	96.24	1.3728
2011	115.78	97.35	1.6981
2012	114.78	103.90	1.9976
2013	133.09	115.40	2.2134
2014*	136.62	127.12	2.1593

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.26	73.05	0.1591
2010	108.13	93.46	0.5464
2011	110.70	92.87	0.7054
2012	106.73	98.04	0.9374
2013	122.57	107.11	1.0751
2014*	124.34	116.02	0.9053

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.98	73.28	0.4349
2010	109.61	94.39	0.5491
2011	112.53	94.41	0.7138
2012	110.07	100.18	0.9973
2013	126.68	110.65	1.1238
2014*	129.36	120.70	0.9414

CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.25	72.97	–
2010	108.15	93.40	0.2830
2011	110.73	92.88	0.6035
2012	106.78	98.08	0.8469
2013	122.59	107.17	0.9810
2014*	132.75	96.77	1.3901

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	99.80	73.20	0.1226
2010	109.31	94.18	0.5799
2011	112.14	94.06	0.6085
2012	109.55	99.76	0.8662
2013	125.94	110.12	1.0020
2014*	128.70	120.02	1.7284

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	103.16	98.40	0.7072

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014#	103.16	98.40	0.7072

\* To 31 May 2014.

# From 26 February 2014 to 31 May 2014.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	4,625,965	4,679,431	98.86
	'A' Accumulation	36,544,374	35,760,203	102.19
	'C' Income	10,381,914	10,427,882	99.56
	'C' Accumulation	76,434,993	73,441,120	104.08
	'D' Income	2,857,914	2,897,044	98.65
	'D' Accumulation	60,276,139	59,807,699	100.78
	'O' Income	1,609,418	1,630,426	98.71
	'O' Accumulation	11,010,888	10,966,223	100.41
30.11.12	'A' Income	5,790,684	5,507,703	105.14
	'A' Accumulation	47,626,656	43,160,036	110.35
	'C' Income	14,823,593	14,000,487	105.88
	'C' Accumulation	121,318,181	107,411,739	112.95
	'D' Income	2,952,501	2,814,117	104.92
	'D' Accumulation	66,777,335	61,608,897	108.39
	'O' Income	1,628,686	1,551,360	104.98
	'O' Accumulation	12,311,443	11,412,246	107.88
30.11.13	'A' Income	1,665,544	1,385,446	120.22
	'A' Accumulation	4,485,058	3,517,256	127.52
	'C' Income	25,684,834	21,211,969	121.09
	'C' Accumulation	304,781,789	232,287,033	131.21
	'D' Income	2,786,067	2,322,734	119.95
	'D' Accumulation	69,351,843	55,576,559	124.79
	'O' Income	1,373,933	1,144,635	120.03
	'O' Accumulation	34,541	27,886	123.87
31.05.14*	'A' Income	1,381,741	1,116,387	123.77
	'A' Accumulation	4,396,043	3,328,522	132.07
	'C' Income	26,005,728	20,859,879	124.67
	'C' Accumulation	349,006,253	256,181,195	136.23
	'D' Income	2,428,754	1,966,780	123.49
	'D' Accumulation	64,772,789	50,214,992	128.99
	'O' Income	328	250	131.04
	'O' Accumulation	2,063	1,607	128.33
	'S' Income	4,514,622	4,419,187	102.16
	'S' Accumulation	38,088,266	37,026,620	102.87

\* See page 208 for details of share class launch.

## CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### ONGOING CHARGES FIGURE

Expense Type	31.05.14				
	'A'	'C'	'D'	'O'	'S'*
ACD's periodic charge	1.00	0.50	1.40	1.50	0.25
Other expenses	0.07	0.07	0.07	0.07	0.07
	<u>1.07</u>	<u>0.57</u>	<u>1.47</u>	<u>1.57</u>	<u>0.32</u>
Collective investment scheme costs	0.13	0.13	0.13	0.13	0.13
Ongoing charges figure	<u>1.20</u>	<u>0.70</u>	<u>1.60</u>	<u>1.70</u>	<u>0.45</u>

Expense Type	30.11.13			
	'A'	'C'	'D'	'O'
ACD's periodic charge	1.00	0.50	1.40	1.50
Other expenses	0.08	0.08	0.08	0.08
	<u>1.08</u>	<u>0.58</u>	<u>1.48</u>	<u>1.58</u>
Collective investment scheme costs	0.16	0.16	0.16	0.16
Ongoing charges figure	<u>1.24</u>	<u>0.74</u>	<u>1.64</u>	<u>1.74</u>

\* See page 208 for details of share class launch.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	0.7471
'A' Accumulation	0.7911
'C' Income	1.0524
'C' Accumulation	1.1398
'D' Income	0.5011
'D' Accumulation	0.5214
'O' Income	1.0520
'O' Accumulation	1.3805
'S' Income	0.7072
'S' Accumulation	0.7072

## CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM AAP Moderately Adventurous Fund	3.55	5.29	18.17	56.26
IMA Mixed Investment 40-85% Shares Sector#	2.66	4.66	20.34	61.26

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

### PORTFOLIO STATEMENT

AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 51.93% (30.11.13 – 56.91%)		
	UK EQUITY – 19.80% (30.11.13 – 20.33%)		
420,237	3i Group	1,814,163	0.37
55,887	3i Infrastructure	77,404	0.02
34,199	Aberdeen Asset Management	152,186	0.03
3,993	Aberforth Smaller Companies	44,841	0.01
6,734	Admiral Group	98,114	0.02
11,369	Advance Developing Markets	48,176	0.01
36,431	Afren	55,594	0.01
1,093	African Barrick Gold	2,357	–
7,403	Aggreko	123,334	0.03
7,304	Alent	23,607	–
26,845	Alliance Trust (The)	121,447	0.02
11,209	AMEC	135,405	0.03
17,044	Amlin	80,090	0.02
54,899	Anglo American	800,153	0.16
938	Anglo-Eastern Plantations	6,669	–
11,464	Antofagasta	90,279	0.02
24,269	Aquarius Platinum	6,067	–
58,391	ARM Holdings	536,613	0.11
14,942	Ashmore Group	52,715	0.01
16,630	Ashtead Group	146,427	0.03
14,482	Associated British Foods	437,067	0.09
113,987	Assura Group	49,014	0.01
50,015	AstraZeneca	2,142,393	0.44
537	Aveva Group	12,013	–
119,719	Aviva	627,328	0.13
36,538	Babcock International Group	443,206	0.09
112,582	BAE Systems	476,334	0.10
26,897	Balfour Beatty	63,450	0.01
629,654	Barclays	1,554,616	0.32
6,648	Barr	41,550	0.01
33,380	Barratt Developments	119,233	0.02
4,645	BBA Aviation	14,548	–
26,483	Beazley	64,777	0.01
3,869	Bellway	53,392	0.01
9,795	Berendsen	97,362	0.02
4,066	Berkeley Group Holdings	91,648	0.02
2,892	Betfair Group	28,689	0.01
133,620	BG Group	1,631,500	0.33
3,994	BH Global	47,928	0.01
5,347	BH Macro	104,160	0.02
89,000	BHP Billiton	1,662,520	0.34
13,813	Bilfinger Berger Global Infrastructure	15,919	–
7,664	Biotech Growth Trust (The)	34,948	0.01

CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
25,598	BlueCrest AllBlue	46,179	0.01
7,383	Bodycote	55,077	0.01
40,438	Booker Group	57,462	0.01
9,482	Bovis Homes Group	71,921	0.01
718,994	BP	3,615,821	0.74
2,745	Brammer	13,313	-
12,509	Brewin Dolphin Holdings	39,879	0.01
72,933	British American Tobacco	2,625,953	0.54
9,277	British Empire Securities and General	46,571	0.01
49,857	British Land Company	356,478	0.07
32,442	British Sky Broadcasting Group	285,976	0.06
9,789	Britvic	73,075	0.01
3,306	Brown (N) Group	15,472	-
315,202	BT Group	1,251,352	0.26
13,606	BTG	81,160	0.02
12,918	Bunzl	215,731	0.04
20,888	Burberry Group	320,004	0.07
19,978	Bwin.Party Digital Entertainment	23,774	-
61,586	Cable & Wireless Communications	32,579	0.01
14,638	Cairn Energy	28,881	0.01
2,607	Candover	14,886	-
3,699	Cape	11,217	-
33,507	Capita**	370,587	0.08
19,885	Capital & Counties Properties	67,191	0.01
21,083	Carillion	74,655	0.02
6,343	Carnival	153,754	0.03
3,494	Carpwright	18,361	-
20,303	Carphone Warehouse Group	64,970	0.01
7,110	Catlin Group	37,185	0.01
27,437	Centamin	16,668	-
195,325	Centrica	655,511	0.13
9,107	Chemring Group	20,445	-
4,177	Close Brothers Group	55,345	0.01
37,741	Cobham	120,167	0.02
6,832	Coca-Cola HBC	93,667	0.02
64,722	Compass Group	643,660	0.13
3,174	Consort Medical	27,154	0.01
7,858	Costain Group	20,824	-
2,611	Cranswick	33,055	0.01
34,353	CRH	562,359	0.11
3,759	Croda International	98,937	0.02
7,613	CSR	45,145	0.01
8,387	Dairy Crest Group	39,167	0.01
25,525	Darty	21,952	-
3,213	DCC	112,551	0.02
3,204	De La Rue	27,506	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
61,334	Debenhams	46,614	0.01
2,820	Dechra Pharmaceuticals	19,472	-
2,751	Derwent London	75,267	0.02
14,960	Development Securities	35,418	0.01
4,641	Devro	11,858	-
100,196	Diageo	1,922,761	0.39
76,079	Direct Line Insurance Group	192,632	0.04
151,004	Dixons Retail	73,222	0.02
3,880	Domino Printing Sciences	30,167	0.01
6,647	Domino's Pizza UK & IRL	37,356	0.01
16,689	Drax Group	104,890	0.02
33,401	DS Smith	106,048	0.02
3,961	Dunelm Group	36,164	0.01
12,553	E2V Technologies	20,336	-
10,094	easyJet	154,438	0.03
9,457	Edinburgh Investment Trust (The)	57,593	0.01
15,111	Electric and General***	-	-
21,709	Electrocomponents	62,109	0.01
14,616	Elementis	41,802	0.01
34,629	EnQuest	48,688	0.01
16,599	Enterprise Inns	22,458	-
12,284	Essar Energy	8,568	-
6,648	Essentra	52,486	0.01
10,388	eSure Group	27,528	0.01
12,638	Evraz	13,207	-
11,433	Exillon Energy	15,892	-
35,486	Experian	367,635	0.08
7,281	Fenner	25,367	0.01
11,479	Fidelity China Special Situations	11,605	-
1,288	Fidessa Group	29,817	0.01
49,478	FirstGroup	69,319	0.01
17,223	Foreign & Colonial Investment Trust	65,051	0.01
103,640	Fortune Oil	12,955	-
5,161	Fresnillo	41,572	0.01
13,289	Friends Life Group	41,568	0.01
89	FTSE 100 Index Future June 2014##	179,637	0.04
55,891	G4S	139,672	0.03
2,854	Galliford Try	32,222	0.01
2,465	Genus	26,351	0.01
50,735	GKN	199,135	0.04
192,750	GlaxoSmithKline	3,085,928	0.63
379,882	Glencore Xstrata	1,228,159	0.25
1,047,420	Goldman Sachs Dynamic Opportunities***	26,514	0.01
19,312	Grafton Group	110,272	0.02
11,478	Graphite Enterprise	69,671	0.01
14,942	Great Portland Estates	97,272	0.02



**CF 7IM AAP MODERATELY ADVENTUROUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
8,285	Greene King	70,837	0.01
13,138	Greggs	68,449	0.01
10,217	Halfords Group	49,747	0.01
15,613	Halma	92,195	0.02
22,335	Hammerson	133,005	0.03
69,432	Hansteen Holdings	74,778	0.02
8,237	Hargreaves Lansdown	100,409	0.02
37,712	Hays	56,983	0.01
33,994	Henderson Group	84,815	0.02
1,199	HgCapital	12,590	–
65,140	HICL Infrastructure Company	88,916	0.02
4,703	Hikma Pharmaceuticals	80,139	0.02
11,322	Hiscox	77,046	0.02
2,436	Hochschild Mining	3,605	–
26,457	Home Retail Group	49,845	0.01
13,917	Homeserve	47,012	0.01
29,018	Howden Joinery Group	92,654	0.02
763,063	HSBC Holdings	4,800,429	0.98
5,986	Hunting	48,906	0.01
2,650	Hyder Consulting	11,269	–
19,233	ICAP	76,759	0.02
13,511	IG Group	81,269	0.02
7,802	Imagination Technologies Group	18,343	–
10,738	IMI	171,378	0.04
38,279	Imperial Tobacco Group	1,030,471	0.21
15,253	Inchcape	94,874	0.02
21,818	Informa	112,145	0.02
18,660	Inmarsat	136,311	0.03
10,317	InterContinental Hotels Group	242,759	0.05
181,345	Intermediate Capital Group	758,203	0.15
102,457	International Consolidated Airlines	403,168	0.08
10,046	International Personal Finance	61,180	0.01
30,713	International Public Partnerships	39,804	0.01
8,685	Intertek Group	253,341	0.05
19,605	Intu Properties	61,736	0.01
25,057	Investec	129,670	0.03
8,020	IP Group	14,356	–
10,025	ITE Group	23,368	–
232,812	ITV	423,951	0.09
5,791	Jardine Lloyd Thompson Group	59,995	0.01
70,381	John Laing Infrastructure Fund	80,797	0.02
11,042	John Wood Group	86,845	0.02
7,285	Johnson Matthey	233,994	0.05
77,975	Johnston Press	3,228	–
508,397	Johnston Press <i>rights</i>	5,745	–

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
13,375	Jupiter Fund Management	53,580	0.01
11,042	Kazakhmys	30,520	0.01
27,745	Kcom Group	25,692	0.01
3,092	Keller Group	29,451	0.01
49,048	Kenmare Resources	4,905	–
3,437	Kier Group	58,360	0.01
106,589	Kingfisher	417,722	0.09
40,958	Ladbroke	62,502	0.01
7,807	Laird	23,421	–
13,417	Lamprell	22,138	–
3,344	Lancashire Holdings	21,703	–
29,027	Land Securities Group	309,718	0.06
15,136	Lavendon Group	33,867	0.01
248,163	Legal & General Group	571,271	0.12
2,141,510	Lloyds Banking Group	1,666,737	0.34
7,064	London Stock Exchange Group	138,242	0.03
46,936	LondonMetric Property	67,963	0.01
22,434	Lonmin	57,633	0.01
72,469	Man Group	72,686	0.01
55,379	Marks & Spencer Group	248,707	0.05
14,037	Marshalls	23,687	–
6,700	Mears Group	31,624	0.01
9,092	Mecom Group	10,433	–
25,064	Meggitt	121,435	0.02
41,161	Melrose Industries	115,210	0.02
16,662	Mercantile	252,096	0.05
17,839	Merlin Entertainments	64,970	0.01
95,342	Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015^	13,943,768	2.84
12,544	Michael Page International	57,514	0.01
6,812	Micro Focus International	56,744	0.01
15,890	Mitchells & Butlers	66,865	0.01
13,309	Mitie Group	44,625	0.01
13,829	Mondi	148,109	0.03
20,802	MoneySupermarket.com Group	36,736	0.01
9,941	Morgan Crucible	33,720	0.01
67,833	Morrison (Wm.) Supermarkets	136,751	0.03
9,859	Murray International	106,970	0.02
28,157	National Express Group	77,995	0.02
140,927	National Grid	1,253,546	0.26
138,953	NB Global Floating Rate Income	137,841	0.03
1,606	New World Resources	410	–
5,091	Next	337,788	0.07

**CF 7IM AAP MODERATELY ADVENTUROUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
735	North Atlantic Smaller Companies Investment Trust	12,936	–
14,848	Ocado Group	57,373	0.01
205,084	Old Mutual	414,270	0.08
18,740	Ophir Energy	48,068	0.01
7,633	Optos	12,862	–
2,113	Oxford Instruments	27,532	0.01
9,149	Pace	34,327	0.01
2,268	Pantheon International Participations	25,583	0.01
14,859	Paragon Group Companies	55,825	0.01
4,112	PayPoint	43,053	0.01
33,995	Pearson	397,742	0.08
66,870	Pendragon	19,727	–
11,892	Pennon Group	93,174	0.02
8,843	Persimmon	118,231	0.02
9,563	Petra Diamonds	14,890	–
4,005	Petroceltic International^^	6,118	–
9,307	Petrofac	117,361	0.02
7,180	Petropavlovsk	4,182	–
7,524	Phoenix Group Holdings	48,793	0.01
6,107	Playtech	41,375	0.01
4,514	Polymetal International	23,586	–
15,123	Premier Farnell	32,242	0.01
5,997	Premier Foods	3,523	–
17,356	Premier Oil	61,093	0.01
7,108	Provident Financial	148,699	0.03
107,782	Prudential	1,492,781	0.30
23,290	Punch Taverns	2,504	–
10,730	PZ Cussons	37,770	0.01
24,261	QinetiQ Group	50,705	0.01
21,977	Quintain Estates and Development	20,878	–
1,507	R.E.A. Holdings	7,226	–
3,155	Randgold Resources	137,463	0.03
25,765	Reckitt Benckiser Group	1,314,015	0.27
44,543	Reed Elsevier	423,604	0.09
22,808	Regus	43,837	0.01
1,056	Renishaw	17,910	–
62,123	Rentokil Initial	73,243	0.01
12,951	Restaurant Group (The)	77,447	0.02
34,155	Rexam	181,534	0.04
3,237	Rightmove	74,192	0.02
50,366	Rio Tinto	1,539,437	0.31
3,099	RIT Capital Partners	40,535	0.01
80,115	Rolls-Royce Holdings	833,196	0.17
8,466,924	Rolls-Royce Holdings 'C'	–	–

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
3,324	Rotork	86,524	0.02
95,203	Royal Bank of Scotland Group	329,878	0.07
151,311	Royal Dutch Shell 'A'	3,547,486	0.72
94,217	Royal Dutch Shell 'B'	2,293,713	0.47
22,002	Royal Mail Group	112,540	0.02
46,582	RSA Insurance Group	223,500	0.05
36,547	SABMiller	1,209,888	0.25
47,815	Sage Group (The)	195,946	0.04
62,541	Sainsbury (J)	216,204	0.04
12,135	Salamander Energy	17,990	–
5,382	Savills	34,122	0.01
4,644	Schroders	120,047	0.02
1,905	Schroders <i>non-voting</i>	37,490	0.01
10,310	Scottish Mortgage	106,708	0.02
8,002	Scottish Oriental Smaller Companies (The)	62,536	0.01
16,704	Segro	61,688	0.01
12,598	Senior	37,315	0.01
11,143	Serco Group	41,407	0.01
7,056	Severn Trent	138,792	0.03
4,684	Shaftesbury	31,383	0.01
21,696	Shire	740,701	0.15
13,317	SIG	26,234	0.01
49,306	Smith & Nephew	515,741	0.11
12,814	Smiths Group	169,273	0.03
9,735	SOCO International	40,780	0.01
4,296	Spectris	98,464	0.02
38,698	Speedy Hire	21,381	–
4,815	Spirax-Sarco Engineering	137,661	0.03
48,830	Spirent Communications	50,979	0.01
39,202	Spirit Pub Company	31,362	0.01
6,028	Sports Direct International	47,410	0.01
37,995	SSE	590,822	0.12
9,940	St. Ives	20,949	–
28,968	St. James's Place	226,675	0.05
19,861	Stagecoach Group	77,299	0.02
78,374	Standard Chartered	1,052,171	0.21
81,404	Standard Life	325,453	0.07
10,508	Stthree	36,988	0.01
17,426	Synthomer	45,656	0.01
7,798	T. Clarke	6,082	–
13,328	TalkTalk Telecom Group	42,703	0.01
9,447	Tarsus Group	21,350	–
12,138	Tate & Lyle	84,056	0.02
121,782	Taylor Wimpey	131,890	0.03
5,296	TelecityGroup	37,655	0.01

CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
24,231	Templeton Emerging Markets	134,482	0.03
320,597	Tesco	973,172	0.20
47,828	Thomas Cook Group	78,438	0.02
23,970	Topps Tiles	28,464	0.01
9,236	Travis Perkins	155,350	0.03
18,202	Trinity Mirror	29,305	0.01
10,998	TUI Travel	45,103	0.01
10,724	Tullett Prebon	31,078	0.01
37,605	Tullow Oil	317,010	0.06
9,478	UBM	63,787	0.01
8,913	UDG Healthcare	30,661	0.01
45,044	Unilever	1,206,278	0.25
26,752	United Utilities Group	232,074	0.05
17,047	Vectura Group	22,033	–
4,134	Vedanta Resources	45,474	0.01
7,304	Vesuvius	33,467	0.01
962	Victrex	17,335	–
1,035,255	Vodafone Group	2,168,342	0.44
7,482	Weir Group (The)	196,028	0.04
6,463	WH Smith	66,827	0.01
5,930	Whitbread	248,171	0.05
29,061	William Hill	103,312	0.02
52,648	Witan Investment Trust	375,380	0.08
12,724	Wolseley	422,819	0.09
53,969	WPP	694,041	0.14
1,967	WS Atkins	25,827	0.01
3,628	Xaar	31,328	0.01
15,029	Xchanging	22,506	–
1,258	XP Power	19,499	–
	TOTAL UK EQUITY	97,125,808	19.80
	UK SMALL CAP EQUITY – 3.05% (30.11.13 – 3.12%)		
9,931,205	BlackRock Mid Cap UK Equity Tracker*	14,966,325	3.05
	NORTH AMERICAN EQUITY – 4.67% (30.11.13 – 7.07%)		
7,683	Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014^	22,524,963	4.59
1,291	MSCI USA Equal Weighted NTR USD Index Futures June 2014##	366,843	0.08
	TOTAL NORTH AMERICAN EQUITY	22,891,806	4.67

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY – 11.88% (30.11.13 – 10.33%)		
1,589	A.P. Møller-Mærsk	2,469,933	0.50
53,451	Abertis Infraestructuras	698,997	0.14
228,337	Aegon	1,181,970	0.24
228,337	Aegon rights	–	–
32,598	Alfa Laval	509,736	0.10
76,225	ArcelorMittal	694,518	0.14
34,291	BNP Paribas	1,432,202	0.29
9,921	CGG	79,902	0.02
9,237	Coloplast	475,242	0.10
16,663	Delhaize Group	707,064	0.14
97,634	E.ON	1,131,838	0.23
59,536	Elekta	459,373	0.09
38	EURO STOXX 50 Future June 2014##	20,712	–
93,380	GDF Suez	1,555,794	0.32
31,773	Henkel non-voting preference shares	2,189,065	0.45
8,956	Hennes & Mauritz	226,055	0.05
56,077	Husqvarna	262,263	0.05
189,161	Iberdrola	810,981	0.17
14,629	Industrivärden	175,091	0.04
21,866	ING Groep	182,776	0.04
1,088,571	Intesa Sanpaolo	2,176,742	0.44
24,690	Investment AB Kinnevik	584,407	0.12
69,202	iShares EURO STOXX Mid UCITS ETF*	2,552,170	0.52
104,994	iShares EURO STOXX Small UCITS ETF*	2,506,207	0.51
120,935	Koninklijke Ahold	1,310,954	0.27
32,465	Koninklijke KPN	71,574	0.01
20,763	Merck KGaA	2,130,814	0.43
18,311	Munich Re	2,419,914	0.49
26,762	Neste Oil	326,571	0.07
37,076	Nestle	1,735,778	0.35
13,886	Nokian Renkaat	351,096	0.07
8,393	Novo Nordisk	212,067	0.04
11,588	Orion	217,954	0.04
7,075	Pernod Ricard	517,721	0.11
13,842	Publicis Groupe	712,467	0.15
18,480	Reed Elsevier	246,856	0.05
20,588	Renault	1,156,501	0.24
11,231	Repsol	188,809	0.04
8,886	Roche Holding	1,561,533	0.32
12,401	Sanofi	790,532	0.16
45,608	Schneider Electric	2,560,108	0.52
18,292	Skanska	252,891	0.05
41,125	Source Man GLG Continental Europe Plus UCITS ETF*	4,716,626	0.96
83,064	Stora Enso	507,820	0.10

**CF 7IM AAP MODERATELY ADVENTUROUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY <i>(continued)</i>		
26,107	Südzucker	315,817	0.06
42,625	Swiss Re	2,262,776	0.46
6,594	Technip	422,604	0.09
19,497	Tele2	137,733	0.03
37,626	Telefonaktiebolaget LM Ericsson	281,418	0.06
36,647	Telefonica	366,850	0.08
28,563	Telefonica Deutschland Holding	132,565	0.03
54,173	Telenor	766,128	0.16
64,739	Tenaris	864,783	0.18
3,331	Thales	118,975	0.02
52,222	UPM-Kymmene	548,464	0.11
13,411	Vinci	592,310	0.12
7,107	Voestalpine	195,710	0.04
20,560	Volkswagen <i>non-voting preference shares</i>	3,260,728	0.67
32,339	Yara International	881,125	0.18
11,511	Zurich Insurance Group	2,062,742	0.42
	<b>TOTAL EUROPEAN EQUITY</b>	<b>58,282,352</b>	<b>11.88</b>
	JAPANESE EQUITY – 0.02% (30.11.13 – 4.07%)		
737	TOPIX Index Future June 2014##	127,128	0.02
	FAR EAST EQUITY – 1.36% (30.11.13 – 1.35%)		
260	MSCI Pacific ex Japan Index Futures June 2014##	250,415	0.05
833	TOBAM Anti-Benchmark Pacific Ex-Japan*	6,410,955	1.31
	<b>TOTAL FAR EAST EQUITY</b>	<b>6,661,370</b>	<b>1.36</b>
	EMERGING MARKETS EQUITY – 8.12% (30.11.13 – 7.86%)		
942	Mini MSCI Emerging Markets Index Futures June 2014##	2,873,743	0.59
5,883	TOBAM Anti-Benchmark Emerging Markets*	36,947,690	7.53
	<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>39,821,433</b>	<b>8.12</b>
	FRONTIER MARKETS EQUITY – 3.03% (30.11.13 – 2.78%)		
169,305	Abu Dhabi Commercial Bank	237,707	0.05
2,284,928	Access Bank	82,387	0.02
35,458	Africa Prudential Registrars	420	–
63,741	Agility Public Warehousing Company	107,843	0.02
50,616	Ahli United Bank	72,791	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	FRONTIER MARKETS EQUITY <i>(continued)</i>		
20,147	Al Khaliji	77,710	0.02
456,211	Aldar Properties	325,077	0.07
1,312	Amundi ETF MSCI Eastern Europe EX Russia UCITS ETF*	281,083	0.06
13,680	Arab Bank	102,112	0.02
250,465	Arabtec Holding Company	271,162	0.06
4,603	Banco Macro ADRs	86,690	0.02
9,213	Barwa Real Estate Company	64,961	0.01
4,947	BBVA Banco Frances ADRs	28,225	0.01
20,656	Boubyan Bank	23,590	–
44,113	Boubyan Petrochemicals Company	71,836	0.01
54,635	Burgan Bank	63,550	0.01
11,949	Commercial Bank of Qatar (The)	136,604	0.03
391,867	Dana Gas	52,793	0.01
148,858	Dangote Cement	124,365	0.03
22,221	db x-trackers FTSE Vietnam UCITS ETF*	363,758	0.07
485,295	db x-trackers MSCI Bangladesh IM TRN Index UCITS ETF*	268,492	0.05
271,273	db x-trackers MSCI Pakistan IM TRN Index UCITS ETF*	319,250	0.06
50,511	db x-trackers S&P Select Frontier UCITS ETF*	394,188	0.08
8,506	Doha Bank	87,769	0.02
27,928	DP World	351,317	0.07
223,125	Dubai Financial Market	153,195	0.03
71,818	Dubai Islamic Bank	89,760	0.02
336,484	Ecobank Transnational	20,369	–
400,385	Emaar Properties	675,877	0.14
44,161	Emirates NBD	68,096	0.01
1,739,965	FBN Holdings	97,358	0.02
46,638	First Gulf Bank	135,503	0.03
128,123	Flour Mills of Nigeria	35,915	0.01
11,647	Grupo Financiero Galicia ADRs	94,226	0.02
2,378,579	Guaranty Trust Bank	248,400	0.05
87,833	Guinness Nigeria	57,321	0.01
165,830	Gulf Bank	126,255	0.03
6,028	Halyk Savings Bank of Kazakhstan	37,735	0.01
10,722	Industries Qatar	330,676	0.07
487,586	Intercontinental Wapic Insurance	1,358	–
1,930	Jordan Phosphate Mines	10,395	–
20,666	Jordan Telecom	55,999	0.01
17,925	KazMunaiGas Exploration Production	150,359	0.03
5,067	Kcell	46,944	0.01
224,824	Kuwait Finance House	385,132	0.08
33,400	Kuwait International Bank	21,544	–
61,909	Kuwait Projects Company (Holding)	95,578	0.02
153,691	Lafarge Cement WAPCO Nigeria	63,080	0.01

CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	FRONTIER MARKETS EQUITY (continued)		
10,354	Lyxor ETF Eastern Europe*	159,493	0.03
42,854	Lyxor ETF FTSE Coast Kuwait 40*	641,528	0.13
12,829	Lyxor ETF PAN AFRICA*	87,563	0.02
41,724	Mabane Company	95,300	0.02
53,022	Masraf Al Rayan	554,923	0.11
289,113	Mobile Telecommunications Company	409,661	0.08
9,532	NAKILAT	35,595	0.01
67,852	National Bank of Abu Dhabi	182,821	0.04
267,681	National Bank of Kuwait	560,448	0.11
32,325	Nestle Nigeria	126,976	0.03
579,167	Nigerian Breweries	373,620	0.08
11,571	Ooredoo	293,750	0.06
11,837	Petrobras Argentina	39,801	0.01
214,380	PZ Cussons Nigeria	27,887	0.01
3,885	Qatar Electricity & Water Company	126,752	0.03
11,506	Qatar Islamic Bank	205,036	0.04
11,008	Qatar National Bank	328,137	0.07
5,080	Qatar Navigation	74,051	0.01
45,680	RBS Market Access MSCI Frontier Markets Index ETF*	2,316,654	0.47
39,255	Russell Old Mutual S&P Africa Custom Index*	373,669	0.08
1,047,520	Stanbic IBTC Holdings	90,663	0.02
7,895	Telecom Argentina	101,668	0.02
141,835	UBA Capital	1,305	-
458,126	Unilever Nigeria	82,257	0.02
345,650	Union Bank of Nigeria	13,299	-
3,150,682	United Bank for Africa	87,742	0.02
46,855	Vodafone Qatar	159,469	0.03
9,598	YPF ADRs	170,920	0.03
1,765,142	Zenith Bank	163,640	0.03
	TOTAL FRONTIER MARKETS EQUITY	14,881,383	3.03
	TOTAL EQUITIES	254,757,605	51.93
	BONDS – 29.04% (30.11.13 – 24.28%)		
	GLOBAL BONDS – 0.08% (30.11.13 – 3.01%)		
€187,980	Marfin Investment 6.3% 2020^^^	129,987	0.03
€305,232	Marfin Investment 7% 2019^^^	248,312	0.05
	TOTAL GLOBAL BONDS	378,299	0.08
	STERLING CORPORATE BONDS – 0.00% (30.11.13 – 0.01%)	-	-

Holding	Portfolio of Investments	Value £	31.05.14 %
	GLOBAL HIGH YIELD BONDS – 4.09% (30.11.13 – 2.98%)		
50,240	iShares Markit iBOXX® Euro High Yield Bond UCITS ETF*	4,501,968	0.92
243,060	PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF*	15,541,330	3.17
	TOTAL GLOBAL HIGH YIELD BONDS	20,043,298	4.09
	GLOBAL INDEX LINKED BONDS – 0.00% (30.11.13 – 1.92%)	-	-
	EMERGING MARKET BONDS – 3.92% (30.11.13 – 2.70%)		
102,400	PIMCO Emerging Markets Advantage Local Bond Index Source ETF*	6,384,487	1.30
230,775	SPDR Barclays Emerging Markets Local Bond UCITS ETF*	12,869,582	2.62
	TOTAL EMERGING MARKET BONDS	19,254,069	3.92
	SHORT TERM STERLING BONDS – 20.95% (30.11.13 – 13.66%)		
£3,200,000	Abbey National Treasury Services 0.82781% floating rate note 2017	3,202,485	0.65
£4,000,000	Bank Nederlandse Gemeenten 1.875% 2018	3,984,800	0.81
611,675	BNY Mellon Compass – Euro Credit Short Duration*	6,147,338	1.25
£2,650,000	Caisse d'Amortissement de la Dette Sociale 3.75% 2014	2,672,245	0.54
£5,000,000	Council of Europe Development Bank 1.625% 2015	5,059,325	1.03
£2,500,000	Credit Suisse 0.92063% floating rate note 2016	2,500,432	0.51
£4,000,000	Deutsche Pfandbriefbank 0.97594% floating rate note 2016	3,999,974	0.82
£2,000,000	European Bank for Reconstruction & Development 0.875% 2014	2,003,858	0.41
£4,000,000	European Investment Bank 3% 2015	4,133,360	0.84
£850,000	European Investment Bank 3.25% 2016	892,712	0.18
£4,000,000	Export Development Canada 0.875% 2016	3,973,396	0.81
£4,000,000	FMS Wertmanagement 1% 2015	4,008,960	0.82
£1,600,000	GE Capital UK Funding 5.125% 2015	1,651,201	0.34
£3,950,000	International Bank for Reconstruction & Development 1% 2016	3,936,886	0.80
£5,000,000	Kommunalbanken 1.125% 2016	4,986,320	1.02

**CF 7IM AAP MODERATELY ADVENTUROUS FUND**

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£4,000,000	Kommunalbanken 1.375% 2015	4,030,400	0.82
£3,026,000	Landwirtschaftliche Rentenbank 3.25% 2016	3,179,606	0.65
£3,500,000	L-Bank 0.875% 2017	3,411,643	0.70
£1,500,000	L-Bank 1.5% 2015	1,514,445	0.31
£1,500,000	Municipality Finance 1.5% 2014	1,507,368	0.31
£5,000,000	Nestle Holdings 1.625% 2017	5,028,710	1.03
£1,200,000	Network Rail Infrastructure Finance 1% 2017	1,180,824	0.24
£1,000,000	Network Rail Infrastructure Finance 1.125% 2016	999,966	0.20
£3,000,000	Network Rail Infrastructure Finance 4.875% 2015	3,182,238	0.65
74,546	PIMCO Sterling Short Maturity Source ETF*	7,513,491	1.53
£4,000,000	Rabobank Nederland 3.25% 2017	4,176,440	0.85
£4,900,000	Reseau Ferre de France 2.375% 2015	5,011,553	1.02
£4,800,000	Svensk Exportkredit 0.875% 2015	4,799,736	0.98
£4,074,000	Svenska Handelsbanken 0.92688% floating rate note 2016	4,085,676	0.83
	TOTAL SHORT TERM STERLING BONDS	102,775,388	20.95
	TOTAL BONDS	142,451,054	29.04
	PRIVATE EQUITY – 3.69% (30.11.13 – 4.60%)		
117,712	American Capital	1,035,119	0.21
60,255	Apollo Global Management	891,605	0.18
91,984	Apollo Investment Corporation	459,003	0.09
116,443	Ares Capital Corporation	1,196,124	0.24
112,045	Blackstone Group (The)	2,074,777	0.42
19,865	Carlyle Group (The)	366,781	0.08
14,638	Electra Private Equity	405,473	0.08
26,666	Eurazeo	1,372,754	0.28
21,919	Eurazeo rights	56,419	0.01
21,919	Eurazeo subscription shares	–	–
49,088	Fifth Street Finance Corporation	271,874	0.06
8,339	GIMV	257,078	0.05
24,846	Hercules Technology Growth Capital	225,893	0.05
19,000	Jafco Company	448,666	0.09
115,439	KKR & Company	1,563,645	0.32
17,012	Main Street Capital Corporation	314,814	0.06
44,291	Onex Corporation	1,639,015	0.33
10,518	Partners Group Holdings	1,664,543	0.34
23,657	PennantPark Investment Corporation	155,706	0.03
115,704	Prospect Capital Corporation	685,665	0.14
98,000	Ratos	567,226	0.12
16,617	Solar Capital	206,357	0.04

Holding	Portfolio of Investments	Value £	31.05.14 %
	PRIVATE EQUITY (continued)		
101,879	SVG Capital	442,766	0.09
20,561	TICC Capital Corporation	118,535	0.03
18,807	Wendel	1,692,931	0.35
	TOTAL PRIVATE EQUITY	18,112,769	3.69
	REAL ESTATE – 4.01% (30.11.13 – 3.15%)		
14,626,233	BlackRock Global Property Securities Equity Tracker*	19,672,283	4.01
	INFRASTRUCTURE – 0.00% (30.11.13 – 0.00%)		
596	Sanofi contingent value rights	181	–
	HEDGE FUNDS & OTHER STRATEGIES – 1.10% (30.11.13 – 1.54%)		
30,098	Dexion Absolute £^^^	6,418	–
1,171,008	Dexion Absolute €^^^	165,097	0.03
284	EURO STOXX 50 Index Dividend Futures December 2015##	485,159	0.10
7,985	Goldman Sachs International (linked to the Goldman Sachs Volatility Carry Gold Series S Total Return Strategy)^	4,754,785	0.97
	TOTAL HEDGE FUNDS & OTHER STRATEGIES	5,411,459	1.10
	MONEY MARKETS – 6.91% (30.11.13 – 9.32%)		
6,300,000	Goldman Sachs Sterling Liquid Reserves*	6,300,000	1.28
27,159,496	Royal London Cash Plus*	27,631,094	5.63
	TOTAL MONEY MARKETS	33,931,094	6.91
	FORWARD CURRENCY CONTRACTS – (0.10%) (30.11.13 – 0.34%)		
AUD(5,800,000)	Vs £3,150,718 (expiry 20.06.14)	(64,114)	(0.01)
£(3,522,950)	Vs €4,100,000 (expiry 20.06.14)	(187,235)	(0.04)
£(19,962,570)	Vs US\$33,000,000 (expiry 20.06.14)	(286,199)	(0.06)
¥(400,000,000)	Vs £2,375,720 (expiry 20.06.14)	31,368	0.01
	TOTAL FORWARD CURRENCY CONTRACTS	(506,180)	(0.10)

## CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

	Value £	31.05.14 %
Portfolio of investments#	473,830,265	96.58
Net other assets	16,766,322	3.42
Net assets	<u>490,596,587</u>	<u>100.00</u>

All investments are ordinary shares listed on a regulated market unless stated otherwise.

\* Collective investment scheme.

\*\* Related party holding.

\*\*\* Delisted security.

^ Structured product.

^^ Quoted on the Alternative Investment Market (AIM).

^^^ Unlisted security.

# Includes derivative liabilities.

## Future contract.

Definition:

ADRs – American Depositary Receipts.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£216,944,467**

Major purchases	Cost £
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	21,504,085
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2015	13,416,526
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF	10,859,168
SPDR Barclays Emerging Markets Local Bond UCITS ETF	7,836,850
BlackRock Global Property Securities Equity Tracker	5,500,000
Reseau Ferre de France 2.375% 2015	5,017,110
Nestlé Holdings 1.625% 2017	4,994,100
Svensk Exportkredit 0.875% 2015	4,799,520
Rabobank Nederland 3.25% 2017	4,176,400
European Investment Bank 3% 2015	4,134,800
TOBAM Anti-Benchmark Emerging Markets	4,077,660
FMS Wertmanagement 1% 2015	4,012,440
Deutsche Pfandbriefbank 0.97406% <i>floating rate note</i> 2016	3,991,560
Bank Nederlandse Gemeenten 1.875% 2018	3,946,000
International Bank for Reconstruction & Development 1% 2016	3,942,495
Council of Europe Development Bank 1.625% 2015	3,544,625
BNY Mellon Compass Euro Credit Short Duration	3,317,391
Volkswagen <i>non-voting preference shares</i>	3,215,250
Abbey National Treasury Services 0.82781% <i>floating rate note</i> 2017	3,200,800
Intesa Sanpaolo	2,515,492

In addition to the above, purchases totalling £60,200,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

## CF 7IM AAP MODERATELY ADVENTUROUS FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 31 May 2014

**Total sales for the half year** **£158,733,821**

Major sales	Proceeds £
Lyxor ETF MSCI EMU Value UCITS ETF	25,046,624
Merrill Lynch International Warrant & Certificate Securities (linked to the FTSE 100 Equal Weighted Total Return Index) 2014	13,480,596
BNY Mellon Compass Euro Credit Short Duration	8,350,126
iShares Markit iBoxx® Euro High Yield Bond UCITS ETF	3,690,840
iShares EURO STOXX Mid UCITS ETF	3,616,027
iShares EURO STOXX Small UCITS ETF	3,616,006
PIMCO Sterling Short Maturity Source ETF	3,500,055
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	2,455,476
Italy Treasury 5.5% 2022	2,164,384
Italy Treasury 4.5% 2023	2,028,427
Italy Treasury 4.75% 01/06/2017	1,855,419
Spain Government Bond 5.85% 2022	1,719,318
Spain Government Bond 5.4% 2023	1,677,184
Italy Treasury 2.1% index-linked 2016	1,649,240
RBS Market Access MSCI Frontier Markets Index ETF	1,624,133
Spain Government Bond 5.5% 2017	1,576,078
Italy Treasury 4.75% 01/05/2017	1,526,663
Spain Government Bond 4.5% 2018	1,436,775
Italy Treasury 2.1% index-linked 2017	1,343,634
Verizon Communications	1,309,365

In addition to the above, sales totalling £64,499,750 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
Income:		
Net capital gains	13,718,201	36,628,987
Revenue	5,357,165	3,615,327
Expenses	(1,541,929)	(1,419,261)
Finance costs: Interest	(537)	(3,749)
Net revenue before taxation	3,814,699	2,192,317
Taxation	(206,169)	(132,533)
Net revenue after taxation	3,608,530	2,059,784
<b>Total return before distributions</b>	<b>17,326,731</b>	<b>38,688,771</b>
Finance costs: Distributions	(3,553,209)	(2,219,671)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>13,773,522</b>	<b>36,469,100</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14 £	31.05.13 £
<b>Opening net assets attributable to shareholders</b>	<b>410,163,609</b>	<b>273,229,079</b>
Amounts receivable on issue of shares	76,150,302	51,710,259
Amounts payable on cancellation of shares	(12,919,253)	(15,541,218)
	63,231,049	36,169,041
Stamp duty reserve tax	(41,574)	(42,371)
Change in net assets attributable to shareholders from investment activities	13,773,522	36,469,100
Retained distribution on Accumulation shares	3,469,981	2,169,522
<b>Closing net assets attributable to shareholders</b>	<b>490,596,587</b>	<b>347,994,371</b>

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.



## CF 7IM AAP MODERATELY ADVENTUROUS FUND

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		474,367,813		410,768,803
<b>Other assets</b>				
Debtors	19,782,035		5,931,010	
Cash and bank balances	16,512,298		2,538,278	
<b>Total other assets</b>		36,294,333		8,469,288
<b>Total assets</b>		<u>510,662,146</u>		<u>419,238,091</u>
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(537,548)		(28,604)
<b>Other liabilities</b>				
Creditors	(18,372,402)		(7,996,595)	
Bank overdrafts	(886,628)		(826,175)	
Distribution payable on Income shares	(268,981)		(223,108)	
<b>Total other liabilities</b>		(19,528,011)		(9,045,878)
<b>Total liabilities</b>		<u>(20,065,559)</u>		<u>(9,074,482)</u>
<b>Net assets attributable to shareholders</b>		<u>490,596,587</u>		<u>410,163,609</u>

## CF 7IM AAP ADVENTUROUS FUND

ACD'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2014

### IMPORTANT INFORMATION

The following change was effective from 24 January 2014:

- The 'O' Income and 'O' Accumulation share classes were closed and are no longer available for investment.

The following change was effective from 26 February 2014:

- The 'S' Income and 'S' Accumulation share classes were launched.

Full details of all changes can be found in the revised Prospectus dated 26 February 2014.

### INVESTMENT OBJECTIVE AND POLICY

The CF 7IM AAP (Asset Allocated Passives) Adventurous Fund ('the Fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide capital growth. There is a risk of wide fluctuations in capital values.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Fund invests predominantly in equities or instruments that track the returns of equity indices. Assets with scope for capital growth in real terms are likely to represent a major part of the portfolio. The Fund may use different asset classes, with a substantial proportion primarily in equities or instruments that track the returns of equity indices.

Investment may also be made in fixed interest, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

The IMA Flexible Investment Sector is the benchmark comparison against which the performance of the Fund is measured.

CAPITA FINANCIAL MANAGERS LIMITED

ACD of CF 7IM AAP Adventurous Fund

29 July 2014

## CF 71M AAP ADVENTUROUS FUND

ACD's Report (continued)

For the half year ended 31 May 2014

### INVESTMENT MANAGER'S REPORT

#### PERFORMANCE REPORT

In the reporting period, 1 December 2013 to 31 May 2014, the Fund delivered a total return of 3.6%<sup>1</sup>. Over the same period the peer group average return for the IMA Flexible Investment Sector which is the Fund benchmark was 2.1%<sup>2</sup>.

The Federal Reserve ('the Fed') surprised in December with the announcement that the pace of bond purchases was going to be reduced by \$10 billion per month and this boosted markets because it was seen to be the Fed pointing to underlying strength in the global economic recovery. This was, however, followed by market turbulence in January mostly over geopolitical issues. Turkey and Ukraine saw large scale social unrest and the devaluation of the Argentinean peso brought back memories of the default in 2001. Fears of a slowdown in the growth of Emerging Markets ('EM') on the back of the slowing of the Fed Quantitative Easing ('QE') programme sent a number of stockmarkets in EM into reverse. Expectations of receiving further foreign direct investment in these markets evaporated and investors withdrew risk assets preferring to transfer them to Developed Markets where they thought that risk would be better rewarded having seen bond yields in the US rise a little.

The New Year also brought some unpleasant surprises with the weather in the Northern Hemisphere delivering an exceptionally cold winter to North America, paralysing any outdoor activity like construction in its tracks but bringing a correspondingly warm but wet winter to Europe led to flooding in a number of countries. However, it was the annexation of the Crimea by Russia that was the bigger shock and led to Western concerns that this was just the beginning of Russia imposing its hegemony over a region which had formerly and not so long ago been part of the Soviet Union.

Japan, having seen its equity markets soar last year on the first and second arrows of Prime Minister Abe's Three Arrows plan, has this year suffered from a fear that the third arrow of structural reforms might not deliver what had been hoped and the Japan stock market was one of the poorest performers. China was another disappointment with concerns about systemic shocks to its banking institutions on falling demand for property and tumbling property prices sending shock waves through markets. The cold weather did impact on US GDP with preliminary GDP down 1% in the first quarter. However, investors gave the economy the benefit of the doubt expecting it to bounce back in the next quarter and the US stock market ended up at record levels by the end of May.

European Central Bank ('ECB') President Mario Draghi's decision on interest rates on 5 June 2014 was the biggest concern hanging over European markets at the end of May. Draghi and the ECB surprised with their 'do whatever it takes' two years ago and there was an expectation that this meeting would produce something surprising to ease credit and help liquidity in the eurozone. In addition to the widely expected announcements of reductions in the benchmark refinancing rate to 0.15% and the deposit rate to a negative 0.1%, Draghi made promises of QE if the inflation rate remained worryingly low, of targeted long term refinancing operations (similar to the Bank of England's Funding for Lending scheme) and to purchase privately owned asset backed securities to reassure European investors that the ECB was 'doing whatever it takes' and which helped European equity markets to move to new highs and European government bond yields to contract further.

<sup>1</sup> Calculated using CF 71M AAP Adventurous 'A' Acc shares, published prices. Source: Capita Financial Managers Limited ('CFML').

<sup>2</sup> Source: Reuters.

#### PORTFOLIO REVIEW

The Fund value rose from £103.3 million<sup>3</sup> at 30 November 2013 to £131.4 million<sup>4</sup> at 31 May 2014.

We generally increased risk across the Fund buying riskier equities holding more Japan, Far East, Frontier and EM equities at the end of the period than at the beginning.

At the beginning of the period we increased the US equity allocation adding to the S&P equally weighted certificate. We introduced some index futures in UK and EM equities where we had before generally used certificates or baskets of equities as they are a cheaper and more efficient way to gain exposure to the equities of these markets.

We reduced or sold holdings in Lyxor ETF MSCI EMU Value UCIT ETF, EURO STOXX 50 futures and iShares small and mid cap ETFs, to introduce a low cost in-house basket of European equities based on company fundamentals which better allows us to implement the value strategy we believe is most appropriate in this market.

We had already been using futures to gain exposure to the Japan TOPIX Index but we raised the target in Japanese equity towards the end of the six month period as we saw the weakness of the market as being a good buying opportunity. We felt the widely accepted view that the Abe third arrow reforms which are being put in place were not sufficient to support the economic recovery was wrong and that the reforms will end up in driving a significant economic recovery. We therefore bought Japan TOPIX futures selling some of the US and European equities which had been performing strongly to fund this move.

We have held an overweight position in EM equity for about a year. This is a contrarian view with many suggesting the tapering of the US Fed's asset purchases will lead to a much reduced growth rate in these markets but we believe that given their small size relative to the Developed Markets, if global growth does pick up, as we expect it to, then they will be substantial beneficiaries.

We raised our target on Far East equity buying a holding in the MSCI Pacific ex Japan Index Future to complement the existing holding of TOBAM Anti-Benchmark Pacific Ex-Japan fund. Frontier Market equities performed very well over the last six months but the allocation slipped back because we did not add to it with new cash flows.

We removed the currency hedge on the US dollar in late December, seeing scope for sterling weakness as the UK recovery was already fairly fully priced in and we saw scope for investors to worry about political risk in the UK ahead of forthcoming referenda. So far, this has not played out and USD weakness in 2014 detracted a little from performance. Elsewhere we had hedges on the euro and Japanese yen positions which were generally helpful as sterling has been strong most of the period.

<sup>3</sup> Based on xd valuations on 30 November 2013. Source: CFML.

<sup>4</sup> Based on xd valuations on 31 May 2014. Source: CFML.

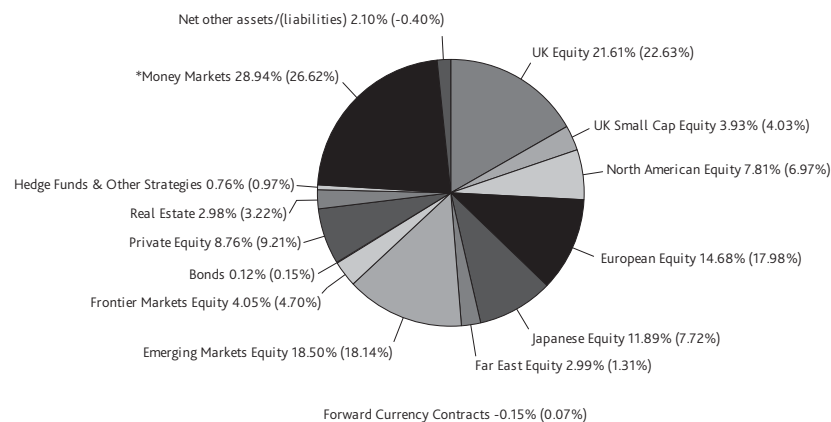
## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 31 May 2014

### PORTFOLIO ASSET ALLOCATION



The figures in brackets show allocation at 30 November 2013.

\* The asset allocation array includes short term bonds and/or cash held as collateral against futures positions and should not be seen as representing the strategic or tactical investment view.

Futures are measured by reference to the current notional exposure of the future, in other words, the economic interest in the underlying, although only the difference between the price on opening the position and the price on closing the position is settled. The sector spread of investments shown above is based on the market or notional value as a proportion of the net assets of the Fund (and therefore may not sum to 100%).

SEVEN INVESTMENT MANAGEMENT LLP

Investment Manager

20 June 2014

### FUND INFORMATION

#### PERFORMANCE RECORD

##### 'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	95.29	64.29	0.3582
2010	106.00	87.70	0.3329
2011	108.56	87.50	0.9439
2012	103.49	92.53	1.1498
2013	121.49	103.21	1.3134
2014*	123.75	114.55	1.4134

##### 'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	96.22	64.71	0.8787
2010	107.73	88.63	0.4997
2011	110.70	89.22	0.9546
2012	106.48	95.36	1.1676
2013	126.91	107.28	1.3544
2014*	129.99	120.32	1.4984

##### 'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	95.28	64.32	1.0862
2010	105.96	87.59	1.0422
2011	108.69	87.59	1.4422
2012	103.54	92.45	1.6249
2013	121.65	103.17	1.8348
2014*	123.96	114.57	2.0159

CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

PERFORMANCE RECORD (continued)

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	97.05	65.01	0.9843
2010	109.20	89.63	1.0619
2011	112.50	90.78	1.4792
2012	109.01	97.32	1.6962
2013	130.47	109.83	1.9442
2014*	134.02	123.86	2.1779

'D' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	94.73	64.11	0.3371
2010	105.41	87.14	0.1386
2011	107.93	86.88	0.4812
2012	102.72	91.99	0.6640
2013	120.57	102.56	0.8157
2014*	122.76	113.78	0.9303

'D' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	95.64	64.53	0.6260
2010	106.65	87.92	0.1399
2011	109.36	88.05	0.4857
2012	104.58	93.87	0.7454
2013	124.21	105.33	0.9140
2014*	126.92	117.64	0.9755

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	94.58	64.02	–
2010	105.41	86.86	0.1680
2011	108.15	87.08	–
2012	103.03	92.30	0.6320
2013	121.40	102.96	0.6600
2014#	121.40	118.72	–

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	95.25	64.42	–
2010	106.44	87.79	0.1695
2011	109.10	87.83	0.3355
2012	104.30	93.60	0.6571
2013	123.53	104.98	0.7093
2014#	122.28	119.57	–

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014##	103.46	98.25	0.8712

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2014##	103.45	98.24	0.8712

\* To 31 May 2014.

# Closed on 24 January 2014.

## From 26 February 2014 to 31 May 2014.

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Fund Information (continued)

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.11.11	'A' Income	1,364,646	1,444,316	94.48
	'A' Accumulation	3,851,326	3,972,950	96.94
	'C' Income	1,695,420	1,795,912	94.40
	'C' Accumulation	16,782,015	17,002,225	98.70
	'D' Income	822,066	875,164	93.93
	'D' Accumulation	23,659,829	24,747,299	95.61
	'O' Income	235	250	94.19
	'O' Accumulation	1,555,073	1,630,733	95.36
30.11.12	'A' Income	1,860,363	1,851,443	100.48
	'A' Accumulation	5,720,597	5,477,389	104.44
	'C' Income	2,120,080	2,111,763	100.39
	'C' Accumulation	31,566,630	29,535,954	106.88
	'D' Income	738,871	739,599	99.90
	'D' Accumulation	25,339,069	24,699,962	102.59
	'O' Income	251	250	100.28
	'O' Accumulation	1,303,892	1,275,246	102.25
30.11.13	'A' Income	1,140,097	957,728	119.04
	'A' Accumulation	1,838,345	1,470,148	125.04
	'C' Income	4,152,987	3,491,021	118.96
	'C' Accumulation	70,635,177	54,923,918	128.61
	'D' Income	339,225	286,665	118.34
	'D' Accumulation	25,131,958	20,542,846	122.34
	'O' Income	299	250	119.60
	'O' Accumulation	300	250	119.92
31.05.14*	'A' Income	769,378	627,514	122.61
	'A' Accumulation	1,810,876	1,397,431	129.59
	'C' Income	3,841,145	3,135,265	122.51
	'C' Accumulation	87,990,591	65,857,495	133.61
	'D' Income	388,409	318,719	121.87
	'D' Accumulation	24,483,670	19,350,063	126.53
	'S' Income	1,431,506	1,399,775	102.27
	'S' Accumulation	10,597,434	10,275,996	103.13

\* See page 239 for details of share class launch and closure.

### ONGOING CHARGES FIGURE

Expense Type	31.05.14 %			
	'A'	'C'	'D'	'S'*
ACD's periodic charge	1.00	0.50	1.40	0.25
Other expenses	0.13	0.13	0.13	0.13
	1.13	0.63	1.53	0.38
Collective investment scheme costs	0.10	0.10	0.10	0.10
Ongoing charges figure	1.23	0.73	1.63	0.48

Expense Type	30.11.13 %			
	'A'	'C'	'D'	'O'*
ACD's periodic charge	1.00	0.50	1.40	1.50
Other expenses	0.16	0.16	0.16	0.16
	1.16	0.66	1.56	1.66
Collective investment scheme costs	0.17	0.17	0.17	0.17
Ongoing charges figure	1.33	0.83	1.73	1.83

\* See page 239 for details of share class launch and closure.

The Ongoing Charges Figure ('OCF') represents the annualised total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

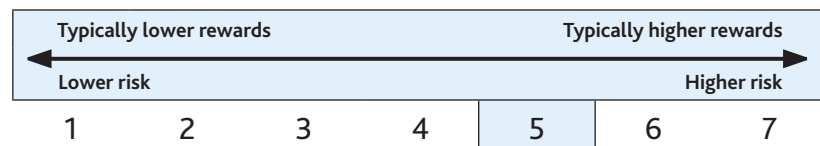
The OCF of 'S' shares is an estimate of the charges. An estimate is being used rather than an *ex-post* figure due to the share class only being launched on 26 February 2014.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)  
Fund Information (continued)

### SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

During the period the indicator changed from 6 to 5. The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

### DISTRIBUTIONS

Share Class	Interim 31.05.14 pence per share
'A' Income	0.7576
'A' Accumulation	0.8162
'C' Income	1.0670
'C' Accumulation	1.1617
'D' Income	0.5145
'D' Accumulation	0.5434
'S' Income	0.8712
'S' Accumulation	0.8712

### FUND PERFORMANCE TO 31 MAY 2014 (%)

	6 months	1 year	3 years	5 years
CF 7IM AAP Adventurous Fund	3.62	6.53	19.51	64.69
IMA Flexible Investment Sector#	2.28	3.93	17.00	61.77

# Source: Morningstar.

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

### PORTFOLIO STATEMENT AS AT 31 MAY 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EQUITIES – 57.08% (30.11.13 – 60.92%)		
	UK EQUITY – 19.96% (30.11.13 – 21.72%)		
265,637	3i Group	1,146,755	0.87
11,681	Aberdeen Asset Management	51,980	0.04
2,246	Admiral Group	32,724	0.03
7,377	Advance Developing Markets	31,260	0.02
9,743	Afren	14,868	0.01
2,592	Aggreko	43,183	0.03
4,272	Alent	13,807	0.01
20,537	Alliance Trust (The)	92,909	0.07
8,188	AMEC	98,911	0.08
5,193	Amlin	24,402	0.02
18,111	Anglo American	263,968	0.20
3,902	Antofagasta	30,728	0.02
14,479	Aquarius Platinum	3,620	–
18,901	ARM Holdings	173,700	0.13
6,841	Ashmore Group	24,135	0.02
6,213	Ashtead Group	54,705	0.04
994	Asia Resource Minerals****	1,968	–
4,187	Associated British Foods	126,364	0.10
19,998	Assura Group	8,599	0.01
14,364	AstraZeneca	615,282	0.47
837	Aveva Group	18,724	0.01
31,459	Aviva	164,845	0.13
8,316	Babcock International Group	100,873	0.08
35,915	BAE Systems	151,956	0.12
9,314	Balfour Beatty	21,972	0.02
190,598	Barclays	470,586	0.36
13,715	Barratt Developments	48,990	0.04
11,668	Beazley	28,540	0.02
1,770	Bellway	24,426	0.02
4,007	Berendsen	39,830	0.03
1,181	Berkeley Group Holdings	26,620	0.02
1,664	Betfair Group	16,507	0.01
40,032	BG Group	488,791	0.37
23,394	BHP Billiton	437,000	0.33
3,536	Big Yellow Group	17,666	0.01
2,565	Bodycote	19,135	0.02
13,081	Booker Group	18,588	0.01
212,713	BP	1,069,734	0.81
21,313	British American Tobacco	767,375	0.58
1,925	British Empire Securities and General	9,664	0.01
10,394	British Land Company	74,317	0.06
13,927	British Sky Broadcasting Group	122,767	0.09
3,592	Britvic	26,814	0.02
90,882	BT Group	360,802	0.27

CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
5,491	BTG	32,754	0.02
8,834	BlackRock Throgmorton Trust	25,641	0.02
4,477	Bunzl	74,766	0.06
4,298	Burberry Group	65,845	0.05
5,604	Bwin.Party Digital Entertainment	6,669	0.01
11,427	Cable & Wireless Communications	6,045	0.01
4,410	Cairn Energy	8,701	0.01
8,418	Capita**	93,103	0.07
8,930	Capital & Counties Properties	30,174	0.02
5,982	Carillion	21,182	0.02
2,240	Carnival	54,298	0.04
1,229	Carpentryright	6,458	-
7,456	Catlin Group	38,995	0.03
4,572	Centamin	2,777	-
57,515	Centrica	193,020	0.15
2,189	Chemring Group	4,914	-
3,183	Chesnara	10,361	0.01
2,472	City of London Investment Group	6,674	0.01
9,180	Cobham	29,229	0.02
1,735	Coca-Cola HBC	23,787	0.02
20,659	Compass Group	205,454	0.16
4,791	Connect Group	9,738	0.01
8,972	CRH	146,872	0.11
1,358	Croda International	35,743	0.03
974	Daily Mail & General	8,479	0.01
10,378	Darty	8,925	0.01
878	DCC	30,756	0.02
1,603	De La Rue	13,762	0.01
20,200	Debenhams	15,352	0.01
2,835	Derwent London	77,566	0.06
4,282	Development Securities	10,138	0.01
14,157	Dexion Equity Alternative***	14	-
6,164	Dexion Equity****	257	-
29,642	Diageo	568,830	0.43
325	Dignity	4,563	-
1,405	Diploma	9,189	0.01
9,689	Direct Line Insurance Group	24,533	0.02
43,779	Dixons Retail	21,228	0.02
7,352	Drax Group	46,207	0.04
10,949	DS Smith	34,763	0.03
6,874	Dunedin Income Growth Investment Trust	19,110	0.01
5,224	E2V Technologies	8,463	0.01
1,735	easyJet	26,546	0.02
6,750	Electric and General***	-	-
3,335	Electrocomponents	9,541	0.01
3,481	Elementis	9,956	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
11,172	EnQuest	15,708	0.01
10,677	Enterprise Inns	14,446	0.01
5,780	Essar Energy	4,032	-
2,948	Essentra	23,274	0.02
3,287	Evraz	3,435	-
2,810	Exillon Energy	3,906	-
10,522	Experian	109,008	0.08
3,616	Fenner	12,598	0.01
3,579	Fidelity Special Values	32,980	0.03
3,803	FirstGroup	5,328	-
32,951	Foreign & Colonial Investment Trust	124,456	0.09
1,802	Fresnillo	14,515	0.01
14,116	Friends Life Group	44,155	0.03
32	FTSE 100 Index Future June 2014##	28,272	0.02
1,340	Fuller Smith & Turner	12,770	0.01
17,847	G4S	44,600	0.03
854	Genus	9,129	0.01
22,412	GKN	87,967	0.07
58,563	GlaxoSmithKline	937,594	0.71
118,035	Glencore Xstrata	381,607	0.29
347,484	Goldman Sachs Dynamic Opportunities***	8,796	0.01
4,807	Great Portland Estates	31,294	0.02
3,068	Greene King	26,231	0.02
3,959	Halfords Group	19,276	0.01
6,432	Halma	37,981	0.03
6,440	Hammerson	38,350	0.03
4,211	Hargreaves Lansdown	51,332	0.04
15,142	Hays	22,880	0.02
19,816	Henderson Group	49,441	0.04
15,710	HICL Infrastructure Company	21,444	0.02
2,429	Hikma Pharmaceuticals	41,390	0.03
3,622	Hiscox	24,648	0.02
1,420	Hochschild Mining	2,102	-
9,279	Home Retail Group	17,482	0.01
4,031	Homeserve	13,617	0.01
6,341	Howden Joinery Group	20,247	0.02
231,333	HSBC Holdings	1,455,316	1.11
1,698	Hunting	13,873	0.01
4,676	ICAP	18,662	0.01
2,755	IG Group	16,571	0.01
2,123	Imagination Technologies Group	4,991	-
2,567	IMI	40,969	0.03
11,164	Imperial Tobacco Group	300,535	0.23
4,994	Inchcape	31,063	0.02
4,049	Informa	20,812	0.02
5,884	Inmarsat	42,983	0.03
2,565	InterContinental Hotels Group	60,354	0.05

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
114,845	Intermediate Capital Group	480,167	0.37
20,985	International Consolidated Airlines	82,576	0.06
1,079	International Personal Finance	6,571	0.01
1,819	Intertek Group	53,060	0.04
4,610	Intu Properties	14,517	0.01
5,753	Investec	29,772	0.02
43,004	ITV	78,310	0.06
1,785	Jardine Lloyd Thompson Group	18,493	0.01
3,796	John Wood Group	29,856	0.02
1,873	Johnson Matthey	60,161	0.05
2,124	JPMorgan Claverhouse Investment Trust	12,786	0.01
11,428	JPMorgan European Investment Trust	26,342	0.02
3,326	JPMorgan Indian	13,254	0.01
3,858	Jupiter Fund Management	15,455	0.01
16,414	Kenmare Resources	1,641	-
24,797	Kingfisher	97,179	0.07
11,263	Ladbroke's	17,187	0.01
2,043	Lancashire Holdings	13,259	0.01
8,720	Land Securities Group	93,042	0.07
3,682	Lavendon Group	8,238	0.01
78,789	Legal & General Group	181,372	0.14
617,236	Lloyds Banking Group	480,395	0.37
1,177	London Stock Exchange Group	23,034	0.02
1,523	Lonmin	3,913	-
18,580	Man Group	18,636	0.01
16,866	Marks & Spencer Group	75,745	0.06
7,024	Marshalls	11,853	0.01
10,710	Martson's	16,172	0.01
3,007	Mecom Group	3,451	-
6,966	Meggitt	33,750	0.03
11,872	Melrose Industries	33,230	0.03
3,846	Mercantile	58,190	0.04
6,206	Michael Page International	28,455	0.02
781	Micro Focus International	6,506	-
6,562	Mitie Group	22,002	0.02
4,626	Mondi	49,544	0.04
4,918	Morgan Crucible	16,682	0.01
21,420	Morrison (Wm.) Supermarkets	43,183	0.03
3,389	Murray International	36,771	0.03
7,094	National Express Group	19,650	0.01
39,980	National Grid	355,622	0.27
2,093	Next	138,871	0.11
5,087	Ocado Group	19,656	0.01
56,645	Old Mutual	114,423	0.09
2,292	Ophir Energy	5,879	-
738	Oxford Instruments	9,616	0.01

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY (continued)		
4,655	Paragon Group Companies	17,489	0.01
8,387	Pearson	98,128	0.07
6,692	Pennon Group	52,432	0.04
2,902	Persimmon	38,800	0.03
2,784	Petrofac	35,106	0.03
2,170	Petropavlovsk	1,264	-
3,548	Phoenix Group Holdings	23,009	0.02
2,502	Polymetal International	13,073	0.01
3,106	Premier Farnell	6,622	0.01
1,236	Premier Foods	726	-
8,476	Premier Oil	29,836	0.02
2,717	Provident Financial	56,840	0.04
32,845	Prudential	454,903	0.35
13,450	Punch Taverns	1,446	-
3,900	PZ Cussons	13,728	0.01
9,516	QinetiQ Group	19,888	0.02
987	Randgold Resources	43,004	0.03
7,421	Reckitt Benckiser Group	378,471	0.29
10,918	Reed Elsevier	103,830	0.08
9,086	Regus	17,463	0.01
503	Renishaw	8,531	0.01
22,005	Rentokil Initial	25,944	0.02
12,718	Rexam	67,596	0.05
2,498	Rightmove	57,254	0.04
14,419	Rio Tinto	440,717	0.34
1,851	RIT Capital Partners	24,211	0.02
19,491	Rolls-Royce Holdings	202,706	0.15
762	Rotork	19,835	0.02
22,367	Royal Bank of Scotland Group	77,502	0.06
44,536	Royal Dutch Shell 'A'	1,044,147	0.80
27,647	Royal Dutch Shell 'B'	673,066	0.51
6,220	Royal Mail Group	31,815	0.02
6,866	RSA Insurance Group	32,943	0.03
10,939	SABMiller	362,136	0.28
14,477	Sage Group (The)	59,327	0.05
17,717	Sainsbury (J)	61,248	0.05
14,315	Salamander Energy	21,222	0.02
1,247	Schroders	32,235	0.02
813	Schroders non-voting	16,000	0.01
4,431	Scottish Investment Trust (The)	26,232	0.02
10,353	Scottish Mortgage	107,154	0.08
1,972	Scottish Oriental Smaller Companies (The)	15,411	0.01
6,543	Segro	24,163	0.02
5,376	Senior	15,924	0.01
3,313	Serco Group	12,311	0.01



**CF 7IM AAP ADVENTUROUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
2,427	Severn Trent	47,739	0.04
4,368	Shaftesbury	29,266	0.02
7,609	Shire	259,771	0.20
18,489	SIG	36,423	0.03
16,940	Smith & Nephew	177,192	0.13
4,970	Smiths Group	65,654	0.05
1,895	SOCO International	7,938	0.01
1,820	Spectris	41,714	0.03
25,980	Speedy Hire	14,354	0.01
1,553	Spirax-Sarco Engineering	44,400	0.03
4,876	Spirent Communications	5,091	-
5,771	Sports Direct International	45,389	0.03
11,274	SSE	175,311	0.13
10,508	St. Ives	22,146	0.02
4,085	St. James's Place	31,965	0.02
21,461	Standard Chartered	288,114	0.22
23,460	Standard Life	93,793	0.07
10,241	Standard Life Investment Property Income	7,758	0.01
246	SuperGroup	2,861	-
5,452	Synthomer	14,284	0.01
3,537	TalkTalk Telecom Group	11,333	0.01
5,051	Tate & Lyle	34,978	0.03
34,250	Taylor Wimpey	37,093	0.03
2,872	TeleciteyGroup	20,420	0.02
11,241	Templeton Emerging Markets	62,388	0.05
95,431	Tesco	289,681	0.22
8,900	Thomas Cook Group	14,596	0.01
4,212	TR European Growth Trust	24,051	0.02
3,180	Travis Perkins	53,488	0.04
3,835	Tribal Group	6,730	0.01
4,449	TT Electronics	9,176	0.01
4,455	TUI Travel	18,270	0.01
9,607	Tullow Oil	80,987	0.06
2,210	UBM	14,873	0.01
12,023	Unilever	321,976	0.25
9,174	United Utilities Group	79,584	0.06
1,165	Vedanta Resources	12,815	0.01
4,272	Vesuvius	19,574	0.01
1,666	Victrex	30,021	0.02
903	Vitec Group (The)	5,188	-
307,234	Vodafone Group	643,502	0.49
633,798	VT Maven Smart Dividend UK*	751,622	0.57
2,160	Weir Group (The)	56,592	0.04
3,381	WH Smith	34,960	0.03
1,658	Whitbread	69,387	0.05
5,796	William Hill	20,605	0.02

Holding	Portfolio of Investments	Value £	31.05.14 %
	UK EQUITY <i>(continued)</i>		
5,779	Witan Investment Trust	41,204	0.03
4,210	Wolseley	139,898	0.11
2,073	Workspace Group	11,868	0.01
18,474	WPP	237,576	0.18
1,523	WS Atkins	19,997	0.02
	TOTAL UK EQUITY	26,213,939	19.96
	UK SMALL CAP EQUITY – 3.93% (30.11.13 – 4.03%)		
3,421,249	BlackRock Mid Cap UK Equity Tracker*	5,155,822	3.93
	NORTH AMERICAN EQUITY – 3.71% (30.11.13 – 6.97%)		
1,633	Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014^	4,787,617	3.65
296	MSCI USA Equal Weighted NTR USD Index Futures June 2014##	80,434	0.06
	TOTAL NORTH AMERICAN EQUITY	4,868,051	3.71
	EUROPEAN EQUITY – 14.52% (30.11.13 – 12.45%)		
524	A.P. Møller-Mærsk	814,503	0.62
17,582	Abertis Infraestructuras	229,926	0.18
75,106	Aegon	388,781	0.30
75,106	Aegon <i>rights</i>	-	-
10,723	Alfa Laval	167,676	0.12
25,145	ArcelorMittal	229,107	0.17
11,312	BNP Paribas	472,458	0.36
3,460	CGG	27,866	0.02
3,039	Coloplast	156,356	0.12
5,481	Delhaize Group	232,576	0.18
32,178	E.ON	373,028	0.28
19,583	Elekta	151,100	0.12
8	EURO STOXX 50 Future June 2014##	4,360	-
30,804	GDF Suez	513,222	0.39
10,481	Henkel <i>non-voting preference shares</i>	722,110	0.55
2,954	Hennes & Mauritz	74,561	0.06
18,446	Husqvarna	86,269	0.06
62,220	Iberdrola	266,753	0.20
4,812	Industrivärden	57,594	0.04
7,213	ING Groep	60,293	0.05

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	EUROPEAN EQUITY (continued)		
359,099	Intesa Sanpaolo	718,066	0.55
8,121	Investment AB Kinnevik	192,222	0.15
21,918	iShares EURO STOXX Mid UCITS ETF*	808,336	0.62
33,169	iShares EURO STOXX Small UCITS ETF*	791,744	0.60
39,779	Koninklijke Ahold	431,210	0.33
11,325	Koninklijke KPN	24,968	0.02
6,849	Merck KGaA	702,882	0.54
6,023	Munich Re	795,978	0.61
8,803	Neste Oil	107,421	0.08
12,230	Nestle	572,569	0.44
4,568	Nokian Renkaat	115,498	0.09
2,761	Novo Nordisk	69,762	0.05
3,812	Orion	71,698	0.05
2,328	Pernod Ricard	170,354	0.13
4,566	Publicis Groupe	235,018	0.18
6,086	Reed Elsevier	81,297	0.06
6,772	Renault	380,407	0.29
3,705	Repsol	62,286	0.04
2,923	Roche Holding	513,657	0.39
4,079	Sanofi	260,026	0.20
15,046	Schneider Electric	844,575	0.64
6,017	Skanska	83,186	0.06
12,925	Source Man GLG Continental Europe Plus UCITS ETF*	1,482,368	1.13
27,322	Stora Enso	167,036	0.13
8,588	Südzucker	103,889	0.08
14,021	Swiss Re	744,314	0.57
2,169	Technip	139,009	0.11
6,431	Tele2	45,430	0.03
12,412	Telefonaktiebolaget LM Ericsson	92,834	0.07
12,089	Telefonica	121,015	0.09
9,396	Telefonica Deutschland Holding	43,608	0.03
17,819	Telenor	252,001	0.19
21,295	Tenaris	284,459	0.22
1,096	Thales	39,146	0.03
17,178	UPM-Kymmene	180,413	0.14
4,424	Vinci	195,390	0.15
2,345	Voestalpine	64,576	0.05
6,782	Volkswagen non-voting preference shares	1,075,596	0.82
10,668	Yara International	290,666	0.22
3,787	Zurich Insurance Group	678,621	0.52
	TOTAL EUROPEAN EQUITY	19,062,070	14.52

Holding	Portfolio of Investments	Value £	31.05.14 %
	JAPANESE EQUITY – 0.05% (30.11.13 – 0.68%)		
222	TOPIX Index Future June 2014##	71,855	0.05
	FAR EAST EQUITY – 1.30% (30.11.13 – 1.31%)		
69	MSCI Pacific ex Japan Index Futures June 2014##	68,523	0.05
214	TOBAM Anti-Benchmark Pacific Ex-Japan*	1,646,992	1.25
	TOTAL FAR EAST EQUITY	1,715,515	1.30
	EMERGING MARKETS EQUITY – 9.56% (30.11.13 – 9.06%)		
420	Mini MSCI Emerging Markets Index Futures June 2014##	1,096,465	0.84
1,824	TOBAM Anti-Benchmark Emerging Markets*	11,455,480	8.72
	TOTAL EMERGING MARKETS EQUITY	12,551,945	9.56
	FRONTIER MARKETS EQUITY – 4.05% (30.11.13 – 4.70%)		
50,288	Abu Dhabi Commercial Bank	70,605	0.05
616,899	Access Bank	22,243	0.02
13,206	Africa Prudential Registrars	156	–
27,634	Agility Public Warehousing Company	46,754	0.04
6,690	Ahli United Bank	9,621	0.01
8,637	Al Khaliji	33,314	0.03
188,963	Aldar Properties	134,647	0.10
564	Amundi ETF MSCI Eastern Europe EX Russia UCITS ETF*	120,831	0.09
7,760	Arab Bank	57,923	0.04
103,847	Arabtec Holding Company	112,428	0.09
2,105	Banco Macro ADRs	39,644	0.03
6,232	Barwa Real Estate Company	43,942	0.03
1,992	BBVA Banco Frances ADRs	11,365	0.01
7,248	Boubyan Bank	8,277	0.01
15,974	Boubyan Petrochemicals Company	26,013	0.02
23,453	Burgan Bank	27,280	0.02
2,916	Commercial Bank of Qatar (The)	33,336	0.03
190,943	Dana Gas	25,724	0.02
48,888	Dangote Cement	40,844	0.03
9,315	db x-trackers FTSE Vietnam UCITS ETF*	152,487	0.12
198,289	db x-trackers MSCI Bangladesh IM TRN Index UCITS ETF*	109,704	0.08
110,562	db x-trackers MSCI Pakistan IM TRN Index UCITS ETF*	130,116	0.10
3,522	Doha Bank	36,342	0.03

**CF 7IM AAP ADVENTUROUS FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*
*As at 31 May 2014*

Holding	Portfolio of Investments	Value £	31.05.14 %
	FRONTIER MARKETS EQUITY <i>(continued)</i>		
12,012	DP World	151,104	0.12
80,630	Dubai Financial Market	55,360	0.04
33,914	Dubai Islamic Bank	42,386	0.03
133,429	Ecobank Transnational	8,077	0.01
177,474	Emaar Properties	299,588	0.23
7,508	Emirates NBD	11,577	0.01
709,290	FBN Holdings	39,687	0.03
28,152	First Gulf Bank	81,793	0.06
90,887	Flour Mills of Nigeria	25,477	0.02
3,857	Grupo Financiero Galicia ADRs	31,204	0.02
952,957	Guaranty Trust Bank	99,519	0.08
57,707	Guinness Nigeria	37,660	0.03
63,305	Gulf Bank	48,197	0.04
2,256	Halyk Savings Bank of Kazakhstan	14,122	0.01
4,537	Industries Qatar	139,925	0.11
131,641	Intercontinental Wapic Insurance	367	-
2,391	Jordan Phosphate Mines	12,877	0.01
5,929	Jordan Telecom	16,066	0.01
7,264	KazMunaiGas Exploration Production	60,932	0.05
1,879	Kcell	17,408	0.01
99,470	Kuwait Finance House	170,396	0.13
14,967	Kuwait International Bank	9,654	0.01
28,142	Kuwait Projects Company (Holding)	43,447	0.03
63,001	Lafarge Cement WAPCO Nigeria	25,858	0.01
1,965	Lyxor ETF Eastern Europe*	30,269	0.02
17,445	Lyxor ETF FTSE Coast Kuwait 40*	261,153	0.20
17,122	Mabane Company	39,108	0.03
21,954	Masraf Al Rayan	229,769	0.17
122,584	Mobile Telecommunications Company	173,696	0.13
4,975	NAKILAT	18,578	0.01
27,328	National Bank of Abu Dhabi	73,633	0.05
110,076	National Bank of Kuwait	230,468	0.18
19,475	Nestle Nigeria	76,500	0.06
233,860	Nigerian Breweries	150,863	0.11
4,808	Ooredoo	122,060	0.09
5,944	Petrobras Argentina	19,986	0.02
86,799	PZ Cussons Nigeria	11,291	0.01
1,564	Qatar Electricity & Water Company	51,027	0.04
4,092	Qatar Islamic Bank	72,919	0.06
4,832	Qatar National Bank	144,037	0.11
2,113	Qatar Navigation	30,801	0.02
6,114	RBS Market Access MSCI Frontier Markets Index ETF*	310,071	0.24
13,449	Russell Old Mutual S&P Africa Custom Index*	128,023	0.10
401,989	Stanbic IBTC Holdings	34,792	0.03
4,870	Telecom Argentina	62,713	0.04

Holding	Portfolio of Investments	Value £	31.05.14 %
	FRONTIER MARKETS EQUITY <i>(continued)</i>		
25,000	Teo LT	14,664	0.01
52,827	UBA Capital	486	-
173,661	Unilever Nigeria	31,181	0.02
251,941	Union Bank of Nigeria	9,693	0.01
862,422	United Bank for Africa	24,017	0.02
27,516	Vodafone Qatar	93,650	0.07
3,934	YPF ADRs	70,056	0.05
709,244	Zenith Bank	65,752	0.05
	TOTAL FRONTIER MARKETS EQUITY	5,317,533	4.05
	TOTAL EQUITIES	74,956,730	57.08
	BONDS – 19.64% (30.11.13 – 14.28%)		
	GLOBAL BONDS – 0.12% (30.11.13 – 0.15%)		
€75,070	Marfin Investment 6.3% 2020 <sup>^^^</sup>	51,910	0.04
€121,896	Marfin Investment 7% 2019 <sup>^^^</sup>	99,165	0.08
	TOTAL GLOBAL BONDS	151,075	0.12
	SHORT TERM STERLING BONDS – 19.52% (30.11.13 – 14.13%)		
£700,000	Abbey National Treasury Services 0.82781% <i>floating rate note</i> 2017	700,544	0.53
£1,000,000	African Development Bank 1.125% 2016	998,267	0.76
£1,000,000	Asian Development Bank 1% 2016	995,848	0.76
179,641	BNY Mellon Compass – Euro Credit Short Duration*	1,805,389	1.38
£750,000	Caisse d'Amortissement de la Dette Sociale 3.75% 2014	756,296	0.58
£1,300,000	Council of Europe Development Bank 1.625% 2015	1,315,425	1.00
£1,000,000	Credit Suisse 0.92063% <i>floating rate note</i> 2016	1,000,173	0.76
£1,000,000	Deutsche Pfandbriefbank 0.97594% <i>floating rate note</i> 2016	999,993	0.76
£500,000	European Bank for Reconstruction & Development 0.875% 2014	500,965	0.38
£1,000,000	European Investment Bank 3% 2015	1,033,340	0.79
£150,000	European Investment Bank 3.25% 2016	157,537	0.12
£1,000,000	Export Development Canada 0.875% 2016	993,349	0.76
£1,100,000	FMS Wertmanagement 1% 2015	1,102,464	0.84
£1,016,000	International Bank for Reconstruction & Development 1% 2016	1,012,627	0.77
£1,000,000	Kommunalbanken 1.125% 2016	997,264	0.76
£800,000	Kommunalbanken 1.375% 2015	806,080	0.61

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 May 2014

Holding	Portfolio of Investments	Value £	31.05.14 %
	SHORT TERM STERLING BONDS (continued)		
£130,000	Landwirtschaftliche Rentenbank 3.25% 2016	136,599	0.10
£1,000,000	L-Bank 0.875% 2017	974,755	0.74
£1,000,000	Municipality Finance 1.25% 2016	999,625	0.76
£500,000	Municipality Finance 1.5% 2014	502,456	0.38
£1,000,000	Nestle Holdings 1.625% 2017	1,005,742	0.77
£1,000,000	Network Rail Infrastructure Finance 4.875% 2015	1,060,746	0.81
23,840	PIMCO Sterling Short Maturity Source ETF*	2,402,834	1.83
£1,000,000	Rabobank Nederland 3.25% 2017	1,044,110	0.80
£1,300,000	Reseau Ferre de France 2.375% 2015	1,329,596	1.01
£1,000,000	Svenska Handelsbanken 0.92688% floating rate note 2016	1,002,866	0.76
	TOTAL SHORT TERM STERLING BONDS	25,634,890	19.52
	TOTAL BONDS	25,785,965	19.64
	PRIVATE EQUITY – 8.76% (30.11.13 – 9.21%)		
77,058	American Capital	677,621	0.52
39,075	Apollo Global Management	578,200	0.44
60,668	Apollo Investment Corporation	302,735	0.23
73,025	Ares Capital Corporation	750,126	0.57
73,036	Blackstone Group (The)	1,352,433	1.03
13,063	Carlyle Group (The)	241,191	0.18
7,343	Electra Private Equity	203,401	0.15
17,303	Eurazeo	890,751	0.68
14,447	Eurazeo rights	37,186	0.03
14,447	Eurazeo subscription shares	–	–
24,824	Fifth Street Finance Corporation	137,488	0.10
4,209	GIMV	129,756	0.10
15,387	Hercules Technology Growth Capital	139,895	0.11
12,531	Jafco Company	295,907	0.23
75,559	KKR & Company	1,023,462	0.78
11,620	Main Street Capital Corporation	215,033	0.16
28,281	Onex Corporation	1,046,555	0.80
6,778	Partners Group Holdings	1,072,663	0.82
12,225	PennantPark Investment Corporation	80,463	0.06
72,034	Prospect Capital Corporation	426,876	0.33
63,934	Ratos	370,052	0.28
9,504	Solar Capital	118,025	0.09
54,975	SVG Capital	238,921	0.18
12,197	TICC Capital Corporation	70,316	0.05
12,205	Wendel	1,098,645	0.84
	TOTAL PRIVATE EQUITY	11,497,701	8.76

Holding	Portfolio of Investments	Value £	31.05.14 %
2,912,512	REAL ESTATE – 2.98% (30.11.13 – 3.22%) BlackRock Global Property Securities Equity Tracker*	3,917,329	2.98
	HEDGE FUNDS & OTHER STRATEGIES – 0.17% (30.11.13 – 0.21%)		
111	EURO STOXX 50 Index Dividend Futures December 2015##	224,351	0.17
	MONEY MARKETS – 9.42% (30.11.13 – 12.49%)		
5,550,000	Goldman Sachs Sterling Liquid Reserves*	5,550,000	4.23
6,708,739	Royal London Cash Plus*	6,825,230	5.19
	TOTAL MONEY MARKETS	12,375,230	9.42
	FORWARD CURRENCY CONTRACTS – (0.15%) (30.11.13 – 0.07%)		
AUD(1,350,000)	Vs £733,357 (expiry 20.06.14)	(14,923)	(0.01)
¥(110,000,000)	Vs £653,323 (expiry 20.06.14)	8,626	0.01
£(190,809)	Vs €100,000 (expiry 20.06.14)	(109,450)	(0.09)
£(5,243,105)	Vs US\$8,660,000 (expiry 20.06.14)	(79,548)	(0.06)
	TOTAL FORWARD CURRENCY CONTRACTS	(195,295)	(0.15)
	Portfolio of investments#	128,562,011	97.90
	Net other assets	2,750,998	2.10
	Net assets	131,313,009	100.00
	All investments are ordinary shares listed on a regulated market unless stated otherwise.		
	* Collective investment scheme.		
	** Related party holding.		
	*** Delisted security.		
	**** Suspended security.		
	^ Structured product.		
	^^^ Unlisted security.		
	# Includes derivative liabilities.		
	## Future contract.		
	Definition: ADRs – American Depositary Receipts.		

## CF 7IM AAP ADVENTUROUS FUND

ACD's Report (continued)

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 MAY 2014

**Total purchases for the half year** **£54,255,444**

Major purchases	Cost £
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2014	4,572,391
TOBAM Anti-Benchmark Emerging Markets	1,972,856
BNY Mellon Compass Euro Credit Short Duration	1,800,000
Reseau Ferre de France 2.375% 2015	1,331,070
FMS Wertmanagement 1% 2015	1,103,421
Volkswagen <i>non-voting preference shares</i>	1,060,540
Rabobank Nederland 3.25% 2017	1,044,100
European Investment Bank 3% 2015	1,033,700
Blackstone Group (The)	1,020,866
International Bank for Reconstruction & Development 1% 2016	1,014,070
Credit Suisse 0.92063% <i>floating rate note</i> 2016	1,000,770
Municipality Finance 1.25% 2016	1,000,080
African Development Bank 1.125% 2016	999,700
Nestle Holdings 1.625% 2017	998,820
Deutsche Pfandbriefbank 0.97594% <i>floating rate note</i> 2016	997,890
Asian Development Bank 1% 2016	997,040
Intesa Sanpaolo	877,497
Schneider Electric	855,986
Munich Re	841,579
Swiss Re	828,421

In addition to the above, purchases totalling £14,000,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

**Total sales for the half year** **£31,428,318**

Major sales	Proceeds £
Lyxor ETF MSCI EMU Value UCITS ETF	7,901,803
BNY Mellon Compass Euro Credit Short Duration	3,020,490
RBS Market Access MSCI Frontier Markets Index ETF	1,523,665
iShares EURO STOXX Small UCITS ETF	1,284,010
iShares EURO STOXX Mid UCITS ETF	1,284,008
PIMCO Sterling Short Maturity Source ETF	500,080
Merrill Lynch International Warrant & Certificate Securities (linked to the S&P 500 Equal Weighted Total Return Index) 2013	490,006
Electra Private Equity	461,412
GIMV	456,106
PennantPark Investment Corporation	432,693
Hercules Technology Growth Capital	411,754
Verizon Communications	396,253
TICC Capital Corporation	384,942
Solar Capital	361,068
Unilever	278,169
A.P. Møller – Mærsk	266,578
Fifth Street Finance Corporation	259,794
General Electric Capital Corporation 5.25% 2013	250,000
db x-trackers S&P Select Frontier UCITS ETF	185,341
Apollo Investment Corporation	172,660

In addition to the above, sales totalling £14,550,000 were made in short term investment funds during the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

CF 7IM AAP ADVENTUROUS FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
Income:				
Net capital gains		3,770,062		10,940,394
Revenue	1,510,210		895,175	
Expenses	(459,626)		(390,622)	
Finance costs: Interest	(820)		(342)	
Net revenue before taxation	1,049,764		504,211	
Taxation	(82,550)		(42,508)	
Net revenue after taxation		967,214		461,703
<b>Total return before distributions</b>		4,737,276		11,402,097
Finance costs: Distributions		(964,457)		(477,511)
<b>Change in net assets attributable to shareholders from investment activities</b>		3,772,819		10,924,586

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2014

	31.05.14		31.05.13	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		103,238,388		68,649,753
Amounts receivable on issue of shares	29,819,027		11,374,839	
Amounts payable on cancellation of shares	(6,472,892)		(6,184,241)	
		23,346,135		5,190,598
Stamp duty reserve tax	(15,478)		(12,250)	
Change in net assets attributable to shareholders from investment activities		3,772,819		10,924,586
Retained distribution on Accumulation shares		971,145		477,456
<b>Closing net assets attributable to shareholders</b>		131,313,009		85,230,143

The above statements show the comparative closing net assets at 31 May 2013 whereas the current accounting period commenced 1 December 2013.

BALANCE SHEET  
AS AT 31 MAY 2014

	31.05.14		30.11.13	
	£	£	£	£
<b>ASSETS</b>				
<b>Investment assets</b>		128,765,932		103,714,790
<b>Other assets</b>				
Debtors	897,241		1,287,862	
Cash and bank balances	5,413,649		691,222	
<b>Total other assets</b>		6,310,890		1,979,084
<b>Total assets</b>		135,076,822		105,693,874
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(203,921)		(62,599)
<b>Other liabilities</b>				
Creditors	(3,298,107)		(2,112,646)	
Bank overdrafts	(209,743)		(239,642)	
Distribution payable on Income shares	(52,042)		(40,599)	
<b>Total other liabilities</b>		(3,559,892)		(2,392,887)
<b>Total liabilities</b>		(3,763,813)		(2,455,486)
<b>Net assets attributable to shareholders</b>		131,313,009		103,238,388

## GENERAL INFORMATION

**Head Office:** 40 Dukes Place, London EC3A 7NH

**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 Company is pounds sterling. Each sub-fund and class is designated in pounds sterling.

**Share Capital:** The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

### STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary. On the introduction of any new sub-fund or class of share, a revised prospectus will be prepared setting out the relevant details of each sub-fund or class of share.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

CF 7IM AAP Income Fund  
CF 7IM Moderately Cautious Fund  
CF 7IM Balanced Fund  
CF 7IM Moderately Adventurous Fund  
CF 7IM Adventurous Fund  
CF 7IM Sustainable Balance Fund  
CF 7IM AAP Moderately Cautious Fund  
CF 7IM AAP Balanced Fund  
CF 7IM AAP Moderately Adventurous Fund  
CF 7IM AAP Adventurous Fund

In the future there may be other sub-funds of the Company.

### CLASSES OF SHARES

The Company can issue 'A' Income, 'A' Accumulation, 'B' Income, 'B' Accumulation, 'C' Income, 'C' Accumulation, 'D' Income, 'D' Accumulation, 'O' Income, 'O' Accumulation, 'S' Income and 'S' Accumulation classes of share.

Holders of Income shares are entitled to be paid the income attributable to such shares in respect of each annual or interim accounting period, as applicable to the relevant sub-fund.

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 Company is 12.00pm London time on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

### BUYING AND SELLING SHARES

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. 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 prices are available on the website of the Investment Management Association at [www.fundlistings.com](http://www.fundlistings.com) under the heading of CF 7IM Investment Funds, by calling 0845 922 0044 during normal business hours or on our website, [www.capitafinancial.com](http://www.capitafinancial.com) by following the link 'Fund Information'.

### OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on our website, [www.capitafinancial.com](http://www.capitafinancial.com), by following the link 'Fund Information'.

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 ACT

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.

### 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.





