CAPITA
FINANCIAL GROUP

The Fund
CF Lindsell Train UK Equity Fund

Head Office
Beaufort House
15 St Botolph Street, London EC3A 7HH

Authorised Corporate Director ("ACD")
Capita Financial Managers Limited
Head Office:
Beaufort House
15 St Botolph Street
London EC3A 7HH
Telephone: 020 7556 8800
Fax: 020 7556 8850
Email: enquiries@capitafinancial.co.uk
(Authorised and regulated by the
Financial Services Authority)

Directors of the ACD
C. Addenbrooke
J. Eadie
L. Everitt
C. Hayes
K.J. Midl
J. Millan

Investment Manager
Lindsell Train Limited
2 Queen Anne's Gate Building
Dartmouth Street
London
SW1H 9BP
(Authorised and regulated by the
Financial Services Authority)

Depositary
The Bank of New York Trust and
Depositary Company Limited
One Canada Square
London E14 5AL
(Authorised and regulated by the
Financial Services Authority)

Registrars
Capita Financial Administrators Limited
Customer Service Centre:
2 The Boulevard
City West One Office Park
Gelderd Road, Leeds LS12 6NT
Telephone: 0845 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the
Financial Services Authority)

Auditors
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

CAPITA
FINANCIAL GROUP

CF Lindsell Train UK Equity Fund
ACD's Interim Short Report
for the half year ended 30 November 2007

Investment Objective and Policy
The investment objective of the CF Lindsell Train UK Equity Fund ("the Fund") is to invest in the securities of companies which are listed, quoted or dealt on any of the markets of the London Stock Exchange, including the Alternative Investment Market (AIM), with the objective of achieving capital and income growth and providing a total return in excess of that of the FTSE All-Share Index.

It is the Fund's policy to invest primarily in ordinary shares, preference shares and convertible bonds listed, quoted or dealt in or any of the markets of the London Stock Exchange, including AIM. It is the Fund's policy not to invest in unlisted securities, other collective investment schemes, warrants, derivatives, immovables or gold.

Risk Profile
The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 November	31 January
Final	31 May	30 September

Total Expense Ratios

Expense Type	30.11.07 %		15.05.07 %	
	Inc	Acc	Inc	Acc
ACD's periodic charge	0.65	0.65	0.65	0.65
Other expenses	0.10	0.10	0.10	0.10
Total expense ratios	0.75	0.75	0.75	0.75

Distributions

Share Class	Interim 30.11.07 pence per share
Income	1.2803
Accumulation	1.3223

Price and Income History

Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2006	110.07	99.97	–
2007*	122.79	105.45	3.1992
2008#	–	–	1.2803

Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2006	111.38	99.97	–
2007*	124.83	108.45	2.6576
2008#	–	–	1.3223

*To 30 November 2007.
#To 31 January 2008.

Net Asset Value

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.05.07	Income	42,827,114	35,530,065	120.54
	Accumulation	25,793,710	20,811,121	123.94
30.11.07	Income	33,423,714	30,737,024	108.74
	Accumulation	44,643,366	39,445,737	113.18

Performance Record

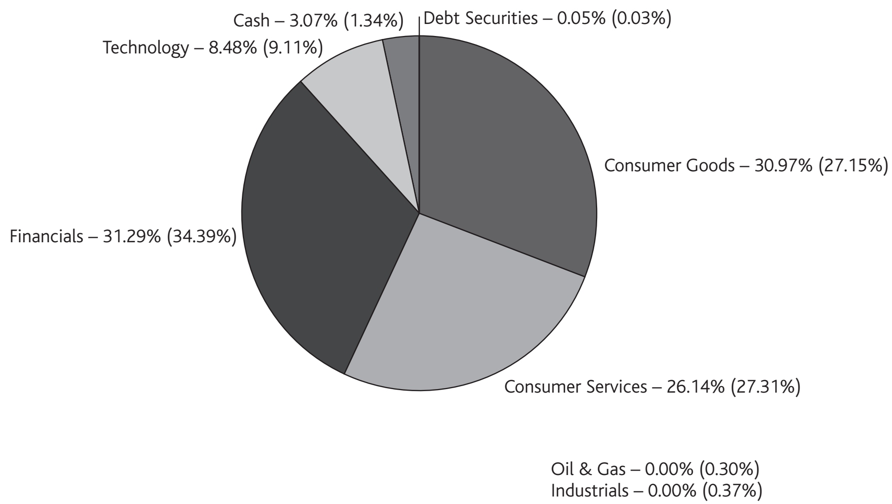
Total Return Performance to 30 November 2007 (%)		
	6 months	Since launch*
CF Lindsell Train UK Equity Fund	(8.68)	13.18
FTSE All Share Index	(2.94)	19.20

*Launch 27 June 2006.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

Sector Spread of Investments



The figures in brackets show allocations at 31 May 2007.

Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Fund as at 30.11.07	Holding	% of Fund as at 31.05.07
Unilever	10.89	Cadbury Schweppes	10.03
Cadbury Schweppes	9.78	Diageo	7.83
Diageo	9.01	Unilever	7.71
Reed Elsevier	6.76	Reed Elsevier	7.16
Pearson	6.64	HBOS	6.85
Reuters Group	6.52	Pearson	6.77
London Stock Exchange Group	5.15	Reuters Group	6.72
Rathbone Brothers	5.01	Sage Group (The)	5.09
HBOS	4.93	National Westminster Bank	4.93
National Westminster Bank	4.87	Lloyds TSB Group	4.84

Investment Manager's Report

Investment Review

Since the end of May 2007 there has been both an interruption to the bull market in UK equities and a drop-off in our absolute returns and those relative to the FT All-Share benchmark. Below we highlight the key issues we see for both the market and the investment strategy of your Fund.

First, however, we are conscious that this has been another period when our portfolio turnover is unusually low. Such inactivity is fine when performance is strong, but through a tough phase, as the last six months have turned out to be, we wonder if it may smack of complacency or just not caring about performance. We assure fund holders that we dislike underperforming very much. If we believed we could improve performance by more active trading, we would engage in it. It remains our conviction though, that our best chance of delivering strong absolute and relative returns is to create a portfolio of what we analyse to be unusually strong business franchises and to hold them tenaciously, over stock market and economic cycles. Simply stated, our investment strategy is to "Own great businesses for the long haul" and our investment practice since the launch of your Fund has been consistent with that stated strategy.

Inflation Worries

We think the turbulence of recent months can be traced back to fears of rising inflation that began in the UK as long ago as early 2005. Since then UK and US investors have fretted about the inflationary implications of the commodity price boom. Central bankers have shared these concerns and repeatedly raised short term interest rates. Eventually, as is typical, the rising cost of money has found out excesses in the financial markets and the broader economy – pricking bubbles in the Anglo-Saxon housing markets and the aggressive financing of those markets.

Today, we expect that the combination of a fully-fledged housing recession in the US and the shock of Northern Rock on the lending policies of British banks – both events apparently "bad news" – will be sufficient to dampen inflation expectations.

If the inflation worries that have dogged markets do indeed abate, then we can look forward to a bond market rally and interest rates to fall. This would represent "good news". In particular, so far as your Fund is concerned, the shares of banks and financial service companies, such as the asset managers, should start to perform better.

Banks

Here some comments are appropriate about the most unsettling event of the period – the implosion of Northern Rock. We have never owned shares in this business, because it is in many ways the antithesis of what we look for in a bank investment. Nonetheless, even as sceptics about Northern Rock's business model, we were taken aback by how swiftly its brand equity evaporated. There was collateral damage to your Fund from the episode, we regret, the most extreme being the fall in Bradford & Bingley's (B&B) share price, down 34% in calendar year 2007. B&B conducts its business very differently from Northern Rock, remains an "A"-rated financial institution (last confirmation, 24th October, from Fitch) and appears to be securely funded. However, it has been a sobering experience to witness a run on a British bank and it seems unrealistic to expect a quick return to investor confidence in the sector. Unfashionable though it may be, we still believe that investing in banks is attractive, particularly in those with a strong "retail" brand. We retain ordinary shares in B&B, HBOS and Lloyds, amounting to 10.3% of net portfolio value, plus preference shares issued by HBOS and Royal Bank of Scotland, for an additional 6.3% at the end of November 2007. HBOS' preference share dividends are covered 30 times by current ordinary dividends and those of RBS by 200 times. This suggests that the 8% or higher, yields on these instruments are safe in all but the most extreme circumstances and should become attractive again to other investors at some stage.

Globalisation and Global Mergers

As markets rocked through Summer 2007, one reason for investor worry was that end of the recent takeover boom seemed nigh.

The 26% fall in Cadbury's share price between end May and late August was a direct consequence of this pessimism about the future completion of substantive takeover deals and as one of the largest holdings in the portfolio, Cadbury's rise, fall and recent recovery has a significant impact on investment performance.

However, the pessimists were wrong, because, if anything, bid activity has accelerated over the last few months, much of it global in nature. We expect even more in coming years.

Within the period there were two extraordinary, but related developments, relevant for this prediction, which illustrate the unexpected way the world is today and the direction it is fast heading. First was the joint offer by the China Development Bank and Temasek, the Singaporean state sovereign fund, to invest up to $20 billion into the equity of Barclays Bank, to assist the latter with its bid for ABN AMRO. Next, the emergence in September of two Middle Eastern institutions as the largest shareholders in the London Stock Exchange (LSE), acquiring nearly 50% of its shares at a big premium to market.

What both demonstrate is the globalisation of financial markets and the financial services industry, with new pools of liquidity, arising in the East, looking to participate in the emergence of global champions. The implications are that UK investors need to keep thinking bigger about possible deals and the resultant combinations and to expect further consolidation across many industries, not only Financials.

Your portfolio benefited from the 33% uplift in the value of its longstanding and major holding in LSE. We intend to hold on to this position, as the jockeying for control approaches denouement. In addition, we will be disappointed if Cadbury does not continue its recent price recovery, as news emerges of renewed Private Equity interest in its beverage unit.

Value Versus Growth

"Value" and "Growth" are two investment styles that tend to move in opposition to each other – when one is in favour, the other lags. We believe there is a transition underway today between the two, which could surprise investors and benefit your Fund.

"Value" outperformed "Growth" in the UK between the top of the Tech Bubble, in March 2000 and sometime in mid 2006. Now there is evidence that the trend has reversed and the pendulum is swinging back to "growth", perhaps for many quarters.

This matters for your portfolio, because we have sought to pre empt the shift, by building exposure in the portfolio to out-of-favour "growth" companies, often, we think, at attractively depressed prices. In our opinion, the holdings in Media, Software, Asset Managers, LSE and Emerging Market-facing Consumer Branded Goods (amounting to 76% of net assets) meet this description, including sizeable positions in companies such as Cadbury, Diageo, Euromoney, Fidessa, Pearson, Rathbone, Reed, Reuters, Sage, Schroders and Unilever. We believe this is the portion of the strategy with the greatest potential for gain over the next 12 months.

Dividends

In the long run, though, what will matter most for the Fund are not periods of macro-economic angst, like today, nor shifts in stock market fashion. Instead, the key driver will be the dividend growth and share buy-backs of all the portfolio constituents.

Here, we were very heartened by the corporate, as opposed to economic, developments of the period, in particular the interim results season, because recent dividend growth exceeded our expectations, sometimes by a wide margin. Reviewing these recent announcements, we observe that 12 out of the 19 ordinary equity investments in the portfolio increased their dividends by 10.0% or more – including key holdings such as Cadbury, +21.0%, HBOS, +22.0%, LSE, +33.0%, Reuters, +21.0% and Schroders, +20.0%. Fidessa, the old Royalblue, increased its interim by 40.0%, while pride of place went to Sage, with a 95.0% annual hike. Marstons, up +20.0%, Rathbone, +18.0% and Reed Elsevier, +10.0% are also important.

Meanwhile, 5 companies increased between 5.0-9.0%, including Diageo, where the 5.0% increase must be seen in the context of its continuing share buyback, which effectively amounts to a further 5% return of cash, on top of the 3% dividend yield. Unilever's interim was up 9.0%, after a run of lower increases. Most gratifyingly, Lloyds Bank was up 5.0%, for the first increase since 2001. Lloyds yields 7% on this increased dividend, much more than twice the current rate of UK inflation, with a dividend increase also double the rate of inflation. In calmer equity market conditions, Lloyds could be rated much more highly, we expect. Between them, this collection of 17 strong dividend growers represents 90% of net portfolio value. (The two equities unaccounted for, Bradford & Bingley and Celtic, amount to 1.4% of the total, with the balance made up of the preference shares).

We are by temperament bullish about equity markets and for the strategy and remain so today. It is these dividend increases that help us stay optimistic through periodic phases of share price volatility.

Lindsell Train Limited
Investment Manager
19 December 2007

Buying and Selling of Shares

The ACD will accept orders to deal in the shares on normal business days between 9.00am and 5.30pm. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Report and Accounts

This document is a short report of the CF Lindsell Train UK Equity Fund for the half year ended 30 November 2007. The full Report and Accounts for the Fund is available upon written request to Capita Financial Managers Limited, Beaufort House, 15 St Botolph Street, London EC3A 7HH.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.