

# CF LINDSELL TRAIN UK EQUITY FUND

November 2009

All data at 30th November 2009

## 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.

<b>Fund Size</b>	£166.7mn
<b>Accumulation Share Price</b>	£1.0843
<b>Income Share Price</b>	£0.9838

Source: Lindsell Train Limited and Capita Financial Administrators Limited.

## Fund Breakdown

Top 10 Holdings (% NAV)		Industry Breakdown (% NAV)	
Cadbury	12.4	Equity	Banks & Financials 25.4
Unilever	10.2		Consumer Goods 4.9
Diageo	10.0		Food & Beverage 39.6
Pearson	8.1		Leisure & Entertainment 2.9
Schroders	5.7		Media 20.9
Hargreaves Lansdown	5.3		Retail 4.5
Reed Elsevier	5.2		Preference Shares 0.2
Sage	4.9		Cash & Equivalent 1.6
Fidessa	4.9	<b>Total</b>	<b>100.0</b>
Burberry Group	4.5		

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	-	0.2	98.2	-	1.6	100.0
<b>Total %</b>	<b>-</b>	<b>0.2</b>	<b>98.2</b>	<b>-</b>	<b>1.6</b>	<b>100.0</b>

<b>Portfolio Manager:</b>	Nick Train
<b>Fund Type:</b>	FSA Authorised Collective Investment Scheme
<b>Type of Scheme:</b>	Non UCITS Retail
<b>Class:</b>	Accumulation & Income Units
<b>Launch Date:</b>	10 Jul 2006
<b>Base Currency:</b>	Sterling
<b>Min Investment:</b>	£500,000 Subsequent: £1,000
<b>Year End:</b>	31 May
<b>Dividend:</b>	XD dates: 30 Nov; 31 May (Income class) Paydates: 31 Jan; 30 Sep
<b>Benchmark:</b>	FTSE All Share
<b>Initial Charge:</b>	0%-2%, subject to ACD's discretion
<b>Management Fees:</b>	Annual Fee 0.65% p.a.
<b>Authorised Corporate Director (ACD):</b>	Capita Financial Managers Limited (Authorised & regulated by the Financial Services Authority)
<b>Administrator:</b>	Capita Financial Administrators Limited
<b>ISIN:</b>	Acc: GB00B18B9X76 Inc: GB00B18B9V52
<b>Depository:</b>	BNY Mellon Trust & Depository (UK) Ltd (Authorised & regulated by the Financial Services Authority)
<b>Bloomberg:</b>	Acc: LTIUKEQALN Inc: LTIUKEQA LN
<b>Sedol:</b>	Acc: B18B9X7 Inc: B18B9V5
<b>Lipper:</b>	65022060

## Fund Performance

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

- CF LT UK Equity Fund comprises the Accumulation & Income Classes.
- The CF LT UK Equity Fund performance is based on total returns (dividends reinvested), net of management fees. The CF LT UK Equity Fund price and performance is based on 10 a.m. valuation point

Standardised Discrete Five Year History (%)	Nov 2004 Nov 2005	Nov 2005 Nov 2006	Nov 2006 Nov 2007	Nov 2007 Nov 2008	Nov 2008 Nov 2009
CF LT UK Equity Fund	NA	NA	+11.7	-32.1	+36.1
FTSE All Share Index	NA	NA	+8.6	-32.2	+30.4

Source: Bloomberg and Lindsell Train

Standardised Discrete Quarterly Performance (%)	Dec 2008 Feb 2009	Mar 2009 May 2009	Jun 2009 Aug 2009	Sep 2009 Nov 2009
CF LT UK Equity Fund	-2.3	+15.5	+11.3	+7.8
FTSE All Share Index	-7.9	+18.2	+13.1	+5.9

Source: Bloomberg and Lindsell Train.

Calendar Year 2008 Monthly Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YE 2008
CF LT UK Equity Fund	-9.3	+0.7	-3.8	+1.3	+1.4	-11.9	-0.5	+6.8	-8.3	-8.5	-0.6	+5.3	-25.8
FTSE All Share Index	-8.7	+0.7	-2.1	+6.3	-0.2	-7.1	-3.6	+5.0	-13.2	-11.9	-1.6	+3.7	-29.9

Calendar Year 2009 Monthly Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2009
CF LT UK Equity Fund	-2.6	-4.7	+1.2	+11.5	+2.4	-3.2	+8.3	+6.3	+9.2	-0.2	-1.1		+28.6
FTSE All Share Index	-5.8	-6.5	+3.2	+9.9	+4.2	-3.2	+8.5	+7.7	+4.7	-1.8	+3.0		+24.7

Source: Lindsell Train.

## Fund Manager's Comments

Separate announcements from confectioners Ferraro and Hershey of their interest in all or part of Cadbury's assets put an end to the "phony war" stage of the battle to win that business – pushing its shares up to new highs. Kraft can no longer expect to make an uncontested cheap offer and have any chance of winning. The situation is increasingly complex and there is a not trivial chance that the final outcome could be an independent Cadbury. But given the high stakes for all parties we think everything points to higher bids in 2010. We continue to add, piecemeal, to LT's Cadbury investment – although not for your account, given the 10%+ holding – indicating where we think the risk/reward still lies.

The market was strong in November – unhelpfully for us, being very much led by the Mining sector. In particular a number of our holdings that look to the financial markets for their profits performed poorly, with share price falls for Fidessa, Hargreaves, LSE, Rathbone and Thomson Reuters. Weakness here – for a set of companies that normally go up by more than the market when investor confidence is increasing – indicates growing nervousness that the rally in equities is running out of steam. The counter-indicator, though, was Schroders, whose shares were actually up 4.5% in November, as investors digested news of strong asset-gathering by the company. In the end the strength of the franchises, rather than the fluctuations of markets, will determine the course of these shares and we are encouraged by

the business performance of not just Schroders, but, in particular, Fidessa, HL and Rathbone too. These are cheap "growth" stocks.

Still in the financial sector, Lloyds unveiled the biggest rights issue in history. One must congratulate Eric Daniels for engineering a "great escape" from effective nationalization, even though the dilution to the bank's NAV is sobering. It is our current intention to take up the rights, although, at the margin we have been buying Lloyd's preference shares for the Fund, paid for by sales of the ordinary. In our opinion, Lloyds preferred equity is significantly cheaper than its ordinary today and the prefs are not having a rights issue!

## CF LINDSELL TRAIN UK EQUITY FUND

*All data at 30th November 2009*

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