

CF LINDSELL TRAIN UK EQUITY FUND

May 2007

All data as at 31st May 2007

Fund Objective

To invest in the securities of companies which are listed, quoted or dealt on any of the markets of the London Stock Exchange, including the Alternative Investment Market (AIM), with the objective of achieving capital and income growth and providing a total return in excess of that of the FT All Share Index.

Fund Breakdown

Top 10 Holdings (% NAV)

| | |
|---------------------|------|
| Cadbury Schweppes | 10.0 |
| Diageo | 7.8 |
| Unilever | 7.7 |
| Reed Elsevier | 7.0 |
| HBOS | 6.8 |
| Pearson | 6.7 |
| Reuters Group | 6.6 |
| Sage | 5.0 |
| RBS Natwest 9% Pref | 4.9 |
| Rathbone Brothers | 4.8 |

Industry Breakdown (% NAV)

| | |
|----------------------------------|--------------|
| Equity - Media | 24.6 |
| Equity - Banks & Investment Co. | 31.4 |
| Equity - Leisure & Entertainment | 2.1 |
| Equity - Food & Beverage | 27.2 |
| Equity - Consumer Goods | 5.7 |
| Preference Shares | 6.7 |
| Cash & Equivalent | 2.3 |
| Total | 100.0 |

| Fund Exposure | Bonds | Prefs | Equity | Funds | Cash | Total |
|----------------|----------|------------|-------------|----------|------------|--------------|
| UK % | - | 6.7 | 91.0 | - | 2.3 | 100.0 |
| Total % | - | 6.7 | 91.0 | - | 2.3 | 100.0 |

| | |
|--------------------------|----------|
| Fund Size | £ 69.5mn |
| Accumulator Price | £ 1.2426 |
| Income Price | £ 1.2279 |

Source: Lindsell Train Limited and Capita Financial Administrators Limited.

Investment Advisor: Nick Train

Fund Type: FSA Authorised Collective Investment Scheme

Type of Scheme: Non UCITS Retail

Class: Accumulator & Income Units

Launch Date: 10 Jul 2006

Base Currency: Sterling

Min Investment: £500,000
Subsequent: £1,000

Year End: 31 May

Dividend: Div Ex 30 Nov 2006
Paydate 31 Jan 2007

Benchmark: FT All Share

Initial Charge: (subject to ACD discretion 0%-2%)

Management Fees: Annual Fee 0.65%

Authorised Corporate Director: Capita Financial Administrators Limited

Administrator: Capita Financial Administrators Limited

ISIN: Acc: GB00B18B9X76
Inc: GB00B18B9V52

Bloomberg: Acc: LTUKEQI LN
Inc: LTUKEQI LN

Lipper: 65022060

Fund Performance (Fixed Calendar Year)

Past performance is not a guide to future performance. The price of units and the income from them may go down as well as up. Investors may not get back what they invested.

5 Year History

| | 2006 | 2007 |
|-----------------------|---------------|------|
| ACDS LT UK Equity TR% | Not available | |
| FT All Share TR% | | |

Current regulations do not permit us to publish historical performance data in the first year of the fund's life. TR=Total Return (with dividends reinvested)

| 2006 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YE 2006 |
|------------------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------|
| ACDS LT UK Equity TR% | Not available | | | | | | | | | | | | |
| FT All Share TR% | | | | | | | | | | | | | |
| Since Launch Price TR% | | | | | | | | | | | | | |
| Since Launch Index TR% | | | | | | | | | | | | | |

| 2007 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD 2007 |
|------------------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------|
| ACDS LT UK Equity TR% | Not available | | | | | | | | | | | | |
| FT All Share TR% | | | | | | | | | | | | | |
| Since Launch Price TR% | | | | | | | | | | | | | |
| Since Launch Index TR% | | | | | | | | | | | | | |

Current regulations do not permit us to publish historical performance data in the first year of the fund's life. TR=Total Return (with dividends reinvested)

The former name of the Fund was ACDS Lindsell Train UK Equity Fund. This has been replaced with CF Lindsell Train UK Equity Fund from 1st April 2007.

Fund Manager's Comments

May 07 was an important month for your Fund and not just because the NAV rose smartly to a new high.

The importance lies in the potential for further material gains to be earned from the ramifications of two events in May, both critical for the Fund's strategy. These were Rupert Murdoch's offer to acquire Dow Jones in the US and Thomson's agreed merger proposal to Reuters. Reuters, a major holding, rose by more than 30%. However, what really interests us and what we wish to convey to our investors with all earnestness, is that both these deals confirm our conviction – that UK investors are significantly underestimating the growth opportunity presented to the owners of outstanding media properties (by the transition of those properties onto the Internet) and thereby are undervaluing them.

So, last month, industrialists in the Media/Internet/Software sectors backed their judgement against that of stock market investors by moving to acquire two wonderful properties – the Wall Street Journal and Reuters – at prices way above those prevailing on the public exchanges. We expect our investment in Reuters to rise further, as the deal moves to completion and as other investors recognise what a formidable entity the combined group will be. But as exciting for us are the gains (albeit modest to date) in the shares of other UK-listed owners of such assets, including our holdings in Euromoney, Pearson and Reed Elsevier. Despite Murdoch's attentions to Dow Jones, we still believe investors grossly underestimate the strategic value of Pearson's Financial Times. The broker analysis we read ascribes a value to the FT of c£500 million. This is little more than 2.0x revenues for an exceptional global franchise – the FT is the only newspaper on the planet with higher sales outside its home market than in. Pearson management must take care, we think, to ensure that this asset does not get stripped out of the group on the cheap.

Sage fell 5% in May on results that met, but did not exceed, investors' expectations. This company, too, is exploiting the Internet and other technologies to improve the value of its services to its 5 million small companies worldwide – just like Reed or Reuters. We see Sage as an attractive merger target for any global telecommunications company looking to supplement its waning voice revenues with "stickier" services. Sage's recent interim dividend, of 1.27p, is nearly 5.0x higher than its entire annual dividend of 10 years ago. Perhaps its business opportunities for the next decade are even greater and we expect Sage to be a terrific investment from the current valuation, an earnings yield of nearly 6.0%.

Your fund went "XD" its final dividend at the end of May—a payment of c2.5p. Added to the interim of c1.0p from last November, this makes for a full year payment of 3.5p and a dividend yield to launch price, therefore, of c3.5%.

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All data as at 31st May 2007

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**Lindsell Train is authorised and
regulated by the Financial
Services Authority.**

Reports can be found on our
website at www.LindsellTrain.com

Risk Warning

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