

CF OCTOPUS UK MICRO CAP GROWTH FUND



MONTHLY UPDATE

AS AT 30 NOVEMBER 2011

FUND DETAILS

Launch Date	12 July 2007
Fund Type	OEIC
IMA Sector	UK Smaller Companies
Fund Size	£17.734m
Type of Shares	Accumulation
Fund Price	
A Share Class	99.28p
S Share Class	100.31p
P Share Class	99.28p
Minimum Investment	
A Share Class	£1,000
S Share Class	£1,000
P Share Class	£250,000
Fund Charges (A Share)	
Initial Fee	5%
Management Fee	1.5%
Performance Fee	20% of annualised returns above LIBOR
SEDOL	
A Share Class	B1VKID5
Dealing	Daily 08459 220044
ISA/SIPP Qualifying	Yes
Monthly Savings Available	Yes

FUND MANAGER



Richard Power
Richard has 14 years' experience in smaller company investing. Richard joined Octopus in 2004 having previously worked at Duncan Lawrie and Close Brothers. Whilst at Duncan Lawrie, Richard ran the number one performing UK smaller companies fund over one, three and five years to February 2000.

Supported by **Edward Griffiths** and **Paul Stevens**.

To view Richard's blog visit:
www.octopusinvestments.com/blogs



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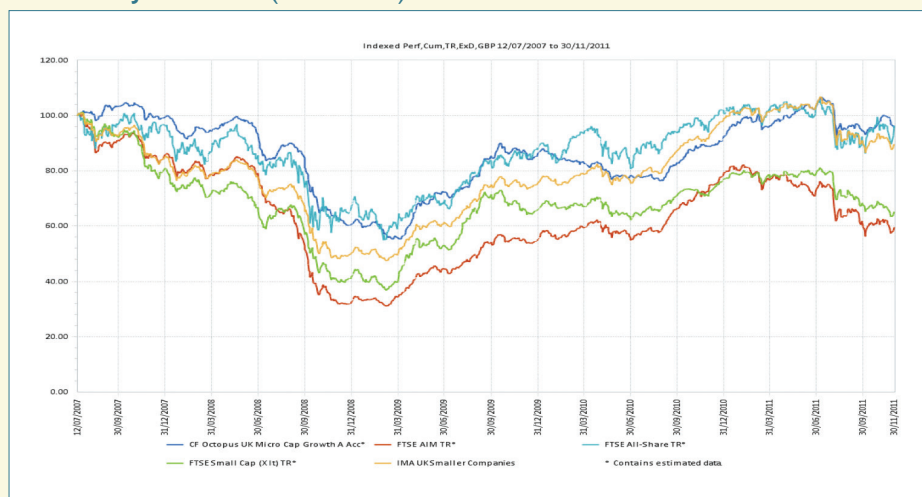
MONTHLY COMMENTARY

Having started November particularly well, the performance of the Fund tailed off towards the end of the month, eventually registering a return of -1.9%. The FTSE All Share continued to be extremely volatile, returning -0.9% having rallied strongly on the last day of the month. The FTSE SmallCap index returned -4.2% and AIM All-Share fell -4.8%.

Hamworthy, the Fund's largest holding at the end of October, was the largest contributor to performance. The company received an 825p cash offer from Wartsila, a quoted Finnish company. The offer price was at a 41.8% premium to the closing price at the end of October. Other contributors to performance were; **Cyprotex** (+47.8%) which announced product upgrades in the US. **Silverdell** (+11.1%), following a £304 million decommissioning framework contract and a good set of final results. **Endace** (+11.6%) made further progress following its results in October. **Mycelx** (+9.1%) announced further orders and successful field trials for its water and air filtration technology. On the negative side, **Immunodiagnostic Systems** (-45.8%) disappointed the market with its interim results and reduced market expectations for its IDS-iSYS system. Although **Imaginatik** (-36.4%) reported a reduced loss for the first half of the year, its cash balance was lower than expected. **Hasgrove** (-23.4%) lowered its profit expectations for the year following some exceptional expenses in the second half.

At the end of the month, several central banks announced a coordinated effort to ensure liquidity in the financial markets. This resulted in a relief rally in global equity markets. However, ongoing global political and economic uncertainty means that equity markets remain depressed and we continue to believe the Fund to be well positioned to benefit from an improvement in investor sentiment. We expect more news flow across the Fund during December, with results due from Redhall, Cohort and RWS Holdings, as well as the usual seasonal trading updates.

CF OCTOPUS UK MICRO CAP GROWTH FUND VS FTSE ALL-SHARE SINCE 12 JULY 2007 (LAUNCH)



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

PERFORMANCE SINCE LAUNCH (%)

	Launch 12/07/07 – 30/11/11	Annualised 30/11/10 – 30/11/11
CF Octopus UK Micro Cap Growth Fund (A Share)	-4.31%	7.46%
FTSE AIM TR	-40.34%	-17.61%
FTSE Small Cap (X IT) TR	-34.68%	-7.93%
IMA UK Smaller Companies	-10.27%	-1.96%

The above table shows performance including annualised figures for a complete 12 month period.



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FUND OBJECTIVES

The CF Octopus UK Micro Cap Growth Fund aims to achieve capital growth by investing in a portfolio of 40-60 high quality UK smaller companies quoted on the official list of the London Stock Exchange, AIM and PLUS Markets.

Over 70% of quoted UK companies have a market value of less than £100m and in comparison to larger companies this is a relatively under researched area of the UK market. We believe that this smaller end of the market is becoming increasingly inefficient providing the opportunity to invest in fast growing companies at attractive valuations which have the potential to offer investors substantial upside.

ASSET ALLOCATION

Equities	£17.136m	96.63%
Cash	£0.598m	3.37%
Index Short	0	0.0%

Total number of holdings	51
Fund size	£17.734m

SECTOR BREAKDOWN

Support Services	29.8%
Software & Computer Services	15.8%
Engineering	8.9%
Media	8.8%
Healthcare	8.6%
Pharmaceuticals & Biotechnology	6.6%
Construction & Building Materials	4.3%
General Retailers	3.0%
Oil Equipment & Services	2.6%
Other Financial	2.6%

Source: Octopus Investments (internal), 30 November 2011.

TOP TEN HOLDINGS

Hamworthy	Engineering	4.7%
Hargreaves Services	Support Services	4.2%
Endace	Software & Computer Services	4.2%
Renew Holdings	Construction & Materials	3.5%
Silverdell	Support Services	3.3%
Staffline Group	Support Services	3.2%
Mycelx Technologies	Oil Equipment & Services	3.2%
May Gurney	Support Services	3.1%
DDD Group	Software	2.7%
Interior Services Group	Support Services	2.6%

STOCK IN FOCUS

Renew Holdings				Engineering Services		
Price (p)	64.50			BUSINESS PROFILE		
Shares in Issue (m)	59.90			Renew is an engineering services company operating throughout the UK. The Group's key activities include land remediation, nuclear decommissioning, flood alleviation, new build social housing, restoration and refurbishment.		
Market Cap (£m)	38.63					
Net Cash (£m)	(5.30)					
Enterprise Value (£m)	43.93					
Broker	Arbuthnot					
Year End September	Sales (£m)	PBT (£m)	EPS (p)	PE	DPS (p)	Yield (%)
2011A	356.7	8.1	9.20	7.0	3.00	4.7%
2012E	349.9	9.4	11.60	5.6	3.00	4.7%
2013E	365.0	10.2	12.50	5.2	3.00	4.7%

Source: Arbuthnot, November 2011

FOR UK RETAIL INVESTORS ONLY

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