

FUND FACTS

Lead Manager
Peter Thomson

Fund Size
£5.8m

Price of 'A' Acc
85.02p

Launch Date
3 April 2007

Benchmark
67% FTSE All-Share
33% FTSE World (ex-UK) £

Yield of 'A' Acc
1.5%

Number of Holdings
39

Morning Star Rating
2*

IMA Sector
Global Growth

SEDOL Number
B1V2HP5 (A acc shares)
B1V2KZ6 (A inc shares)

Structure
Open Ended Investment
Company

Pricing Frequency
Daily at 12:00 (noon)

Listings
Financial Times (A Shares
Only), IMA, Capita Financial

Performance
Mid price, sterling basis,
inclusive of net reinvested
income, shown after
deduction of charges

Dividend Payment Date
End February, end August

Accounting Period
1 July to 30 June

Initial Charge
5%

Annual Management Fee
1.5%

Performance Fee
10% of returns above
Performance Benchmark
over Fund Accounting
Period.

Minimum Investment
£7,000 minimum

Share Classes
Accumulation & Income
classes of A, B, C and D
shares

**Authorised Corporate
Director**
Capita Financial Managers
Ibex House, 42-47 Minories
London, EC3N 1DX
0870 607 2555

CF Taylor Young International Equity (£bias) Fund – 30 June 2010

Investment Objective

To provide capital growth and income by investing in a diversified portfolio of UK and Overseas equities using a thematic, research-led investment process. No less than 60% and no more than 80% of the portfolio may be invested in the UK.

Fund Commentary

Review

The Fund has performed well over the last twelve months and very much in line with the strong recovery in the Fund's composite benchmark. This follows on from the low point in UK equities that was struck in March 2009. The Fund has returned 21.9% over the last twelve month period, whilst the FTSE All-Share Index has returned 21.1% and the Fund benchmark has risen 22.2%.

The latest three months has nonetheless been a difficult period for markets. During the second quarter of the year, the Fund fell by a disappointing 7.4%, although this compares favourably to the benchmark, which fell by 11.4%, and the FTSE All-Share Index, which was down by 11.8%.

A number of companies within the Fund have generated notably good returns over the last three months and these include Apple, Pennon, Man AG, and IMI. The Fund's underperforming position in SIG has been sold, whilst VT received a bid from Babcock International resulting in a strong price movement. As the bidding process reached its conclusion, we elected to sell the VT position in full. New positions have been taken in two US companies, Petrohawk Energy, a Houston-based energy exploration company, and Adobe Systems, the multi-national software business.

Outlook

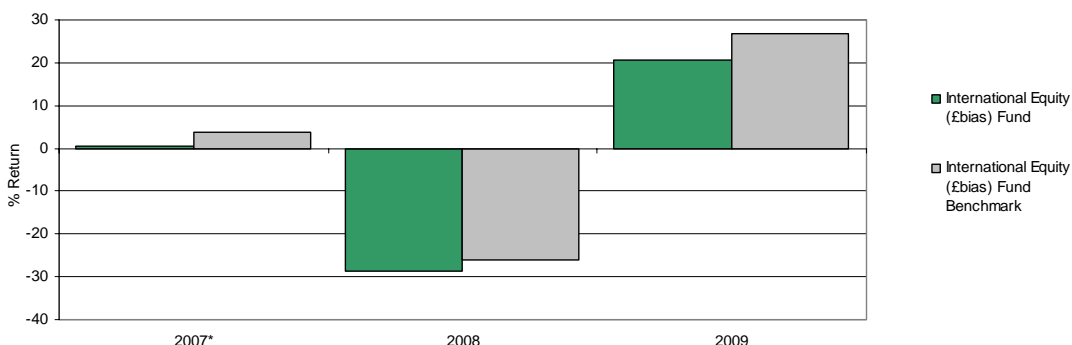
Many of the recent economic data releases have, at best, been weaker than markets had been hoping for. We have long taken the view that the economic healing process would be both patchy and bumpy, but that global economic statistics point to a sustainable worldwide recovery within which asset prices can continue to respond positively as confidence stabilises. Valuations do not, in our view, seem stretched at present. In part due to the extent of overseas earnings exposure, the UK equity market looks appealing even if the economy does not. Earnings growth and momentum look set to provide good support. Quality companies that are expected to show consistently better than average growth, in what may continue to prove to be an otherwise challenging environment, are favoured. In short, the current environment should lead to strong companies getting stronger. We believe that exposure to international blue chips, with powerful global franchises and stronger balance sheets, is, in the main, preferable to most other areas. Thematically, we continue to favour areas of the market, such as support services, specialist international engineers and security businesses where valuations seem, for the most part, very attractive following some recent weakness.

Cumulative Performance – 3 April 2007 to 30 June 2010

'A' Acc shares	3 Months	6 Months	1 Year	3 Years	Inception
International Equity (£bias) Fund	(7.4)%	(1.6)%	21.9%	(16.8)%	(15.0)%
International Equity (£bias) Fund Benchmark	(11.4)%	(4.5)%	22.2%	(11.0)%	(7.5)%

Discrete Annual Performance

'A' Acc shares	2009	2008	2007*
International Equity (£bias) Fund	20.5%	(28.5)%	0.4%
International Equity (£bias) Fund Benchmark	26.7%	(26.2)%	3.6%



Source: TYIM/Bloomberg. * 3/4/07 – 31/12/07

RISK WARNING: The value of the investments and the income from them may go down as well as up and past performance is no guarantee of future performance. Rates of exchange may affect the value of the investment.

Top 10 Holdings (30/06/2010)

	Stock	Weight	Industry Sector
1	Intertek	5.4%	Industrials
2	IMI	4.7%	Industrials
3	BHP Billiton	3.7%	Basic Materials
4	BG	3.7%	Oil & Gas
5	Berkshire Hathaway	3.6%	North America
6	SSL International	3.3%	Consumer Goods
7	Apple	3.2%	North America
8	Standard Chartered	3.0%	Financials
9	Unilever	2.6%	Consumer Goods
10	Prudential	2.6%	Financials
		35.8%	

Portfolio Composition (30/06/2010)

Sector	Fund	Split*
United Kingdom	52.8%	66.7%
North America	32.8%	15.6%
Europe (ex UK)	5.9%	6.0%
Far East & Emerging Markets	2.3%	8.4%
Japan	-	3.3%
Cash	6.1%	-

* Split using FTSE All-Share and MSCI Global (ex UK) Index

Key Themes

International Earnings

With continued uncertainty in the UK economy as to the impact of the emergency Budget, we are continuing to reduce our exposure to companies that are reliant on domestic earnings, focusing rather on those with greater international exposure. The Fund still has a low level of UK holdings relative to the levels permitted, illustrating our view of the UK economy. A third of the Fund is held in direct American investment, with some exposure to the Far East, where the primary focus is on Hong Kong property. We have modest exposure to Europe, with holdings concentrated on global leaders.

Sterling's Decline

The continuing decline of sterling, on a trade weighted basis, weighs heavily on the Fund's strategy. We remain focused on industry leaders in global markets and favour the dollar over sterling and the euro.

Resources Super-cycle

As global growth returns and the demand for resources from countries, such as China, proves to be robust, so we have maintained exposure to the metals, mining and oil & gas sectors and we continue to hold faith in the resources super-cycle, a core theme.

Tactical Approach

We expect to see a rise in capital expenditure from the balance sheet of technology companies and have increased our exposure accordingly. As this trend continues, we anticipate increasing our exposure to this sector into 2010.

Fund Manager

Peter Thomson - CEO and CIO of Taylor Young Investment Management Limited

Peter Thomson, born 1965, graduated with a BSc (Honours) in Mathematics and Statistics from University of London in 1986. He joined Taylor Young in 2004 from Gerrard Limited where he spent eighteen years managing Private Client, Trust and Charity mandates. At Gerrard he chaired the Investment Process Committee and, latterly, was Head of the Global Strategies Division. At Taylor Young he leads the Investment Team and Research functions and in May 2006 was appointed as Chief Executive Officer and Head of the Executive Committee. He is a Member of the Stock Exchange specialising in Investment Analysis, Private Client Investment Management and Regulation and is a Fellow of the Chartered Institute for Securities and Investment.

In addition to his responsibilities at Taylor Young, Peter is an experienced Trustee acting for a number of Family and Charitable Trusts and is a Non-Executive Director of a number of businesses. Peter is married with two daughters.



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This document is issued by **Taylor Young Investment Management Limited**
 Tower Bridge Court, 224-226 Tower Bridge Road London SE1 2UI Tel: 020 7378 4500
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