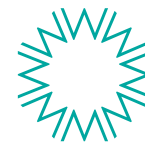


CAPITA



WAVERTON

INVESTMENT MANAGEMENT

The CF Waverton Managed Investment Fund
(formerly The CF JOHIM Managed Investment Fund)

Annual Report and Financial Statements

31 December 2013

CF Waverton Alternatives Fund II
(formerly The CF JOHIM Alternatives Fund)

AUTHORISED CORPORATE DIRECTOR ('ACD')
 Capita Financial Managers Limited
 Head Office:
 Ibex House
 42 – 47 Minories
 London EC3N 1DX
 Telephone: 0870 607 2555 Fax: 0870 607 2550
 Email: enquiries@capitafinancial.com
 (Authorised and regulated by the Financial Conduct Authority)

DIRECTORS OF THE ACD

C. Addenbrooke
 N. Boyling
 C. Hayes
 K.J. Midl
 J.E. Millan

INVESTMENT MANAGER

J O Hambro Investment Management Limited
 21 St. James's Square
 London SW1Y 4HB
 (Authorised and regulated by the Financial Conduct Authority)
 (To 12 January 2014)

Waverton Investment Management Limited
 21 St James's Square
 London SW1Y 4HB
 (Authorised and regulated by the Financial Conduct Authority)
 (From 13 January 2014)

DEPOSITARY

BNY Mellon Trust & Depositary (UK) Limited
 The Bank of New York Mellon Centre
 160 Queen Victoria Street
 London EC4V 4LA
 (Authorised and regulated by the Financial Conduct 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 Conduct Authority)

INDEPENDENT AUDITOR

Kinetic Partners Audit LLP
 One London Wall
 Level 10
 London EC2Y 5HB

CONTENTS

THE CF WAVERTON MANAGED INVESTMENT FUND

ACD's Report	2
Authorised Status	2
Important Information.....	2
Basis of Reporting	3
Director's Statement	4
Statement of ACD's Responsibilities in Relation to the Financial Statements	4
Statement of Depositary's Responsibilities	5
Report of the Depositary	5
Independent Auditor's Report to the Shareholders of The CF Waverton Managed Investment Fund	6

CF WAVERTON ALTERNATIVES FUND II

ACD's Report	8
Important Information	8
Investment Objective and Policy	8
Investment Manager's Report	9
Fund Information	10
Portfolio Statement	13
Summary of Material Portfolio Changes	15

FINANCIAL STATEMENTS

Statement of Total Return	16
Statement of Change In Net Assets Attributable to Shareholders	16
Balance Sheet	17
Notes to the Financial Statements	18
Distribution Table	30
General Information	31

ACD'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

AUTHORISED STATUS

The CF Waverton Managed Investment Fund ('the Company'), is an investment company with variable capital incorporated in England and Wales under registered number IC000661 and authorised by the Financial Services Authority (note that the Financial Services Authority was replaced by the Financial Conduct Authority on 1 April 2013) with effect from 29 May 2008. The Company has an unlimited duration.

It is a 'Non-UCITS Retail Scheme' and the currency of the Company is pounds sterling.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

IMPORTANT INFORMATION

We have updated the Prospectus to comply with the new Financial Conduct Authority rules introducing 'protected cells' for umbrella OEICs in the UK. The Company is an umbrella OEIC. Previously, each sub-fund of a UK umbrella OEIC effectively had its own pool of assets but could not be treated as a separate legal entity. As such, each of the sub-funds' assets were not legally ring-fenced and consequently it was possible that if the liabilities of another sub-fund within the same umbrella exceeded its assets, a creditor could pursue one or more other sub-funds in that umbrella to satisfy its debt. The effect of the new rules is to legally protect assets in each sub-fund from the creditors of other sub-funds and, as such, these changes are deemed to be in the investors' interest.

Additionally, the investment and borrowing powers of the Company have been amended to allow a sub-fund to now invest in, or dispose of, shares in another sub-fund in the Company, providing that the second sub-fund does not invest in any other sub-fund in the Company.

From 1 January 2014, the prices of shares are no longer published in the *Financial Times*. The prices of all shares are published on the website: www.fundlistings.com and on the Capita Asset Services website: www.capitafinancial.com. The prices of shares may also be obtained by calling 0845 922 0044 during normal business hours.

The investment manager for the Fund has changed its name from J O Hambro Investment Management Limited to Waverton Investment Management Limited on 13 January 2014.

With effect from 12 April 2014 the name of The CF JOHIM Managed Investment Fund and The CF JOHIM Alternatives Fund changed to The CF Waverton Managed Investment Fund and CF Waverton Alternatives Fund II respectively.

With effect from 12 April 2014 the ACD's periodic charge on 'B' Income share class was decreased to 0.75% from 1.5%.

Effective 12 April 2014, the following changes took place in relation to the 'B' Income share class for new investors from that date:

- Investment minima increased from £25,000 to £1,000,000.

BASIS OF REPORTING

As at the year ended 31 December 2013, the Company has only one sub-fund in issue, CF Waverton Alternatives Fund II ('the Fund'). In view of this no aggregated financial statements have been included in this report. The financial statements of the Fund, as disclosed on pages 15 to 30, represent the financial statements of the Company for reporting purposes.

CAPITA FINANCIAL MANAGERS LIMITED
ACD of The CF Waverton Managed Investment Fund
25 April 2014

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII document, a Key Investor Information Document for Non-UCITS Retail Schemes.

N. BOYLING

CAPITA FINANCIAL MANAGERS LIMITED
ACD of The CF Waverton Managed Investment Fund
25 April 2014

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the 'COLL' Sourcebook) requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Company for that year. In preparing those financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IMA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended (the 'OEIC Regulations'), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY FOR THE YEAR ENDED 31 DECEMBER 2013

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

BNY MELLON TRUST & DEPOSITARY (UK) LIMITED
Depositary of The CF Waverton Managed Investment Fund
25 April 2014

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CF WAVERTON MANAGED INVESTMENT FUND

We have audited the financial statements of The CF Waverton Managed Investment Fund ('the Company') for the year ended 31 December 2013, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') issued by the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE ACD AND AUDITOR

As explained more fully in the Statement of ACD's Responsibilities set out on page 4, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition we read all financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company and of its sub-fund as at 31 December 2013 and of the net revenue and the net capital gains on the scheme of the property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK ISSUED BY THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice for financial statements of authorised funds issued by the Investment Management Association in October 2010, the COLL Sourcebook, the prospectus and Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Deborah Weston (Senior statutory auditor)
For and on behalf of Kinetic Partners Audit LLP, Statutory Auditor
One London Wall, Level 10
London
EC2Y 5HB
25 April 2014

CF WAVERTON ALTERNATIVES FUND II
ACD'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

IMPORTANT INFORMATION

Refer to the 'Important Information' section on page 2.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of CF Waverton Alternatives Fund II ('the Fund') is to provide long term capital appreciation through a diversified portfolio of equities, structured products, collective investment schemes, deposits, cash and/or near cash and quoted investment trusts, which may themselves invest in equities and alternative asset classes such as hedge funds, property, private equity funds and commodities, to the extent that these are allowed by the COLL Sourcebook. There will be no particular emphasis on any geographic region or industry sector in the world.

The investment policy of the Fund is to invest, to the extent permitted by the COLL Sourcebook, principally in any one or more of the above asset classes. Where the Investment Manager considers that a defensive investment strategy is appropriate, deposits, cash and/or near cash may comprise a substantial proportion of the value of the property of the Fund. Subject to that, and to the entry into derivative or forward transactions for the purposes of Efficient Portfolio Management, the Investment Manager intends that the Fund should remain fully invested.

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Waverton Alternatives Fund II
25 April 2014

INVESTMENT MANAGER'S REPORT

The Fund returned 3.96% in 2013 with volatility of 3.11%*. This compares favourably to a return from UK Government Bonds of -3.95%*, with a volatility of 6.32%*, and Global Government Bonds and Cash which returned -5.78%* and 0.45%* respectively.

The biggest single contributor to the Fund's return, yet again, was James Hanbury's CF Odey Absolute Return fund whilst global macro, infrastructure and catastrophe bonds also performed well. Commodity Trading Advisers ('CTA') and Traded Life Policies were the biggest detractors.

In terms of the Fund's activity, the major theme was to increase the exposure to market neutral strategies. As a result, new holdings were purchased in merger arbitrage funds managed by Barclays and Lyxor/Tiedemann and a systematic market neutral fund managed by John Locke. These new holdings replaced our interest in a volatility product and a long only risk parity fund. Two other notable changes were, in the CTA space, a switch out of the AC Quant – Spectrum fund into the MontLake Dunn WMA UCITS fund and, in long/short equity, a switch out of the SWIP UK Flexible Strategy fund into the Jupiter Absolute Return fund following manager James Clunie's decision to switch houses.

After such strong returns in 2013, we view equity market valuations to be up with events and do not expect a repeat of that performance in 2014. Whilst we do not anticipate major weakness in bond markets, we do not see much upside potential either. Against this background, we believe the prospects for uncorrelated alternative investments looks attractive particularly on a risk adjusted basis.

* Source of data: Thomson Reuters Datastream. The benchmarks used by the Investment Manager are for comparison only. No benchmark is required to be disclosed per the Prospectus.

WAVERTON INVESTMENT MANAGEMENT LIMITED
Investment Manager
23 January 2014

CF WAVERTON ALTERNATIVES FUND II

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'A' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2009	92.57	78.86	0.1279
2010	99.09	92.52	–
2011	99.90	93.69	–
2012	98.00	94.03	–
2013	101.31	97.34	0.1761
2014**	–	–	0.1724

'B' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2010#	98.63	92.49	–
2011	99.32	92.86	–
2012	97.05	93.18	–
2013	99.72	95.99	–

From 5 January 2010.

** Distribution payable on 28 February 2014.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.12.11	'A' Income	51,918,769	55,396,247	93.72
	'B' Income	1,843,914	1,985,162	92.88
31.12.12	'A' Income	55,085,720	56,620,641	97.29
	'B' Income	6,093,441	6,351,204	95.94
31.12.13	'A' Income	69,201,272	68,517,787	101.00
	'B' Income	5,640,655	5,671,453	99.46

ONGOING CHARGES FIGURE

Expense Type	31.12.13 %		31.12.12 %	
	'A'	'B'*	'A'	'B'
ACD's periodic charge	1.00	0.75	1.00	1.50
Other expenses	0.11	0.11	0.10	0.10
	1.11	0.86	1.10	1.60
Collective investment scheme costs	0.83	0.83	0.76	0.76
Ongoing charges figure	1.94	1.69	1.86	2.36

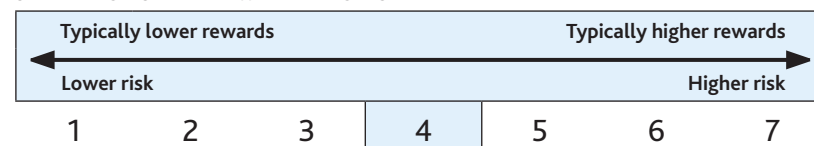
* The Ongoing Charges Figure ('OCF') for the 'B' Income share class is estimated because of a reduction in the ACD's periodic charge from 1.5% to 0.75% effective 12 April 2014.

The OCF represents the total operating expenses of the Fund expressed as a percentage of the average net assets during the accounting period.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

The Fund is a KII-compliant NURS and in accordance with the requirements of the Collective Investment Scheme Sourcebook, this report presents the OCF.

SYNTHETIC RISK AND REWARD INDICATOR



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Concentrated Fund: The Fund intentionally holds a small number of investments. The Fund may therefore be subject to larger than normal swings in its value.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can increase risk.

CF WAVERTON ALTERNATIVES FUND II

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 31 DECEMBER 2013 (%)

	1 year	3 years	5 years
CF Waverton Alternatives Fund II	3.96	2.32	22.21

The performance of the Fund is based on the published price per 'A' Income share with income reinvested.

Details of the distributions per share for the year are shown in the Distribution Table on page 30.

PORTFOLIO STATEMENT AS AT 31 DECEMBER 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.13 %	31.12.12 %
411,494	BOND FUNDS GAM Star Cat Bond	4,884,432	6.53	5.09
759,000	UNITED KINGDOM 3i Infrastructure*	1,013,265	1.36	
2,125,000	Doric Nimrod Air Two*	5,020,312	6.71	
3,250,000	GCP Student Living*	3,428,750	4.58	
770,970	HICL Infrastructure Company*	1,034,642	1.38	
	TOTAL UNITED KINGDOM	10,496,969	14.03	17.57
30,050	EUROPE Phileas Long/Short Europe	3,248,380	4.34	
3,000,000	Starwood European Real Estate Finance*	3,022,500	4.04	
	TOTAL EUROPE	6,270,880	8.38	15.01
3,500	NORTH AMERICA Barclays Quantitative Merger Arbitrage US	3,478,230	4.65	
19,881	EEA Life Settlements**	2,678,709	3.58	
	TOTAL NORTH AMERICA	6,156,939	8.23	7.67
2,500	ASIA PACIFIC Tiburon Taurus	2,506,541	3.35	4.07
63,208	GLOBAL BlackRock Emerging Markets Absolute Return	4,073,497	5.44	
1,605,000	CF Odey Absolute Return#	4,717,256	6.30	
4,000,000	Credit Suisse 5-year Note on CS Global Carry Selector Index 2 March 2018†	3,027,632	4.04	
912,530	GCP Infrastructure Investments	1,028,878	1.38	
771,600	International Public Partnerships*	984,562	1.32	
3,500	JL Equity Market Neutral	3,692,745	4.93	
34,000	JPMorgan Systematic Alpha	3,056,260	4.08	
7,337,954	Jupiter Absolute Return	3,630,819	4.85	
33,000	Lyxor/Tiedemann Arbitrage Strategy	3,300,000	4.41	
32,500	MontLake Dunn WMA UCITS	3,323,534	4.44	

CF WAVERTON ALTERNATIVES FUND II

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.12.13 %	31.12.12 %
	GLOBAL (continued)			
11,971	MPL Traded Policies**	1,785,927	2.39	
28,500	Odey Odyssey	4,035,885	5.39	
360,000	Standard Life Global Focused Strategies	3,654,000	4.88	
	TOTAL GLOBAL	40,310,995	53.85	39.19
	Portfolio of investments	70,626,756	94.37	88.60
	Net other assets	4,215,171	5.63	11.40
	Net assets	74,841,927	100.00	100.00

The investments have been valued in accordance with note 1(h) and are collective investment schemes listed on a regulated market unless stated otherwise.

* Ordinary shares.

** See note 7 for further details.

Related party holding (see note 10).

† Structured product.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 DECEMBER 2013

Total purchases for the year (note 14) **£41,204,523**

Purchases	Cost £
Barclays Quantitative Merger Arbitrage US	7,000,000
BlackRock Emerging Markets Absolute Return	4,091,861
Jupiter Absolute Return	3,600,000
Standard Life Global Focused Strategies	3,600,000
JL Equity Market Neutral	3,500,000
Credit Suisse 5-year Note on CS Global Carry Selector Index 2 March 2018	3,449,192
Lyxor/Tiedemann Arbitrage Strategy	3,300,000
GCP Student Living	3,250,000
MontLake Dunn WMA UCITS	3,250,000
Phileas Long/Short Europe	3,200,000
GAM Star Cat Bond	1,392,694
Barclays Bank Warrant Linked Notes (S&P Dynamic VIX Futures Total Return Index) due March 2022	750,104
AC Quant – Spectrum	725,000
HICL Infrastructure Company	95,672

Total sales for the year (note 14) **£27,472,940**

Sales	Proceeds £
AC – Risk Parity 12	3,935,416
Barclays Quantitative Merger Arbitrage US	3,486,770
Libretto Capital iTraxx X over Zero Coupon Credit Linked Notes 20 December 2017	3,408,000
SWIP UK Flexible Strategy	3,147,939
DB Platinum V Hermes Absolute Return Commodity	3,117,274
AC Quant – Spectrum	2,982,365
Amundi Absolute Volatility Euro Equities	2,904,677
Barclays Bank Warrant Linked Notes (S&P Dynamic VIX Futures Total Return Index) due March 2022	2,546,404
HICL Infrastructure Company	661,845
3i Infrastructure	547,190
International Public Partnerships	530,705
GCP Infrastructure	204,355

The summary of material portfolio changes represents all of the purchases and sales during the year.

CF WAVERTON ALTERNATIVES FUND II
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	£	31.12.13 £	£	31.12.12 £
Income:					
Net capital gains	2		2,508,531		2,206,606
Revenue	3	969,589		481,904	
Expenses	4	(764,939)		(647,519)	
Finance costs: Interest	6	—		(30)	
Net revenue/(expense) before taxation		204,650		(165,645)	
Taxation	5	(1,276)		28,919	
Net revenue/(expense) after taxation			203,374		(136,726)
Total return before distributions			2,711,905		2,069,880
Finance costs: Distributions	6		(211,959)		—
Change in net assets attributable to shareholders from investment activities			2,499,946		2,069,880

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	£	31.12.13 £	£	31.12.12 £
Opening net assets attributable to shareholders			61,179,161		53,762,683
Amounts receivable on issue of shares		21,622,502		17,721,653	
Amounts payable on cancellation of shares		(10,445,557)		(12,361,401)	
			11,176,945		5,360,252
Stamp duty reserve tax	1(f)		(14,125)		(13,654)
Change in net assets attributable to shareholders from investment activities			2,499,946		2,069,880
Closing net assets attributable to shareholders			74,841,927		61,179,161

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Notes	£	31.12.13 £	£	31.12.12 £
ASSETS					
Investment assets			70,626,756		54,207,105
Other assets					
Debtors	8	161,600		1,122,794	
Cash and bank balances		4,257,523		6,146,155	
Total other assets			4,419,123		7,268,949
Total assets			75,045,879		61,476,054
LIABILITIES					
Other liabilities					
Creditors	9	(85,827)		(84,920)	
Bank overdrafts		—		(211,973)	
Distribution payable on Income shares		(118,125)		—	
Total other liabilities			(203,952)		(296,893)
Total liabilities			(203,952)		(296,893)
Net assets attributable to shareholders			74,841,927		61,179,161

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2013

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

(a) *Basis of accounting*

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

(b) *Basis of aggregation*

There is only one sub-fund currently available, therefore, aggregated financial statements have not been prepared for the year and the financial statements of CF Waverton Alternatives Fund II represent the financial statements of the Company.

(c) *Recognition of revenue*

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue or capital in line with the allocation between capital and revenue distribution policies of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(d) *Treatment of stock and special dividends*

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

(e) *Treatment of expenses*

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue.

1. ACCOUNTING POLICIES *(continued)*

(f) *Taxation*

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

(g) *Distribution policy*

Surplus revenue, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Fund.

(h) *Basis of valuation of investments*

Quoted investments are valued at closing bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period. Accrued interest on fixed interest securities is included in revenue.

Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the ACD taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

(i) *Exchange rates*

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

(j) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property of a sub-fund is in continual decline; where a sub-fund is experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the relevant sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

	31.12.13 £	31.12.12 £
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	2,114,548	2,520,597
Derivative contracts	352,333	(337,092)
Transaction charges	(736)	(685)
Currency gains	42,386	23,786
Net capital gains	<u>2,508,531</u>	<u>2,206,606</u>
3. REVENUE		
Non-taxable dividends	378,563	203,257
Taxable dividends	240,492	245,693
UK property income distributions	65,000	–
Unfranked interest	256,131	8,552
AMC rebates from underlying investments	21,759	17,500
Bank interest	7,418	6,612
Other interest	226	290
Total revenue	<u>969,589</u>	<u>481,904</u>
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	694,389	591,955
Legal and professional fees	5,000	842
Printing costs	4,477	5,375
Registration fees	700	700
	<u>704,566</u>	<u>598,872</u>

	31.12.13 £	31.12.12 £
4. EXPENSES (continued)		
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	32,275	27,442
Safe custody and other bank charges	13,764	10,933
	<u>46,039</u>	<u>38,375</u>
Other expenses:		
FCA fee	74	60
Audit fees	5,623	5,520
Tax services	1,620	1,500
Publication costs	3,011	3,053
Postage and distribution costs	177	139
Derivative pricing fees	3,829	–
	<u>14,334</u>	<u>10,272</u>
Total expenses	<u>764,939</u>	<u>647,519</u>
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Adjustments in respect of prior periods	1,276	(2,947)
Current tax charge (note 5b)	<u>1,276</u>	<u>(2,947)</u>
Deferred tax charge on offshore income gains (note 5c)	–	(25,972)
Total taxation	<u>1,276</u>	<u>(28,919)</u>
b) Factors affecting current tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.12 : 20%). The difference is explained below.		
	31.12.13 £	31.12.12 £
Net revenue/(expense) before taxation	<u>204,650</u>	<u>(165,645)</u>
Corporation tax at 20%	40,930	(33,129)

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.12.13 £	31.12.12 £
5. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(75,713)	(40,651)
Offshore income gains	44,318	18,050
(Utilisation of)/unutilised excess management expenses	(9,535)	55,730
Corporation tax charge	—	—
Adjustments in respect of prior periods	1,276	(2,947)
Current tax charge/(refund) (note 5a)	1,276	(2,947)
c) Deferred tax		
Provision at the start of the year	—	14,847
Adjustment in respect of prior periods	—	11,125
Deferred tax charge on offshore income gains (note 5a)	—	(25,972)
Provision at the end of the year	—	—

At the year end there is a potential deferred tax asset of £108,233 (31.12.12 : £117,768) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior period.

6. FINANCE COSTS

Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellations of shares, and comprise:

	31.12.13 £	31.12.12 £
Interim	109,695	—
Final	118,125	—
	227,820	—
Add: Revenue deducted on cancellation of shares	15,975	—
Deduct: Revenue received on issue of shares	(31,836)	—
Net distributions for the year	211,959	—

	31.12.13 £	31.12.12 £
6. FINANCE COSTS (continued)		
Interest	—	30
Total finance costs	211,959	30
Details of the distributions per share are set out in the table on page 30.		
	31.12.13 £	31.12.12 £
Distributions represented by:		
Net revenue/(expense) after taxation	203,374	(136,726)
Allocations to capital:		
Corporation tax on offshore funds	—	(25,972)
Prior period adjustment on offshore funds	1,276	—
Revenue deficit	6,498	162,698
	7,774	136,726
Yield uplift on conversions*	827	—
Balance brought forward	—	—
Balance carried forward	(16)	—
Net distributions for the year	211,959	—

* Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from last distribution date to conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

7. INVESTMENT ASSETS

Within investment assets of £70,626,756, there is an investment of £1,785,927 that relates to the institutional GBP share class of Traded Policies fund, an open-ended investment company incorporated in the Cayman Islands. The investment objective of the fund is to achieve long term capital growth by investing in a portfolio of traded life policies, also known as life settlements. In late 2011, following general concerns raised by the FCA (previously known as the FSA) about traded life products generally, Managing Partners, the Manager of the fund, whilst accepting redemption orders delayed payment of such redemption requests and, effective April 2013, closed the Fund to redemptions.

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

Notes to the Financial Statements (continued)

7. INVESTMENT ASSETS (continued)

At 31 December 2013, the ACD believes that the most appropriate estimate of fair value remains the most recent valuation adjusted for liquidity, credit, market and order risk. At the balance sheet date a discount of £49,194 has been applied to the latest available valuation (13 December 2013) to reflect the current illiquidity of the investment. Going forward, the ACD will continue to closely monitor the valuation of this investment.

The Fund holds £2,678,709 in EEA Life Settlements fund. EEA Life Settlements fund is a Guernsey registered open ended company established as a protected cell company. It invests substantially all of its capital into EEA Holdings. EEA Life Settlements fund is therefore exposed to the performance of EEA Holdings, Master Sub II and EEA Inc in which EEA Holdings is invested. The investment policy of EEA Inc is to invest in a diversified portfolio of life insurance policies. Recent concerns raised by the FCA around traded life policy investments ('TLPIs') resulted in a movement by investors to redeem their holdings in EEA Life Settlements' TLPI products. Following on from this, EEA Life Settlements fund was forced to suspend trading and therefore the most recent net asset value for this fund was issued on 31 October 2011.

At 31 December 2013, the ACD believes that the most appropriate estimate of fair value of EEA Life Settlements is to use the most recently issued provisional net asset value of EEA Life Settlements fund as published on the CIS website on a monthly basis, however, given the significant level of uncertainty the value of the investment may differ from estimates. As at balance sheet date, this net asset value represents a 13% discount (10% at 31 December 2012) of £387,870 on the latest underlying available net asset value, at 31 October 2011, in order to reflect the current illiquidity of the investment. Going forward, the ACD will continue to closely monitor the valuation of this investment.

	31.12.13 £	31.12.12 £
8. DEBTORS		
Amounts receivable for issue of shares	110,288	–
Sales awaiting settlement	–	1,004,382
Accrued revenue:		
Non-taxable dividends	25,427	52,654
AMC rebates from underlying investments	7,907	4,503
Bank interest	615	977
	33,949	58,134
Prepaid expenses	19	15
Taxation recoverable:		
Income tax	17,344	60,263
Total debtors	161,600	1,122,794

	31.12.13 £	31.12.12 £
9. CREDITORS		
Amounts payable for cancellation of shares	–	6,233
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	64,973	54,686
Legal and professional fees	1,250	842
Printing costs	2,607	2,804
Registration fees	–	175
	68,830	58,507
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	2,973	2,502
Transaction charges	110	330
Safe custody and other bank charges	2,153	4,514
	5,236	7,346
Other expenses	9,639	12,225
Taxation payable:		
Corporation tax	1,276	–
Stamp duty reserve tax	846	609
	2,122	609
Total creditors	85,827	84,920

10. RELATED PARTY TRANSACTIONS

Management and legal and professional fees payable to Capita Financial Managers Limited ('the ACD'), registration fees payable to Capita Financial Administrators Limited and printing costs payable to Capita Sinclair Henderson Limited (both companies are associates of the ACD) are disclosed in note 4 and amounts due at the year end are disclosed in note 9.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 15 and amounts due at the year end are disclosed in notes 8 and 9.

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same investment manager or for which Capita Financial Managers Limited is also the ACD.

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

Notes to the Financial Statements (continued)

10. RELATED PARTY TRANSACTIONS (continued)

At the balance sheet date the value of the holdings were as follows:

	31.12.13 £	31.12.12 £
ACD in common	4,717,256	3,240,013

11. SHAREHOLDER FUNDS

The Fund has two share classes: 'A' Income and 'B' Income. The ACD's periodic charge on those shares are:

	%
'A' Income	1.00
'B' Income	0.75

The net asset value, the net asset value per share and the number of shares in issue are given in the Fund Information.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.12.12 : none).

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed investment manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

i. Credit risk (continued)

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund Company has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The table below shows the direct interest rate risk profile:

	31.12.13 £	31.12.12 £
Floating rate assets:		
Pounds sterling	9,141,955	9,260,681
Floating rate liabilities:		
Pounds sterling	–	(211,973)
Fixed rate assets:		
US dollars	–	1,910,811
Pounds sterling	–	3,120,000
	–	5,030,811
Assets on which interest is not paid:		
Euros	3,027,632	–
US dollars	4,073,497	3,085,103
Pounds sterling	58,802,795	44,625,767
	65,903,924	47,710,870
Liabilities on which interest is not paid:		
Pounds sterling	(203,952)	(611,228)
Net assets	74,841,927	61,179,161

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

Notes to the Financial Statements (continued)

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Interest rate risk (continued)

The floating rate financial assets comprise bank balances which earn interest at rates linked to the Bank of England base rate or its international equivalents and collective investment schemes that pay UK interest distributions.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The table below shows the direct foreign currency risk profile.

	31.12.13 £	31.12.12 £
Currency:		
Euros	3,027,632	–
US dollars	4,073,497	4,995,914
	<u>7,101,129</u>	<u>4,995,914</u>
Pounds sterling	67,740,798	56,183,247
Net assets	<u>74,841,927</u>	<u>61,179,161</u>

iv. Liquidity risk

The main liability of the Fund is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of readily realisable securities.

All financial liabilities are payable in one year or less, or on demand.

v. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

v. Market price risk (continued)

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

vi. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii. Derivatives

The derivatives held during the current and prior year were held for the purposes of Efficient Portfolio Management.

14. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs

Purchases in year before transaction costs	41,204,523	33,340,761
Transaction costs:		
Commissions	–	969
Stamp duty and other charges	–	2
	<u>–</u>	<u>971</u>
Gross purchases total	<u>41,204,523</u>	<u>33,341,732</u>

Analysis of total sale costs

Gross sales before transaction costs	27,476,418	34,270,823
Transaction costs:		
Commissions	(3,473)	(13,278)
Other charges	(5)	(3)
	<u>(3,478)</u>	<u>(13,281)</u>
Total sales net of transaction costs	<u>27,472,940</u>	<u>34,257,542</u>

CF WAVERTON ALTERNATIVES FUND II

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 DECEMBER 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 January 2013

Group 2 – Shares purchased on or after 1 January 2013 and on or before 30 June 2013

'A' Income Shares	Net Revenue	Equalisation	Paid 31.08.13	Paid 31.08.12
Group 1	0.1761	–	0.1761	–
Group 2	0.0238	0.1523	0.1761	–

There was no interim distribution made on the 'B' Income share class during the current or prior year.

Final

Group 1 – Shares purchased prior to 1 July 2013

Group 2 – Shares purchased on or after 1 July 2013 and on or before 31 December 2013

'A' Income Shares	Net Revenue	Equalisation	Payable 28.02.14	Paid 28.02.13
Group 1	0.1724	–	0.1724	–
Group 2	0.0000	0.1724	0.1724	–

There was no final distribution made on the 'B' Income share class during the current or prior year.

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

GENERAL INFORMATION

STRUCTURE OF THE CF WAVERTON MANAGED INVESTMENT FUND

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The only sub-fund currently available is:

CF Waverton Alternatives Fund II

In the future there may be other sub-funds of the Company.

VALUATION POINT

The valuation point of the Fund is 2.00pm on each Dealing Day. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm and transactions will be effected at prices determined by the following valuation. 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.

PRICES

The prices of all shares are available on the Investment Management Association website at: www.fundlistings.com. The prices of shares may also be obtained on the ACD's website, www.capitafinancial.com by following the link 'Fund Information', or by calling 0845 922 0044 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.capitafinancial.com, by following the link 'Fund Information'.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION ACT

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

