

# JM Finn & Co

## UK Smaller Companies Fund

31 JANUARY  
2012

### FUND OBJECTIVE

The investment objective of the CF JM Finn UK Smaller Companies Fund is to achieve long term capital growth predominantly through investment in smaller companies incorporated or listed in the UK.

The manager may also choose to hold Government securities, collective investment schemes, cash and money market instruments as appropriate in achieving the overall objective of the Fund. The manager may on occasion enter into derivative contracts for the purposes of hedging the portfolio risk, as appropriate in order to fulfil this objective.

### FUND MANAGER'S COMMENTARY

Accommodative central bank policy in the US, Europe, China and the UK has helped stabilise the markets. Although the European debt situation remains unresolved the European Central Bank began to take major action to ensure that the banking system continues to function, and thus keep the economy moving. In an unprecedented action the ECB provided 489bn Euros in loans to 500 banks across the region in the latter part of 2011 and they have indicated that they expect to continue. In the UK the Bank of England has indicated that it will begin a programme of £50bn of quantitative easing in the next few weeks. The UK has also followed the Federal Reserve in the US, which has stated that it will not raise rates until late 2014.

There are also other indications from the US that this major western economy is beginning to recover. The two major indicators that have improved are.

1. The manufacturing sector not only in the US but also in China.
2. The other is that unemployment improved significantly.

This has led to greater confidence and improvement in commodity prices and stock market levels. Smaller companies have also benefitted from this and the fund has risen 9.7% over the month of January.

A number of holdings announced positive developments. Clean Air Power, a developer of Dual-Fuel combustion technology that enables heavy-duty diesel engines to operate on a combination of diesel and natural gas, received a good contract. Toumaz the pioneer in low cost, ultra low power wireless communications technology has secured Imagination Technologies as a strong joint venture partner for its integrated circuits business. This will allow them to push ahead strongly with their health business in a plaster that remotely monitors a patient's vital signs, which was given approval from the FDA last year and is currently being launched into the market.

The long term prospects for oil and other commodities remain in place, with the emerging market oil demand growing at 3% a year and China way ahead of forecasts at 10m barrels day. This rapid growth in demand underlines the reason for the fund's exposure to new oil territories. Providence Resources has embarked on a drilling programme and is currently drilling a former discovery off the coast of Ireland.

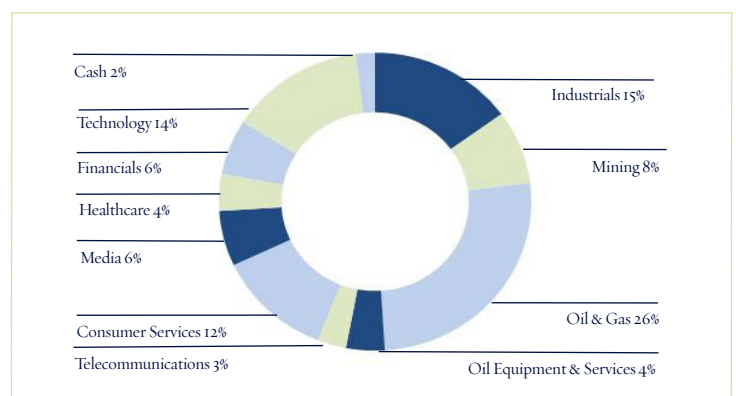
### UK SMALLER COMPANIES FUND

Institutional Accumulation Shares	114.31p
Institutional Income Shares	114.03p
Retail Accumulation Shares	113.00p
Retail Income Shares	112.94p

### TOP 10 HOLDINGS

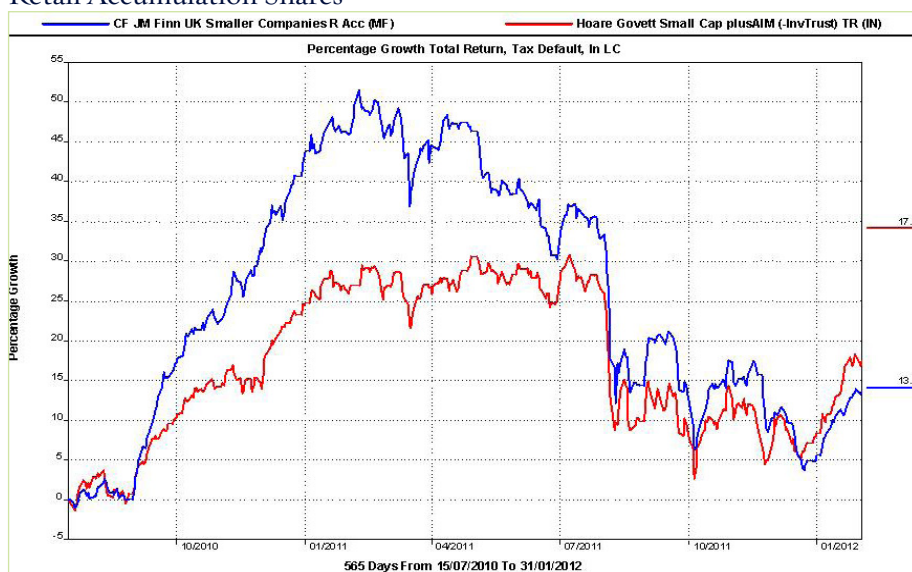
Real Good Food	5.70%
Lansdowne Oil & Gas	5.03%
Ruspetro	4.29%
Phorm	4.20%
Plexus	3.81%
Baconara Minerals	3.52%
Providence Resources	3.15%
Borders & Southern	3.07%
Cyan Holdings	2.59%
Bahamas Petroleum Company	2.44%

### 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 MONTH END

### Discrete 12 month period

31.01.11 - 31.01.12 -22.17%

## PERFORMANCE TO 31 JANUARY 2012

	%	Sector Average	Sector Ranking	Quartile Ranking
3 months	-3.21%	2.16	56/60	4
6 months	-14.52%	-8.07	58/60	4
1 year	-22.17%	-5.03	58/59	4
Since launch	13.56%	21.56	52/59	4

## THE FUND MANAGER

Gill Leates has the experience and long track record of 30 years in the City, which includes managing not only the largest smaller company fund in the City but also managing large funds with large, mid and small cap stocks for both UK and global mandates.

**Majedie Investments PLC:** Gill was Investment Director for nearly 9 years on the Main Board and managed the global growth investment trust.

**Majedie Asset Management** (now managing over £4bn): Gill was a key director in setting it up and a non-executive on their board for nearly 4 years.

**Courtaulds Pension Fund:** Gill managed £1bn of UK pension fund assets across large, medium and small companies.

**Schroders:** for 8 years Gill worked in UK and US research, Corporate Finance, managed and restructured the then largest smaller companies fund in the City (The Schroder Smaller Companies Exempt Fund).

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

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## FUND INFORMATION

Launch Date	15 July 2010
Fund Manager	Gill Leates
Fund Size	£4.45 million
Number of Holdings	78
Fund facts at	31 January 2012
Currency	GBP
PEP/ISA eligible	Yes
Min Investment	Retail £1,000 / Inst £250,000
Initial Charges	Retail up to 5% / Inst Nil
Annual Charges	Retail 1.5% / Inst 0.75%
Dividend Declaration	30 June final
Dates	31 December interim
Sector	IMA Smaller Companies
Benchmark	Hoare Govett Smaller Companies plus AIM (excluding Investment Trusts) Index
Prices	The Financial Times
Sedol number	Inst Acc B5SWCM8 / Inst Inc B5SG457 Retail Acc B5M6W93 / Retail Inc B5NFWT9
ISIN	
	Inst Acc GBooB5WCM88 / Inst Inc GBooB5SG4577
	Retail Acc GBooB5M6W934 / Retail Inc GBooB5NFWT91
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