

JM Finn & Co

Africa Fund

31 JANUARY
2012

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 2.83% in January.

We are thrilled to see that Glencore and Xstrata are planning to combine. Not simply because we own both of them but because the logic behind such a merger is an expression of what this fund is all about. Back in 2002 it was becoming apparent that some major trends were developing as commodity demand underwent a secular shift driven by China, but now spreading out as demand rises across the 6 billion population outside the industrialised West. At the same time the commodity industry itself, having endured years of low pricing and low investment, was finding itself supply constrained. Mine grades were (and are) dropping, plant was aging and new supply would be slow to materialise. That perfect storm enabled pricing power to re emerge in an entire asset class that can raise supply only slowly and on the back of massive capital investment. That might have happened but didn't thanks to the 2008 global financial crisis.

So here we are, 10 years on, with much the same supply base and much greater demand. The global economy has expanded in every one of the intervening periods and is forecast to do so. Most of that growth is coming from the industrialising 6 billion population and a large part of their budgets go on commodities food and energy. That is gearing. And the greater proportion of economic activity in Africa revolves, for the time being, around the production and supply of commodities to the global economy. The continent is therefore, proportionately, probably the greatest beneficiary of the whole dynamic that has caused Glencore and Xstrata to want to merge

Turning back to Glencore and Xstrata it is interesting to note the vigour with which the boards of both companies want to merge and work together and how little turnover there has been in the senior management of both companies over the years. The fact that a fairly large group of resourceful, wealthy, opinionated entrepreneurial souls want to work together, in the public eye, implies that an interesting scenario is underway. The rationale for the merger is to create a strong market position in supplying a growing world population with inputs it simply cannot do without. A rising middle class and ongoing urbanisation within the 6 billion should underpin demand for a long period of time. This is the backdrop against which the African continent is building traction – the likely probability of a prolonged period of pricing power for what it produces, in turn (and already is) stimulating capital

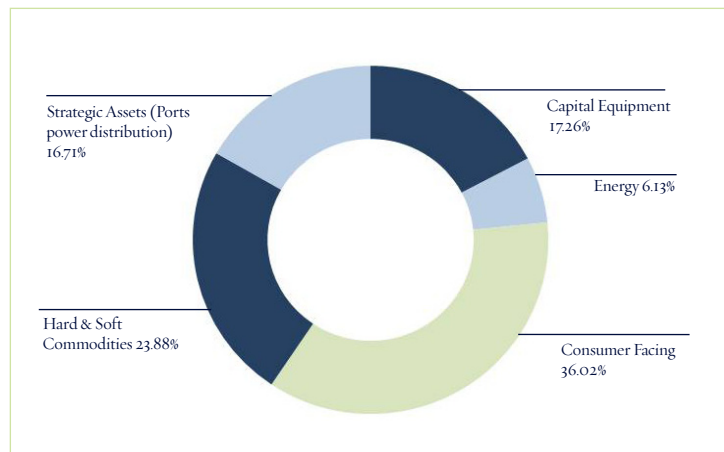
inflows. These two converging forces will create the growth of internal investment and consumption which is as close as you can get to a perfect virtuous circle.

The fund therefore remains evenly balanced. Our investments cater to global demand for commodities but they also reflect the emergence of meaningful consumption and infrastructure spend, one of the most attractively upward sloping 45 degree long term charts that you can find for any stock on any world market is that belonging to a south Africa based but pan African supermarket business. Onwards and upwards!

AFRICA FUND

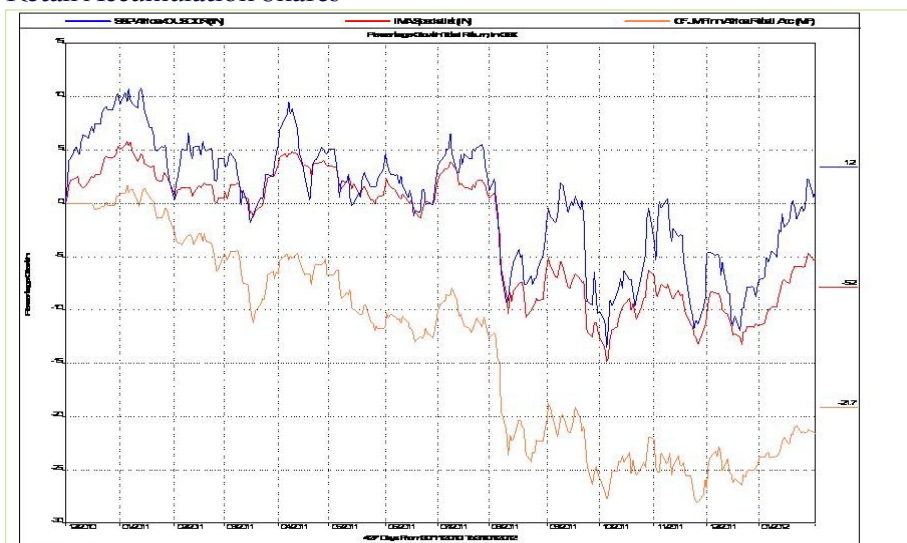
Institutional Net Income Shares	79.00p
Retail Accumulation	78.34p

SECTOR BREAKDOWN



FUND PERFORMANCE

Retail Accumulation Shares



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

Source: Lipper to 31 January 2012 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 JANUARY 2012

	%	Sector Average	Sector Ranking	Quartile Ranking
3 months	0.58	1.33	91/148	3
6 months	-10.4	-6.26	102/148	3
1 year	-19.52	-6.74	128/142	4

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	£2.98 million
Number of Holdings	110
Fund facts at	31 January 2012
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

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.

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