

FUND FACTSHEET


CF IM CAPITAL UK EQUITY AND BOND INCOME FUND

Q1 Quarterly Review - April 2011

FUND AIM AND PROCESS

Asset allocation is the most important decision in the investment process. The CF IM Capital UK Equity & Bond Income Fund seeks to generate returns by dynamically adjusting its asset allocation in accordance with our investment model. Exposure to each asset class is by way of funds and shares that satisfy our investment criteria. Although we look to produce a return in excess of the UK stock market, the fund can invest in a range of assets including commodities, property, fixed-income securities as well as equity-linked funds.

MARKET BACKGROUND

Conflict in the Middle East and the devastation caused by the Japanese earthquake has moved into the background in terms of the financial market's thinking, with the dominant theme returning to the stage of the economic cycle and the implications for monetary policy. With increasing signs of recovery in the developed and in moderation emerging economies there is less dispersion of growth rates throughout the World than for a number of years and the likelihood that global growth will return to pre-crisis levels for the first time since the beginning of 2008.

Germany and the US are producing the greatest growth in the developed economies that should match pre-crisis levels with the UK and peripheral Europe continuing to lag at pre-crisis levels because of the effects of the various fiscal stabilisation plans. Against this positive growth environment corporations are currently performing well currently and are optimistic about the future in both the manufacturing and service sectors. Unemployment, which has been persistently high in many regions, is belatedly responding in a positive manner albeit with the largest declines in the emerging economies with the advanced economies lagging.

Inflation has picked up in most countries due to the rise in commodity prices, abundant global liquidity and less excess capacity in many areas. Together with the improving labour market the question now is when monetary policy will move from the very accommodative stance of the last three years to a more normalised level. Even with modest tightening real rates are low by historic levels and with commodity induced inflation set to remain high they are unlikely to rise significantly in the near term. The combination of accommodative monetary policy in the presence of strong economic growth reflects the political pressures induced by high levels of inflation.

With corporate optimism high and monetary conditions continuing to be supportive the background for equity markets continues to be positive albeit less so than last year. There are risks which could clearly undermine confidence or put pressure on the authorities to tighten the policy faster than they appear to want to. Foremost are the inflationary pressures resulting from higher commodity prices, especially oil. An oil price of \$110 is estimated to reduce global growth by approximately 0.2%. In the context of a growth estimate of 4.3% this is not a material impact but it will add to inflationary pressures and complicate the policy responses. With emerging economies, especially China, leading the recovery engineering, the changes in monetary policy currently being attempted is fraught with difficulty.

FUND PERFORMANCE

	Q1 2010 - Q1 2011	Q1 2009 - Q1 2010	Q1 2008 - Q2 2009	Q1 2007 - Q1 2008	Q1 2006 - Q1 2007
CF IM Capital UK Equity & Bond Income Fund	4.86%	38.67%	-33.26%	N/A	N/A

Source: Financial Express
Based on single price after deduction of fees, with net income reinvested.

Important Information: Past performance is not a guide to future performance and may not be repeated. The value of investments and income from them can go down as well as up and investors may not get back the amounts originally invested.

FUND FACTS
AT 31 MARCH 2010
Fund Aim

To seek a high yield and some capital growth

Launched

01/10/2007

Sector

IMA UK All Equity and Bond Income

Price

89.59P

Fund Size

£21.4M

Type of Shares

Accumulation or Income

Fund Charges

1.4% annual management charge

Tax Efficient Schemes

ISA : Eligible

Initial Charge

Up to 5%

Administrator

Capita Financial Administrators Limited (address as below)

Authorised Corporate Director

Capita Financial Managers Limited (address as below)

Registered/Operating Address

Ibex House
42-47 Minories
London, EC3N 1DX

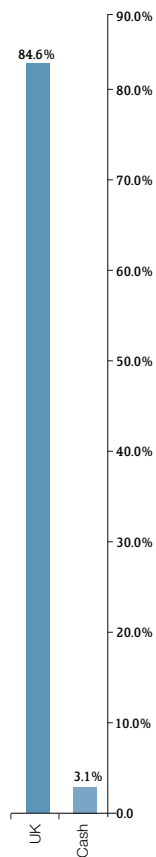
Domicile

UK. The fund is structured as an open-ended Investment Company (OEIC) and complies with the EU requirements relating to Undertakings for Collective Investment in Transferable Securities (UCITS).

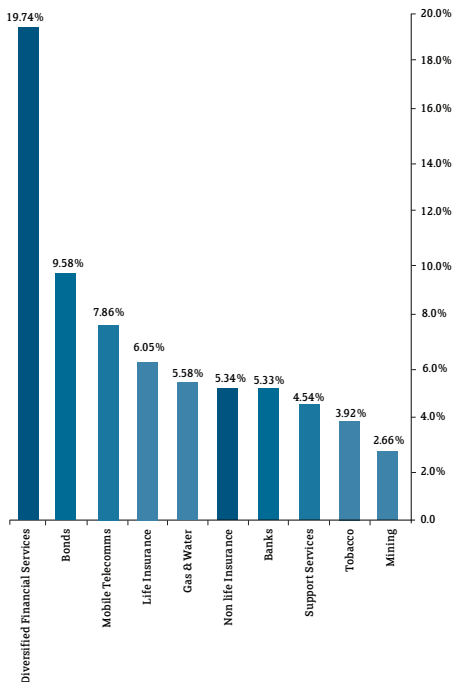
Investment Manager

IM Asset Management Limited

FUND ALLOCATION (%)



TOP SECTORS (%)



INVESTMENT THEMES

Since the summer investment themes have been very clear. Equities and commodities have been favoured over bonds, property and cash. The trends remain in place and set against a very supportive monetary background there is little reason to believe that this trend will change soon. At the company level we continue to see positive earning reports and takeover activity in many areas but especially in the manufacturing and cyclical area which suggests that companies remain optimistic about the future. Both long and intermediate term trends have remained remain firmly positive since July of last year.

TOP 10 HOLDINGS (%) AS AT 31 MARCH 2011

1.ISHARES GBP CORPORATE BOND	9.6
2.ROYAL DUTCH SHELL PLC-B SHS	8.2
3.VODAFONE GROUP PLC	7.9
4.LBG CAPITAL NO.1 PLC	7.0
5.HSBC BANK PLC	5.3
6.AVIVA PLC	4.3
7.BRITISH AMERICAN TOBACCO PLC	3.9
8.SEVERN TRENT PLC	3.3
9.PRUDENTIAL PLC	3.1
10.LEGAL & GENERAL GROUP PLC	2.9

SECTOR AND STOCK SELECTION

Our strategy has been to keep the allocation to bonds in this fund at the lowest level permissible with the equity allocation at its highest. This strategy proved to be correct during the period under review and continues to be followed. Within the equity portion of the fund we have been able to identify a number of high yielding companies which are also producing capital growth greater than the overall market. Companies with an exposure to the manufacturing sector have been, and continue to be, particularly strong performers. For example, Electrocomponents has been particularly strong as demand for its end products in areas such as car production and electronic components have exceeded expectations. Man Group, which manages the Worlds largest hedge fund, has benefitted from the supportive financial trends that have existed over the last year and has been another good performer. The company's valuation had been depressed by general trouble in the financial markets which is now over and so it has been paying a high level of dividend.

IMPORTANT INFORMATION

This document is issued by IM Asset Management Limited.

The CF IM Capital UK Equity & Bond Income Fund is authorised by the Financial Services Authority in the UK and qualifies as a UCITS scheme under its rules. A simplified prospectus and full prospectus are available and can be obtained from Capita Financial Administrators Limited. Should you require the current price or details of the fund holdings please contact Capita Financial Managers Limited, Ibex House, 42-47 Minories, London, EC3N 1DX.

Nothing on this factsheet should be construed as advice and it is therefore not a recommendation to buy or sell shares in the fund.

Please note that prior to 17th September 2010, the name of the fund was CF IM Portfolio Fund and the fund had a different investment objective. As a result, past performance figures may not be representative of current objectives.

FOR MORE INFORMATION PLEASE CONTACT US ON:

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or email clientservices@imassetmanagement.com

IM Asset Management

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