

CF Progressive UK Smaller Companies Fund
ACD's Interim Unaudited Short Report
for the half year ended 30 April 2010

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 capitalisation.

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 Ratio

Expense Type	30.04.10		31.10.09	
	%		%	
	'A'	'B'	'A'	'B'
ACD's periodic charge	0.75	1.50	0.75	1.50
Other expenses	2.05	2.01	2.05	2.01
Total expense ratio	2.80	3.51	2.80	3.51

Portfolio Turnover Rate

	30.04.10 %	31.10.09 %
Portfolio turnover rate	104.00	143.05

Distributions

Share Class	30.04.10 pence per share	31.10.09 pence per share
'A' Income	–	0.0020
'B' Income	–	0.2386

The comparative data represents the distribution amount calculated after the Financial Statements for 31 October 2009 were published.

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*	111.91	97.86	0.0020

'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*	111.50	97.67	0.2386

From 6 February 2006.

* To 30 April 2010.

Net Asset Value

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.10.07	'A' Income	4,975,440	4,118,271	120.81
	'B' Income	1,399,606	1,160,425	120.61
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
30.04.10	'A' Income	3,909,517	3,559,103	109.85
	'B' Income	128,393	117,324	109.43

Fund Performance to 30 April 2010 (%)

	6 months	1 year	3 years	Since launch*
CF Progressive UK Smaller Companies Fund	14.58	45.73	-9.20	10.13
FTSE MID 250 Excluding Investment Companies (MCIX)#	17.10	38.76	-13.11	10.49

* Launch date 6 February 2006.

Source: Bloomberg.

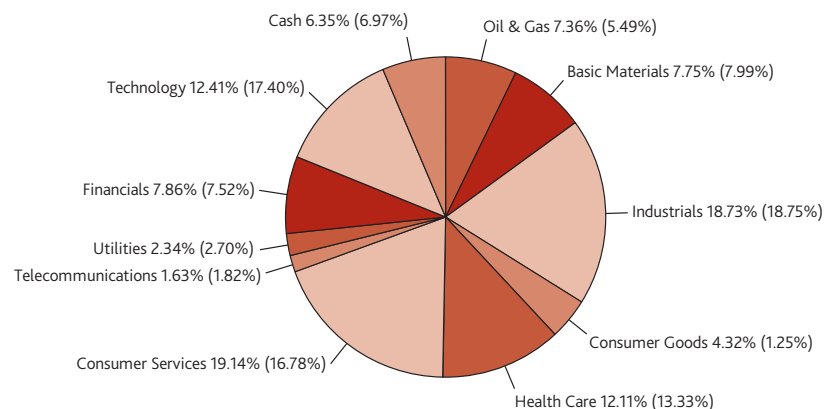
The performance of the Fund is based on the price per 'A' Income share with income reinvested.

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.

INVESTMENT MANAGER'S REPORT

Sector Spread of Investments



The figures in brackets show allocations at 31 October 2009.

Major Holdings

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

Holding	% of Fund as at 30.04.10	Holding	% of Fund as at 30.10.09
Greene King	3.71	Greene King	3.62
Croda International	3.49	Savills	3.20
Spectris	3.35	Elementis	3.17
Synergy Health	3.35	Care UK	3.10
Savills	3.04	Informa	3.08
FirstGroup	3.02	Xaar	3.07
Dechra Pharmaceuticals	2.95	Dechra Pharmaceuticals	3.05
Xaar	2.94	Croda International	2.92
Care UK	2.78	RPC Group	2.84
Dana Petroleum	2.70	Synergy Health	2.84

Highlights

- Equity markets continued to recover.
- Over the six months to 30 April 2010, 'A' class shares in the Fund rose 14.6% while the benchmark, the FTSE 250 Index ex Investment Companies, rose by 17.1%.
- Over the year to 30 April 2010, 'A' class shares in the Fund rose 45.7% outperforming the benchmark by 7.0%.
- Since launch in February 2006, the capital value of A class shares in the Fund has increased by 10.1%. The capital value of the benchmark, the FTSE 250 Index ex Investment Companies, has increased 10.5% since launch.
- The A class shares have outperformed the FTSE UK Smaller Companies Index excluding Investment Companies by 34.0% on a total return basis since launch.

Investment Review

In the six months since the last report, low interest rates, monetary stimuli and the depreciation of sterling have started to take effect. In general, corporate results have been better than expected and economic data have shown signs of improvement. UK GDP ceased contracting and began to grow in the last quarter of 2009. The recovery in share prices has continued, albeit at a more subdued pace than last year.

During the winter, expectations for increases in interest rates subsided, despite tight credit conditions and inflation rising as a consequence of the depreciation of sterling. Global activity increased but remained well below pre-crisis levels. Capital expenditure stabilised, having fallen almost 20% in the first half of 2009, and companies began to rebuild inventories. Markets rallied in response.

Anticipating sterling weakness, much of the portfolio has been invested in companies with a material proportion of their earnings denominated in other currencies. Holdings in Aveva, Chloride Group, which received a bid during the period, Croda International, Fenner, IG Group Holdings, Imagination Technologies Group, Informa, Premier Farnell, Spectris, Spirent and Xaar all performed strongly (rising 30% or more) during the period. Given the high degree of uncertainty, and the likelihood that the benefits of sterling weakness would diminish, the portfolio also contained a number of holdings in domestic defensive businesses. Although the performance of the defensives was usually positive, for example Care UK which received a bid during the period, they tempered the Fund's performance overall.

Toward the end of the period, concern over the scale of deficits within developed economies resulted in a series of increases in government bond yields. This concern escalated to the point where Greece, the most extreme example, was seen to be in danger of imminent default and prompted the value of the Euro to fall sharply. Shortly after the period ended, the European Union, International Monetary Fund and European Central Bank announced a substantial support package.

Investment Review (continued)

As mentioned in the previous report, it remains to be seen whether or not the 'recovery' has been driven solely by stimuli which have now ceased, was an inventory-led uptick in a period of continuing deflation or is a genuine economic recovery. While recent data has been positive, a new UK Government, the prospect of multiple sovereign debt defaults and questions concerning the future for the Eurozone have increased uncertainty. Consequently, while the portfolio's exposure to recovery opportunities increased marginally during the period, care has been taken to avoid leaving the portfolio over exposed in the event of further economic weakness.

At the period end, with the UK election imminent and Greece on the verge of defaulting on its sovereign debt, we increased the cash position and began increasing the defensive holdings within the portfolio. We anticipate an increase in volatility in the short-term, but continue to anticipate attractive returns over the next year. As patience with anaemic growth wears thin and political pressure builds, countries will probably seek to debase their currencies in order to pay off debt. In such an environment businesses generating positive free cash flows, backed by real assets and able to move their revenue in line with inflation will appear highly attractive.

Progressive Focus Management Limited

Investment Manager
20 May 2010

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm. 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 2010. The full Report and Accounts for the Fund is available free of charge upon written request to Capita Financial Managers Limited, Ibox 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.

CAPITA

FINANCIAL GROUP

AUTHORISED CORPORATE DIRECTOR ('ACD')

Capita Financial Managers Limited

Head Office:

Ibex House

42 – 47 Minories

London EC3N 1DX

Telephone: 0870 607 2555

Fax: 0870 607 2550

Email: enquiries@capitafinancial.com

(Authorised and regulated by the
Financial Services Authority)

DIRECTORS OF THE ACD

C. Addenbrooke

L. Everitt

C. Hayes

K.J. Midl

J. Millan

INVESTMENT MANAGER

Progressive Focus Management Limited

(A subsidiary of Progressive Asset
Management Limited)

145 – 157 St John Street

London EC1V 4RU

(Authorised and regulated by the
Financial Services Authority)

DEPOSITARY

BNY Mellon Trust & Depositary (UK) Limited

The Bank of New York Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

(Authorised and regulated by the
Financial Services Authority)

REGISTRARS

Capita Financial Administrators Limited

Customer Service Centre:

2 The Boulevard

City West One Office Park

Gelderd Road

Leeds LS12 6NT

Telephone: 0845 922 0044

Fax: 0113 224 6001

(Authorised and regulated by the
Financial Services Authority)

INDEPENDENT AUDITORS

Ernst & Young LLP

1 More London Place

London SE1 2AF