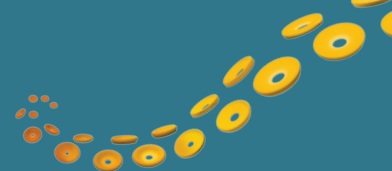


# CF OCTOPUS ABSOLUTE UK EQUITY FUND



MONTHLY UPDATE

AS AT 30 SEPTEMBER 2011

## FUND DETAILS

Launch Date	10 March 2008
Fund Type	OEIC
IMA Sector	Absolute Return
Launch Price	100p
Fund Price	
A Shares Acc Price	154.21p
B Shares Acc Price	159.36p
Fund Size	£56.4m
Minimum Investment	
A Share Class	£1,000
B Share Class	£250,000

## Fund Charges

Initial Fee	5%
Management Fee	1.5%
Performance Fee	20% of outperformance of 3 month LIBOR with a high water mark

## SEDOL

A Shares Acc	B2PX171
B Shares Acc	B2PX1C6

## Dealing

Daily  
08459 220044

## ISA/SIPP Qualifying

Yes

## Monthly Savings Available

Yes

## FUND MANAGER



### David Crawford

David has 13 years of investment experience and joined Octopus in 2006 having previously worked at Hermes Investment Management and M&G Investments. Whilst at Hermes, David co-managed a £500m UK smaller companies portfolio which demonstrated significant out performance of the FTSE Small-Cap and AIM benchmark.

To view David's blog visit:

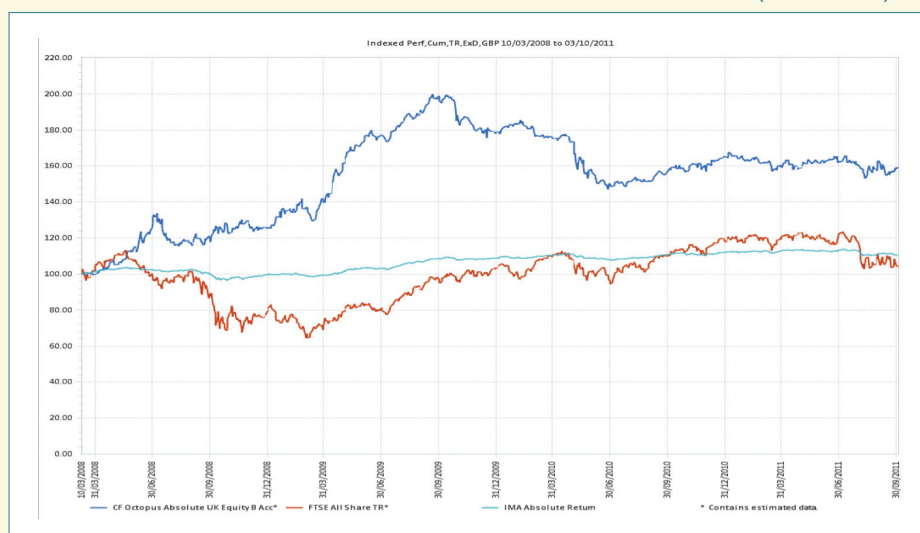
[www.octopusinvestments.com/blogs](http://www.octopusinvestments.com/blogs)

## MONTHLY COMMENTARY

The fund was down 1.9% over the month. Although this was a disappointing return in absolute terms, it compares to a fall of 5.2% for the FTSE All-Share Index. The fund had moved more net long at the end of August and that hurt performance when the market dipped again at the beginning of September. However, during the month we added a number of new short positions, mainly in companies from cyclical sectors such as industrials, airlines and mining. These shorts balanced the net position and by the end of the month we displayed a negative correlation with the market, making positive returns in the days when the market fell.

The market appears to be in a new 'bear phase'. Whilst difficult for many market participants, it is something that a fund such as this is no way frightened by. In addition to making good money on the short side we anticipate that many stocks will become attractively priced and this should increase the future potential returns, as we saw during 2008/09.

## CF OCTOPUS ABSOLUTE UK EQUITY FUND VS FTSE ALL-SHARE AND IMA ABSOLUTE RETURN SECTOR SINCE 10 MARCH 2008 (LAUNCH)



Source: Lipper, 30 September 2011. Past performance is no guide to future performance.

## OCTOPUS ABSOLUTE UK EQUITY FUND MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008			0.1%	7.1%	5.2%	11.5%	-6.7%	-0.2%	2.6%	2.1%	5.6%	-3.2%	25.5%
2009	7.8%	0.6%	2.7%	13.3%	8.5%	3.0%	3.3%	3.0%	5.4%	-5.2%	-4.7%	-0.3%	42.6%
2010	2.5%	-0.7%	-3.6%	-1.3%	-9.1%	-5.3%	1.5%	0.3%	3.9%	-0.5%	0.1%	4.6%	-8.2%
2011	-1.1%	-0.7%	-1.4%	0.6%	1.0%	0.5%	-1.0%	1.0%	-1.9%				-3.0%

These performance figures are based on monthly performance of the Octopus Absolute UK Equity Fund (B Shares Acc), launched on 10 March 2008. Source: Lipper, 30 September 2011, Total Return, bid to bid basis.

Information Hotline:

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[www.octopusinvestments.com/absolute](http://www.octopusinvestments.com/absolute)



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## FUND OBJECTIVES

The CF Octopus Absolute UK Equity Fund is a long/short equity fund with an aim to deliver positive returns over a rolling 12 month timeframe and outperform the equity market over the full stock market cycle (approximately 5-10 years). It is managed against a cash benchmark, rather than any UK equity index. In order to achieve this investment objective, the fund invests in derivatives providing both long and short equity positions and will at times also use index futures (long or short) in order to achieve an overall level of market exposure.

The fund manager uses a bottom-up investment approach within a macro-economic framework. This creates opportunities to buy (long) underpriced stocks and to sell (short) overpriced stocks. The manager looks for a catalyst that will see the mispricing being corrected and aims to ascertain the time period over which the correction will take place resulting in positions being held for various time horizons.

## PORTFOLIO STRUCTURE

	% of NAV
Long Equity Position	97.38%
Short Equity Position	-82.06%
Index Position	0.00%
Fund Beta	0.066
Net Equity Exposure	63.77%
Gross Investment	192.02%

## TOP TEN NET LONG SECTOR POSITIONS

Oil & Gas Producers	10.25%
Nonlife Insurance	9.89%
Support Services	9.38%
Financial Services	7.29%
Fixed Line Telecommunications	4.71%
Mobile Telecommunications	4.34%
Chemicals	3.20%
Food & Drug Retailers	3.03%
Health Care Equipment & Service	2.93%
Industrial Metals & Mining	2.88%

Source: Octopus Investments, figures subject to rounding.

## FUND PERFORMANCE SINCE LAUNCH (%)

	Launch 10/03/08 – 30/09/11	Annual 30/09/10 – 30/09/11
CF Octopus Absolute UK Equity Fund	59.36	0.97
IMA Absolute Return Sector	10.53	-0.21
FTSE All-Share TR	5.05	-4.36

The above table shows performance (B Shares Acc) including figures for the 12 month period. In May 2010 the fund valuation point was moved to 7am and the price therefore reflects the movement of the previous day. Fund performance is shown with a day lag compared with the FTSE All-Share and IMA Absolute Return Sector index which has no lag to make the numbers comparable.

## TOP TEN STOCK POSITIONS

Hiscox Ltd	9.10%
GKN	-6.05%
JD Sports Fashion	5.40%
Green Mountain Coffee Roaste	-5.28%
CPP Group	4.94%
BP	4.89%
Bayer Ag-Reg	4.88%
Telekom Austria Ag	4.67%
Newmont Mining Corp	4.64%
Salesforce.com Inc	-4.36%

## FOR UK RETAIL INVESTORS ONLY

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