ACDS LINDSELL TRAIN UK EQUITY FUND

November 2006

All data as at 30th Nov 2006

Fund Objective

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 FT All Share Index.

Fund Size	£ 43.0mn
Mid Price	£ 1.0716

Source: Lindsell Train Limited and Capita Financial Administrators Limited.

Fund Breakdown

Top 10 Holdings (% NAV)	
Diageo	7.7
Unilever	7.7
Cadbury Schweppes	6.9
HBOS	6.8
Reed Elsevier	6.4
RBS Natwest Pref 9%	6.4
Pearson	6.3
Lloyds TSB	5.4
Rathbone Brothers	5.2
Sage Group	5.1

Industry Breakdown (% NAV)	
Preference Shares	9.0
Equity - Media	21.7
Equity - Banks & Investment Co.	32.0
Equity - Leisure & Entertainment	0.1
Equity - Food & Beverage	24.1
Equity - Consumer Goods	5.5
Cash & Equivalent	7.6
Total	**100.0**

Fund Exposure	*Bonds*	*Prefs*	*Equity*	*Funds*	*Cash*	*Total*
UK %	-	9.0	83.4	-	7.6	**100.0**
Total %	**-**	**9.0**	**83.4**	**-**	**7.6**	**100.0**

Investment Advisor: Nick Train

Fund Type:	FSA Authorised Collective Investment Scheme
Type of Scheme:	Non UCITS Retail
Class:	Accumulator & Income Units
Launch Date:	10 Jul 2006
Base Currency:	Sterling
Min Investment:	£500,000 Subsequent: £1,000
Year End:	31 May
Dividend:	Div Ex 30 Nov 2006 Paydate 31 Jan 2007
Benchmark:	FT All Share
Initial Charge:	(subject to ACD discretion 0%-2%)
Management Fees:	Annual Fee 0.65%
Authorised Corporate Director:	ACD Services Ltd.
Administrator:	Capita Financial Administrators Limited
ISIN:	GB00B18B9X76
Bloomberg:	LTUKEQI LN

Fund Performance (Fixed Calendar Year)

Past performance is not a guide to future performance. The price of units and the income from them may go down as well as up. Investors may not get back what they invested.

5 Year History	
ACDS LT UK Equity TR%	Not available
FT All Share TR%	

Current regulations do not permit us to publish historical performance data in the first year of the fund's life.
TR=Total Return (with dividends reinvested)

2006	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*YTD 2006*
ADCS LT UK Equity TR%	Not available												
FT All Share TR%													
Since Launch Price TR%													
Since Launch Index TR%													

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TR=Total Return (with dividends reinvested)

Fund Manager's Comments

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November was a somewhat positive month for your Fund relative to the market averages. It was more notable for individual share price moves, though, than for the unfolding of any great thematic development, at least as far as we can discern.

On the downside, we are sorry about the fall in Reed Elsevier, off 7.0%. This was in understandable reaction to yet another mildly disappointing trading update from the company – where one of its four divisions, Education, is struggling to grow. The punishment meted out to the shares seems severe relative to the size of the profit "miss". However, the Education unit was recently acquired by the Reed's current senior management team and questions can reasonably be asked, therefore, about the acumen of that team's allocation of shareholder's capital. We continue to believe that the considerable growth and improving cash generation of the rest of Reed, 90.0% of the total, compensates us for this localised problem, but it is truly frustrating to see the shares back into the middle of a trading range established as long ago as 1996. HBOS was another measurable faller, down 4.0%, sliding on concerns about the UK consumer credit cycle, where bad debts are certainly on the up. We expect an upturn in the UK savings ratio to accompany any slowing in consumer appetite for debt and regard HBOS as one of the pre-eminent asset gatherers in the country. The combination of this probable growth in HBOS' savings business (which would attract a higher rating than the core lending operation) and the current Dividend Yield Relative on its shares of c25.0% above the average strikes us as offering good justification for holding this powerful franchise through the cycle.

The portfolio enjoyed some winners, too. Euromoney, at c4.0% an important position, gained 10.7%, as investors respond to the profit opportunity presented to the company by its recent acquisition of peer Metal Bulletin. Euromoney has been undervalued for years, we believe, because of its ownership. Its majority shareholder is Daily Mail and General Trust, which used to own over 70.0% of the whole, making the remaining shares illiquid and unattractive, therefore, to institutional investors. Euromoney issued new shares in part consideration for Metal Bulletin and this has diluted Daily Mail down to 60.0%, improving liquidity. Euromoney shares still offer a dividend yield of 3.25% historic, c12.0% higher than the market average and 40.0% higher than the Media sector. We think there is room for both these premia to shrink, as the shares rerate. Sage rallied 7.0%, after its 4.0% fall which we bewailed last month. The final results were the catalyst, with investors encouraged by an acceleration in organic growth in the second half, promising, perhaps, a new wave of technology driven products and services. Within the results, we noted, yet again, Sage's extraordinary cash generation, with operating cash flow representing some 107% of EBITDA. This cash finds its way back to shareholders and the dividend for the full year was lifted 25.0%, to 3.59p. A decade ago, in 1996, Sage paid 0.248p per share, making for a 14-fold increase in dividends in 10 years. At its lowest stock price in 1996, of 34p, today's Sage dividend would represent a cash yield of over 10.0% for any investor smart and tenacious enough to have bought the shares and held them for the next decade. While we do not forecast Sage to increase its dividend another 14-fold by 2016, we do believe that this company is far from mature.

NASDAQ tabled its second bid for the London Stock Exchange, a c4.0% holding in the Fund and the shares rose 3.5%, now well above the level of this offer. We hope for further gains from the investment and have added modestly to the holding since this development. These gains will arise, we expect, either from a higher bid, which looks necessary if NASDAQ is to win its prize, or from further growth in LSE's business, as it makes progress towards the Holy Grail of its industry, of becoming a true global bourse, trading equity across all geographies and time zones.

Your Company has just paid its maiden dividend of 1.26p to income unitholders earned over the first 4½ months of its life.

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Risk Warning

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