

JM Finn & Co

Africa Fund

31 DECEMBER
2011

FUND OBJECTIVE

The investment objective of the CF JM Finn Africa Fund is to seek capital and income growth through engagement with the economies of continental Africa.

The Fund will invest predominantly in equities or bonds issued by companies the majority of whose business is either situated in Africa or consists mainly of trading with African economies (by means of supply or export to or from them) and/or in securities issued by African governments. The companies concerned will not necessarily be incorporated in Africa or trade on a stock exchange located in Africa. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments and deposits. Derivatives may be used for efficient portfolio management only.

FUND MANAGER'S COMMENTARY

The fund rose 3.96% in December.

Last year substantial outflows from Africa focused funds took place and markets performed badly across most of sub Saharan Africa. The Nigerian index fell 22% and the Kenyan index 46%. And yet the region's economies grew at rates not far short of China's in many cases and, importantly, are widely forecast to continue to do so. This implies that global stockmarkets became correlated to the 'go slow' Western standard whilst on the ground economies continue to diverge. Western economies are in a well discussed hole but almost nowhere else is. On that basis the implication is that value is showing its face. That ticks one box.

And this rate of expansion is not debt financed; Standard Bank estimate that investment from China into Africa will have risen by 70% between 2009 and 2015 to hit \$50bn. Bilateral trade between the two may have risen to \$300bn by then. Up from \$150bn last year and just \$10bn in 2000st. That ticks another box.

And this is translating into meaningful rises in living standards; First Quantum, a c\$10bn mining company operating in Zambia has agreed with its workforce that it will withdraw its 9% payrise offer to parley. Union negotiators are looking for nearer 20% and improved conditions. 9%, let alone 20% leads to consumption and internal demand at speed. That ticks another box.

Democratic Republic of Congo has completed elections in 2011, as has Nigeria, in both cases the second for these key Sub Saharan countries in recent times. Furthermore disputes between governments and corporates are increasingly being settled by negotiation and the application of the rule of law that investors of capital can feel happy with; in DRC a festering argument between First Quantum who lost licences, ENRC who gained them, and the government, has been finished by way of a \$1.5bn settlement. That is a huge sum of capital committed to a nation with huge potential that needs both money and stability. 25% of Diageo's workforces worldwide is now based in Africa. That ticks two more boxes.

Declining inflationary pressures (principally originating from higher energy and food prices) have enabled the Ugandan central bank to begin to ease

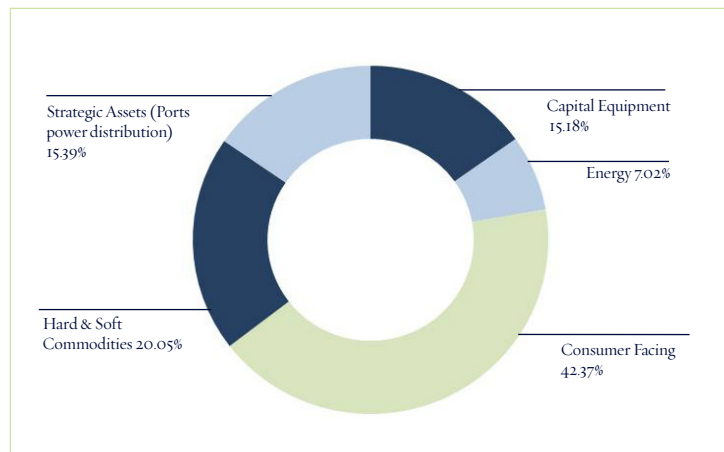
monetary policy as money supply growth also eases. The central bank rate currently stands at 23% but can be expected to fall as inflation heads back to single digits. Similar developments can be expected around the east Africa and other sub Sahara regions. As less is spent on money costs so more will be spent on investment and consumption. More boxes ticked.

The global economy is widely forecast to show average GDP growth in excess of 4% over the decade we are now 2 years in to. That is the fastest rate of growth the world has seen for 30 years. Africa, as a primary supplier to that global economy is in a very strategic place and capital gravitates to where it is best employed. So, at this fund, we are biased but we think the investment story for the African economy is intensely exciting.

AFRICA FUND

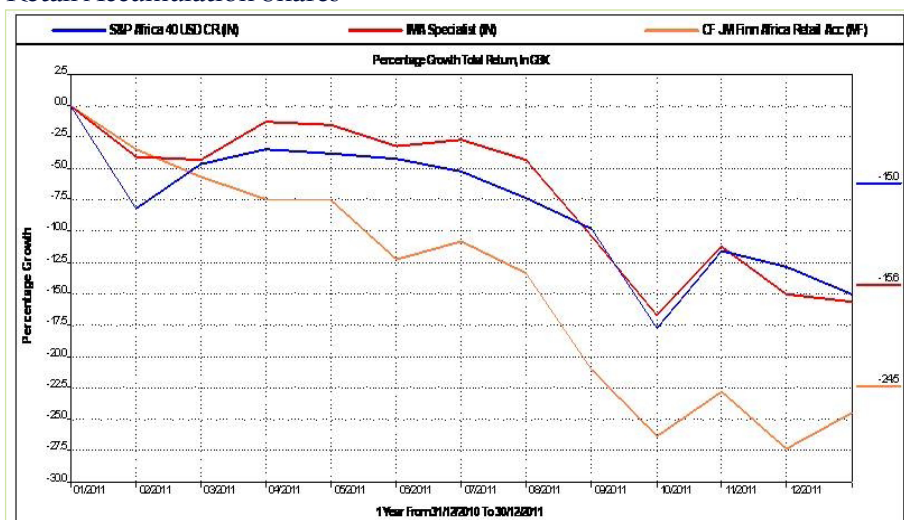
Institutional Net Income Shares	76.76p
Retail Accumulation	76.18p

SECTOR BREAKDOWN



FUND PERFORMANCE

Retail Accumulation Shares



User may have modified the original chart and axis titles provided by Lipper.

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Source: Lipper to 31 December 2011 mid to mid, net income reinvested. Retail class. The value of investments and the income derived from them may go down as well as up and you may not receive back all the money which you invest. Past performance should not be seen as an indication of future performance.

PERFORMANCE TO THE LAST QUARTER END

Discrete 12 month periods

31.12.10 - 30.12.11 -24.5%

PERFORMANCE TO 31 DECEMBER 2011

	%	Sector Average	Sector Ranking	Quartile Ranking
3 months	2.53	0.86	65/150	2
6 months	-15.29	-13.50	81/149	3
1 year	-24.5	-5.65	103/143	3

THE FUND MANAGEMENT TEAM

Anthony Eaton

Anthony has been with JM Finn & Co since 2001 and is the fund manager of the JM Finn Africa Fund.

Previously Anthony was with Greig Middleton from 1990. In 1996 he became a director, managing retail funds. Anthony graduated in Economics from Bangor University.

Anthony is also the lead manager of the JM Global Opportunities Fund, launched in January 2004.

Isabella Galliers-Pratt

Isabella joined JM Finn & Co at the start of 2010 to assist with equity analysis and in November 2010 moved to assist Anthony Eaton.

After graduating from Bristol University, Isabella did an internship with UBS Wealth Management before joining Key Asset Management (part of the SEB Group) as an analyst where she focussed on the funds' underlying risk exposure. In January 2009 she joined Hargreave Hale working on their fund management team.

FUND INFORMATION

Launch Date	30 November 2010
Fund Manager	Anthony Eaton
Fund Size	£2.93 million
Number of Holdings	108
Fund facts at	31 December 2011
Currency	GBP
PEP/ISA eligible	Yes
Min Investment	Retail £1,000, Inst £5m
Initial Charges	Retail up to 5%
Annual Charges	Retail 1.5% / Inst 0.75%
Performance Fee	Note 1
Dividend Declaration	30 June final
Dates	31 December interim
Sector	IMA Specialist
Prices	The Financial Times
Sedol number	Inst. Acc. B3TVQF1 Retail Acc. B3TQ9Z7
ISIN	Inst. Acc. GBO0B3TVQF18 Retail Acc. GBO0B3TQ9Z79
Contact Details	Layla Fear at JM Finn & Co 020 7600 1660 / layla.fear@jmfinn.com
Authorised Corporate Director	Capita Financial Managers
Dealing Line	0845 922 0044

S*: Data sourced from Standard Bank Research

Note 1: Effective 1 July 2011, this fund charges a performance fee of 15% on returns in excess of the S&P Africa 40 Index. This is paid after consideration of all other payments made by the fund, and is adjusted by the application of a High Watermark and an Adjusted High Watermark, over a 12 month period. Please refer to the Full Prospectus for further details of the performance fee.

This fund is not offered, sold or distributed in the United States or to US persons.

The information contained in this document is not an invitation or inducement to any person to purchase shares in our Funds. Investment should be made on the basis of the Prospectus and Simplified Prospectus, available from Capita Financial Managers, which you should read before investing. You should seek your own professional advice as to the suitability of our Funds before investing. Values may be affected by fluctuations in exchange rates where assets of our Funds are denominated in currencies other than sterling. Unless otherwise stated, the information contained in this document is provided by JM Finn & Co. Capita Financial Managers Ltd and J. M. Finn & Co. Ltd are authorised and regulated by the Financial Services Authority.

Registered Office: 4 Coleman Street, London EC2R 5TA T 020 7600 1660 F 020 7600 1661 DX 119521 Finsbury Square www.jmfinn.com

LONDON BRISTOL LEEDS BURY ST EDMUNDS IPSWICH CARDIFF

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