

CF LINDSELL TRAIN UK EQUITY FUND

February 2008

All data as at 29th Feb 2008

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 FTSE All Share Index.

Fund Breakdown

Top 10 Holdings (% NAV)

Unilever	9.9
Diageo	9.6
Cadbury Schweppes	9.6
Reuters Group	7.0
Reed Elsevier	6.7
Pearson	6.6
Rathbones	5.0
RBS Natwest 9% Pref Stock	4.7
Sage	4.7
Fidessa	4.5

Industry Breakdown (% NAV)

Equity - Media	24.7
Equity - Banks & Financials	28.0
Equity - Leisure & Entertainment	2.1
Equity - Food & Beverage	30.9
Equity - Consumer Goods	4.7
Preference Shares	6.2
Cash & Equivalent	3.4
Total	100.0

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	-	6.2	90.4	-	3.4	100.0
Total %	-	6.2	90.4	-	3.4	100.0

Fund Performance

- Fund was launched on 10th July 2006.
- CF LT UK Equity Fund comprises the Accumulator & Income Classes.
- The CF LT UK Equity Fund performance is based on total return calculations (with dividends reinvested). 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.

Standardised Discrete Five Year History (%)	Feb 2003 Feb 2004	Feb 2004 Feb 2005	Feb 2005 Feb 2006	Feb 2006 Feb 2007	Feb 2007 Feb 2008
CF LT UK Equity Fund	NA	NA	NA	NA	-6.1
FTSE All Share Index	NA	NA	NA	NA	-2.7

Source: Bloomberg .

Standardised Discrete Quarterly Performance (%)	Mar 2007 May 2007	Jun 2007 Aug 2007	Sep 2007 Nov 2007	Dec 2007 Feb 2008
CF LT UK Equity Fund	+12.0	-8.6	-0.7	-8.0
FTSE All Share Index	+8.4	-4.3	+1.3	-7.7

Source: Bloomberg .

Calendar Year 2007 Monthly Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YE 2007
CF LT UK Equity Fund	+0.5	-0.6	+5.0	+2.2	+4.4	-5.6	-2.0	-1.3	+1.7	+2.7	-4.9	+0.6	+2.3

Calendar Year 2008 Monthly Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2008
CF LT UK Equity Fund	-9.3	+0.7											-8.6
FTSE All Share Index	-8.7	+0.7											-8.0

Source: Bloomberg and Lindsell Train.

Fund Size	£75.1 mn
Accumulator Share Price	£1.0374
Income Share Price	£ 0.9974

Source: Lindsell Train Limited and Capita Financial Administrators Limited.

Portfolio Manager:	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:	XD dates: 30 Nov; 31 May Paydates: 31 Jan; 30 Sep
Benchmark:	FT All Share
Initial Charge:	(subject to ACD discretion 0%-2%)
Management Fees:	Annual Fee 0.65%
Authorised Corporate Director: (ACD)	Capita Financial Managers Limited
Administrator:	Capita Financial Administrators Limited
ISIN:	Acc: GB00B18B9X76 Inc: GB00B18B9V52
Bloomberg:	Acc: LTUKEQI LN Inc: LTUKEQI LN
Lipper:	65022060

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

All data as at 29th Feb 2008

*Registered Address:
CF Lindsell Train UK Equity Fund
The Registry, 34 Beckenham Road
Beckenham, KENT BR3 4TU*

*Fund Administrator:
Capita Financial
Administrators Limited
+44 113 224 6000*

Lindsell Train Limited
2 Queen Anne's Gate Buildings
Dartmouth Street
London SW1H 9BP

**Limited Company Registered in
England No. 3941727**
Registered Office as above

Phone: +44 20 7227 8200
Fax: +44 20 7227 8299
Enquiry@LindsellTrain.com

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

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

The most experienced stockbroker we know offered some good advice last week – *“sometimes sticking your head in the sand and waiting for it all to blow over makes sense.”* Certainly, the current mood of market participants is panicky and the result is that there is intense pressure to buy what has already performed well and, even more so, to sell what has performed poorly. This means that the potential to make serious mistakes – on the buy or selling tack – is very real and that taking no decisions at all may be wiser than making too many. Our actual activity has been limited to a modest dribbling of cash into some of the small portfolio positions on bad days and a steady sell down to zero of one other smaller holding, where our confidence in the original “buy-case” has weakened.

Such a policy of relative inactivity can be justified so long as there are no substantive grounds to doubt the caliber and long-run earnings power of our portfolio companies. The best way to gauge this is to listen to what the companies are saying about themselves, most particularly their dividend or share buyback announcements. Eleven of the 22 holdings in the Fund reported results in February and, with the exception noted above, we are encouraged by what we heard. Dividend declarations were, frankly, bullish – led by another 30%+ hike from Fidessa, with double digit annualized cash returns delivered by Cadbury, Diageo, HBOS, Reed, Reuters and Unilever. Meanwhile, Lloyds confirmed its earnings recovery with a 5% increase, matched by Bradford & Bingley. Hargreaves Lansdown announced a maiden dividend ahead of our hopes, while Celtic does not pay an ordinary dividend, but generated a lot of cash over its half year.

Unilever, our largest holding, fell 3.5% over the month, as investors banked profits after its share price gains of 2007. We think it is far too early to be letting go of this company - indeed we struggle to identify any business of comparable size with an equivalent opportunity both to grow and to deliver attractive shareholder returns. Overseas earnings, from branded consumer staples, with the best Emerging Market positions of any of its peers is a potent combination in current stock market conditions and we expect Unilever to be an early beneficiary of any improvement in confidence.

As to the banks, their share prices are now signaling apocalypse. One bank CEO told me last week that if what the hedge fund short sellers are saying about his bank's treasury portfolio is true, then he is worried not just about his own institution, but the survival of the western banking system. Should we be concerned as citizens? Perhaps. But note that Banque Populaire disagrees. This institution has just put in an offer for HSBC's French retail banking subsidiary at a price equivalent to 3.7x book value. Apply this to any of the British banks and their prices treble. The worst may come to pass, but investors need to be clear about how much potential value they could lose if they sell now.

Risk Warning

The CF Lindsell Train UK Equity Fund (previously known as ACDS Lindsell Train UK Equity Fund) (the “Fund”) is an open ended investment company (OEIC) authorised and regulated by the Financial Services Authority under Regulation 14 of the OEIC Regulations 2001. This factsheet is intended for use by shareholders of the Fund or UK authorised persons or those who are permitted to receive such information. Nothing in this factsheet should be construed as giving investment advice or any offer, invitation or recommendation to subscribe the Fund. Any decision to subscribe should be based on the Fund's current Scheme Particulars or its Key Features document. Past performance is not a guide or guarantee to future performance. The value of investments and income from them may go up as well as down and you may not get back the amount originally invested.

Opinion expressed whether in general or both on the performance of individual securities and in a wider economic context represents the view of Lindsell Train Ltd at the time of preparation. They are subject to change and should not be interpreted as investment advice. The information provided in this document was captured on the date issued below and therefore is not current. Current prices or details of fund holdings can be obtained from the fund administrator.