CAPITA
FINANCIAL GROUP

CF Progressive UK Smaller Companies Fund

ACD's Interim Unaudited Short Report

for the half year ended 30 April 2011

Investment Objective and Policy

The investment objective of the CF Progressive UK Smaller Companies Fund ('the Fund') is to provide both long-term capital growth and some income.

In order to achieve the investment objective the Fund will invest predominantly either directly or indirectly in shares of UK companies which have a small to medium-sized market capitalization.

The benchmark for the Fund is the FTSE 250 ex Investment Companies Index.

Subject to the investment objective and policy of the Fund as set out above, the asset classes in which the Fund is permitted to invest includes transferable securities, units in collective investment schemes, money market instruments, government and public securities, cash and near cash and deposits as permitted for UCITS schemes. The Fund may invest in derivative instruments and forward transactions for the purposes of hedging.

Risk Profile

The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 April	31 August
Final	31 October	28 February

Total Expense Ratios

Expense Type	30.04.11 % 'A' Income	30.04.11 % 'B' Income	31.10.10 % 'A' Income	31.10.10 % 'B' Income
ACD's periodic charge	0.75	1.50	0.75	1.50
Performance fee	–	–	1.17	–
Other expenses	1.55	1.55	1.55	1.55
Total expense ratios	2.30	3.05	3.47	3.05

Distributions

Share Class	Interim 30.04.11 pence per share
'A' Income	0.2356
'B' Income	0.0374

Performance Record

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2006#	116.10	91.00	–
2007	125.67	105.51	1.0267
2008	109.46	59.97	1.3757
2009	100.99	60.44	0.5900
2010	133.09	97.86	0.0020
2011*	134.38	126.10	0.4714

'B' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2006#	116.33	90.81	–
2007	125.75	104.62	0.6861
2008	108.14	59.34	0.8119
2009	100.68	60.23	0.3970
2010	133.22	97.67	0.2386
2011*	134.46	126.02	0.4330

From 6 February 2006.
* To 30 April 2011.

Net Asset Value

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.10.08	'A' Income	2,361,925	3,644,600	64.81
	'B' Income	95,084	147,595	64.42
31.10.09	'A' Income	3,464,075	3,604,483	96.10
	'B' Income	130,183	134,816	96.56
31.10.10	'A' Income	4,489,411	3,547,675	126.55
	'B' Income	148,785	117,324	126.82
30.04.11	'A' Income	4,707,464	3,468,804	135.71
	'B' Income	148,184	109,208	135.69

Fund Performance to 30 April 2011 (%)

	6 months	1 year	3 years	Since launch*
CF Progressive UK Smaller Companies Fund	7.42	23.97	34.78	39.18
FTSE MID 250 Excluding Investment Companies (MCIX)#	10.96	16.24	21.51	28.43

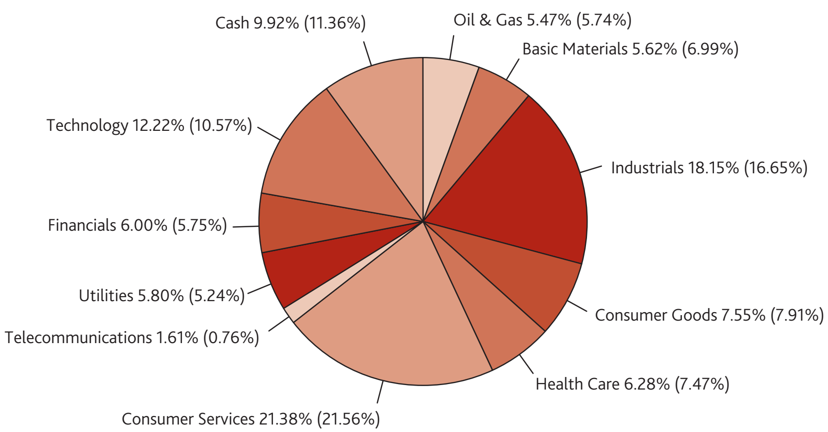
* Launch date 6 February 2006.
# *Source: Bloomberg.*

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

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

Sector Spread of Investments



The figures in brackets show allocations at 31 October 2010.

Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Fund as at 30.04.11	Holding	% of Fund as at 31.10.10
Greene King	3.92	Xaar	4.21
Northumbrian Water Group	3.90	FirstGroup	3.43
Xaar	3.87	Northumbrian Water Group	3.36
FirstGroup	3.28	Brown (N) Group	3.09
Brown (N) Group	2.99	Dairy Crest Group	3.02
Savills	2.98	Greene King	2.98
McBride	2.97	Greggs	2.96
Spirent Communications	2.61	Spectris	2.91
Dechra Pharmaceuticals	2.55	Wilmington Group	2.78
Premier Oil	2.47	Savills	2.55

INVESTMENT MANAGER'S REPORT

Highlights

- Markets continued to scale a wall of worry.
- Over the six months to 30 April 2010, A class shares in the Fund rose 7.4% while the benchmark, the FTSE 250 Index ex Investment Companies Index, rose by 11.0%.
- Over the year to 30 April 2010, A class shares in the Fund rose 24.0% outperforming the benchmark by 7.7%.
- Since launch in February 2006, the value of A class shares in the Fund has increased by 39.2%. The value of the benchmark, the FTSE 250 ex Investment Companies Index, has increased 28.4% since launch.
- The A class shares have outperformed the FTSE UK Smaller Companies Index excluding Investment Companies by over 46.0% on a total return basis over the period since launch.

Investment Review

The period under review began with a confident continuation of last year's rally in equity prices, but confidence began to wane subsequently.

Sovereign debt yields rose in November in reaction to the announcement of $600 billion more asset purchases by the US Federal Reserve, and a three-year support package for Ireland by the European Union, European Central Bank and the International Monetary Fund. Despite this, strong economic data from Germany, Japan and China, plus evidence of continuing recovery in the US enabled equities to stage a year-end rally. This news also drove sharp increases in commodity prices raising concerns that interest rates might need to rise sooner than anticipated previously.

In January concerns over peripheral eurozone debt began to build once again yet corporate bond markets remained stable. UK equities rose in anticipation of stronger earnings growth as global economic recovery took hold. Severe weather was blamed for weak domestic activity at the end of 2010 and continuing strong data from the US (the ISM non-manufacturing business activity index reached its highest level since 2005) supported this view. The IMF raised its forecast for global GDP growth to 4.5%. However, the recovery in global economic activity was accompanied by a pickup in inflation, most notably in emerging market economies. China and some other countries responded by tightening monetary policy.

Much of the perceived inflationary pressure derived from rises in commodity prices. These were exacerbated by political tensions in North Africa and the Middle East resulting in speculative pressure on energy prices. Concerns grew over demand destruction as price inflation threatened to drive goods and services beyond what consumers can afford. Yields on the sovereign debt of Greece, Ireland and Portugal began to rise once more and a major earthquake and Tsunami in Japan disrupted global supply chains. While generally well received, the UK budget had little effect on the market. Equity prices fell back sharply.

Portugal requested activation of European support mechanisms in April but, with the exception of the markets in peripheral eurozone debt, markets remained calm and gradually recovered. Economic news generally supported the view that the global economy was recovering albeit at a marginally slower pace.

Investment Review *(continued)*

For most of the period the Fund was being moved toward defensive positions in anticipation of more difficult economic conditions as the effect of stimulus packages wear off. Varying rates of growth, competitive devaluations and currency debasement around the world have been addressed by geographically diversifying the portfolio. Positions were built in value plays such as First Group and McBride, but these proved to be laggards as the markets reacted to better than anticipated economic data during the early months of 2011. Notably stronger returns (over 30%) were achieved on more cyclical positions in Wood Group, Fenner, Elementis, RPC Group, Spectris, Rathbone Brothers and Croda International. The main changes to the portfolio over the period have been the addition of the position in McBride and initiation of small positions in Britvic, Charter International, Cookson, Cranswick, Home Retail, Homeserve, Laird and Soco International. Elementis was the only complete disposal within the period. However, a large number of positions, such as Spectris, were trimmed in order to lock in profits and maintain the balance of the portfolio.

We expect real interest rates to remain low, or negative, while central banks fight deflation in the developed economies. Growth will be dependent upon a recovery in demand, or increased demand from the emerging markets. In the developed economies, demand will be retarded by rising unemployment and increased saving which will, in turn, retard growth elsewhere. Low growth rates make recessions more probable and may result in them becoming more frequent. The uncertainty concerning the aftermath of both the financial crisis, and the policy responses it provoked, will continue. Paradoxically, while these circumstances make periods of high volatility more probable they should also be supportive of equities.

Subdued growth should ensure relaxed monetary conditions. In general, economic growth is likely to be slower and inflation to be higher than the consensus view prevailing at the start of the year. High levels of government debt suggest financial repression, leading to poor real returns on savings and sovereign debt. We continue to believe that selective investment in real businesses addressing sustainable demand will offer better returns.

Progressive Focus Management Limited
Investment Manager
3 June 2011

Buying and Selling Shares

The ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm 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.

Reports and Accounts

This document is a short report of the CF Progressive UK Smaller Companies Fund for the half year ended 30 April 2011. The full Report and Accounts for the Fund is available free of charge upon written request to Capita Financial Managers Limited, Ibex House, 42 – 47 Minories, London EC3N 1DX.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the half year it covers and the results of those activities at the end of the half year.

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