

## FUND FACTS

**Lead Manager**  
Peter Thomson

**Fund Size**  
£5.3m

**Price of 'A' Acc**  
68.44p

**Launch Date**  
3 April 2007

**Benchmark**  
FTSE All-Share Index +2% annually

**Yield of 'A' Acc**  
0.9%

**Number of Holdings**  
32

**IMA Sector**  
UK All Companies

**SEDOL Number**  
B1TVT92 ('A' Acc shares)

**Structure**  
Open Ended Investment Company

**Pricing Frequency**  
Daily at 12:00 (noon)

**Listings**  
Financial Times, 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%

**Minimum Investment**  
£7,000 minimum

**Share Classes**  
Accumulation 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 Opportunistic Fund – 31 December 2009

## Investment Objective

To provide capital growth by investing in a portfolio of mainly UK equities using a thematic, research-led investment process. The portfolio may include a high weighting to smaller and medium sized companies. There will be no emphasis on providing income or on particular individual sectors.

## Fund Commentary

### Review

The fund has performed well throughout 2009 and has returned 36.7% during the full calendar year. The latest quarter has been rather unsatisfactory with the divergence in performance between the largest capitalised companies in the UK and mid-sized and smaller companies being quite pronounced. The FTSE 100 Index was up 6.2%, the FTSE Mid 250 Index (ex Inv Co) up 1.9%, while the FTSE Small Cap Index (ex Inv Co) was down by 7.7%. This movement supports the argument that equities may be entering a period of relative outperformance from larger companies (both domestic and overseas). Whilst this would be beneficial for a number of our current investment themes, it has been necessary to alter underlying exposure and we have been quite active in this respect. In the rally from March, large companies underperformed against their smaller brethren, but in the past quarter have taken on leadership again.

### Outlook

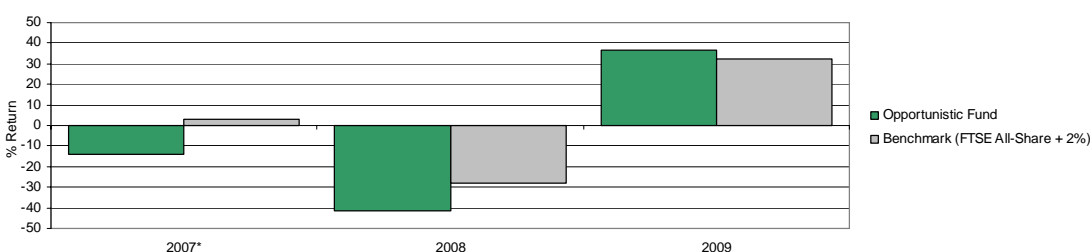
We have seen particularly good performances over the quarter from a number of the larger capitalised companies in the fund, such as IMI, SSL, G4S, and Carillion, which is in contrast to some of the smaller capitalised companies held. Nevertheless, Avanti Communications has also contributed to performance and, following their recent fund raising, we have chosen to increase exposure to this specialist satellite business substantially. Wolfson Microelectronics, Regal Petroleum, Legal & General and Smiths News were all sold in the period, whilst the holding of Hightex, a specialist provider of large area architectural membranes for roofing and facade structures, was increased. The main applications are for sporting stadiums and arenas, airport terminals, train stations, shopping malls and other buildings. Despite a difficult short term period for the mid and smaller sized companies in the UK market, we firmly believe that a number of reasonably priced mid-tier companies have been rather overlooked and we are comfortable in maintaining what we feel to be some good quality investments in this area but, in turn, recognising the need to be highly selective and particularly focussed at this point in the recovery. We favour areas of the market such as support services and outsourcing, along with specialist international engineers and security businesses.

## Cumulative Performance – 3 April 2007 to 31 December 2009

'A' Acc Shares	3 Months	6 Months	1 Year	Inception
Opportunistic Fund	1.5%	23.1%	36.7%	(31.6)%
FTSE All-Share Index	5.5%	29.1%	30.1%	(7.6)%
Opportunistic Fund Benchmark	6.0%	30.1%	32.1%	(1.1)%

## Discrete Annual Performance

'A' Acc Shares	2009	2008	2007*
Opportunistic Fund	36.7%	(41.6)%	(14.3)%
FTSE All-Share Index	30.1%	(29.9)%	1.3%
Opportunistic Fund Benchmark	32.1%	(27.9)%	2.8%



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 (31/12/2009)

	Stock	Weight	Industry Sector
1	Avanti Communications	4.3%	Telecommunications
2	Standard Chartered	4.2%	Financials
3	Hightex	4.1%	Industrials
4	Barclays	4.1%	Financials
5	BG	4.0%	Oil & Gas
6	Alliance Pharma	4.0%	Health Care
7	Hydrodec	4.0%	Oil & Gas
8	Autonomy	4.0%	Technology
9	Charter International	3.8%	Industrials
10	RSA Insurance	3.8%	Financials
		<b>40.3%</b>	

## Portfolio Composition (31/12/2009)

Sector	Fund	Benchmark
Industrials	28.4%	6.8%
Financials	17.1%	22.8%
Oil & Gas	14.7%	18.3%
Health Care	11.5%	7.9%
Technology	6.1%	1.4%
Consumer Services	5.9%	9.7%
Telecommunications	4.3%	5.8%
Consumer Goods	3.4%	11.9%
Basic Materials	3.2%	11.9%
International Trusts	3.0%	-
Utilities	-	3.5%
Cash	2.6%	-

## Key Themes

### Tactical Approach

The nature of the fund's investment strategy means that market tactics play an important part in investment decisions. The resultant high turnover subsequently makes the fund more sensitive to short term price movements.

### Small & Mid-cap Opportunities

We continue to believe that a large number of mid-tier companies have been overlooked and have thus increased our holdings in this area of the market. We have also introduced a number of small cap holdings into the fund, although exposure remains, and will continue to remain, low in order to retain liquidity.

### Participation in Placings

We have participated in a number of recent placings where businesses are looking to accelerate growth of the company as opposed to growing their balance sheet.

### 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.

## 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.



**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. Investment in the Fund may not be suitable for everyone. If you are in any doubt about any of the information in this Fact Sheet, please consult your financial advisor or contact Taylor Young Investment Management Limited for advice. Please bear in mind that by the time you read the Fact Sheet, the past performance may no longer be up-to-date. The most recent information including price and latest prospectus is available from Capita Financial Managers Ltd on 0870 607 2555.

This document is issued by **Taylor Young Investment Management Limited**  
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