



CAVENDISH INVESTMENTS FUNDS

AUTHORISED CORPORATE DIRECTOR'S ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 15th November 2013

Registered Number IC000195

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DIRECTORY

AUTHORISED CORPORATE DIRECTOR ('ACD') OF THE COMPANY

Cavendish Asset Management Limited

(Authorised and regulated by the Financial Conduct Authority)

Chelsea House, West Gate, London W5 1DR

DIRECTORS OF THE ACD

C. Lewis

M. Rosehill

J. Lewis

S. Goldman

DEPOSITARY OF THE COMPANY

National Westminster Bank plc

Trustee and Depositary Services

(Authorised and regulated by the Financial Conduct Authority)

1st Floor, Younger Building 3 Redheughs Avenue Edinburgh EH12 9RH

INVESTMENT ADVISER

Cavendish Asset Management Limited

(Authorised and regulated by the Financial Conduct Authority)

Chelsea House, West Gate, London W5 1DR

ADMINISTRATOR AND REGISTRAR

Northern Trust Global Services Limited

(Authorised and regulated by the Financial Conduct Authority)

PO Box 3733, Royal Wootton Bassett, Swindon SN4 4BG

AUDITORS

Ernst & Young LLP

1 More London Place, London SE1 2AF

GENERAL INFORMATION

CONSTITUTION

Cavendish Investments Funds (“the Company”) is an open-ended investment company with variable capital, pursuant to the Open-Ended Investment Companies Regulations 2001 (“OEICR”) and the Financial Conduct Authority’s Collective Investment Schemes (“COLL”) Sourcebook COLL. For the purposes of the COLL Sourcebook, the Company is a UCITS scheme and an umbrella company with the power to issue different classes of shares in relation to different Funds. There are currently ten sub-funds in existence:

- Cavendish AIM Fund
- Cavendish Opportunities Fund
- Cavendish Worldwide Fund
- Cavendish Asia Pacific Fund
- Cavendish European Fund
- Cavendish Japan Fund
- Cavendish North American Fund
- Cavendish Technology Fund
- Cavendish UK Balanced Income Fund
- Cavendish UK Select Fund

The assets of each sub-fund were generally treated as separate from those of any other sub-fund and were invested in accordance with the investment objective and policy applicable to that sub-fund. As each sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities ascribed to it, the shortfall may have to be met out of the assets from other sub-funds.

However, please note, on the 21 December 2011, the Open Ended Investment Companies Regulations 2011 (as amended) (“the Regulations”) were amended to introduce a Protected Cell Regime for OEICS. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-funds, and shall not be available for such purpose.

The Regulations allow a transitional period for implementation of the Protected Cell Regime, but it must be in place before 20 December 2013. As at the date of these accounts, the Protected Cell Regime has been implemented for Cavendish Investment Funds.

The ACD is confident that the Company will continue in operation for the foreseeable future. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

Please note that shareholders are not liable for the debts of Cavendish Investment Funds.

GENERAL INFORMATION (continued)

TYPES AND CLASSES OF SHARE

There are three types of share: Class A, B & C. Class A and Class B are Income Shares. Class C is accumulation shares. Currently, Class C Shares are only held on Opportunities, Worldwide and Asia Pacific sub-funds.

The ACD has the power to issue both income and accumulation shares.

All distributable revenue, expenses and tax will be allocated to the share class in respect of which it was earned or incurred, except where it cannot be considered attributable to any one share class, when it is allocated pro-rata to the value of the net assets attributable to each share class.

In the event of the winding up of the Company, or any of its sub-funds, all share classes and share types have equal rights attached to them.

MINIMUM INVESTMENT

In respect of A shares, the minimum initial subscription for shares is £2,500 in that Class. Any subsequent subscription must be not less than £1,500, and shareholders must maintain a minimum holding of shares of £2,500 in value.

In respect of B and C shares, the minimum initial subscription is £100,000, any subsequent subscription must be not less than £5,000, and shareholders must maintain a minimum holding of shares of £100,000 in value; Investors that are regulated firms or those investing through other regulated firms are not subject to these minimum subscription or holding.

The ACD may, at its discretion, accept subscriptions lower than the minimum amount. If a holding is below the minimum holding, the ACD may require redemption of the entire holding.

CHARGES

The Prospectus entitles the ACD to make a maximum preliminary charge of 5% of the price of all types of share. The ACD currently restricts this charge to 5% but may waive it in full or in part at its discretion.

A maximum rate of exit charge of 2% of the price of both types of share is also permitted, the ACD does not currently levy an exit charge.

A switch between shares of the same type but different sub-funds of the Company, in any 12 month period, will be permitted without charge. Thereafter, the Prospectus permits a maximum switching charge of 2% of the price of all types of share.

In respect of conversions between types of share of the same sub-fund, a maximum conversion charge of 2% of the price of both types of share is permitted by the Prospectus; the ACD currently restricts this to £15 per switch.

ANNUAL MANAGEMENT CHARGE

A maximum rate of annual management charge of 2% per annum of the value of the Company property is permitted, which the ACD currently restricts to 1.5% in the case of Class A shares and 0.75% in the case of Class B and C shares. For UK Balanced Income sub-fund, the annual management charge is 1.25% for Class A shares and 0.50% in the case of Class B and C shares. The annual management charge accrues daily and is payable in arrears on the last business day of each month.

In accordance with the investment objective the current policy of the ACD for each of the sub-funds, is that all expenses, including the ACD's annual management fee, other than those relating to purchases and sale of investments, SDRT arising on sales or repurchases of Shares in the Funds, the periodic charge and transaction charges which are considered to be capital in nature, are expensed within the net income of the Funds. Where such charges are charged to the capital account of the Funds, this may constrain the capital growth of the Fund.

GENERAL INFORMATION (continued)

REVENUE

Revenue consists of the dividends and interest earned by the assets in which the sub-fund has invested. Net revenue is distributed to the shareholders on 15th March (final) each year. The Cavendish Opportunities Fund and the Cavendish UK Select Fund have an additional interim distribution date of 15 July and the Cavendish UK Balanced Income Fund has additional interim distribution dates of 15 April, 15 July and 15 October.

INVESTMENT OBJECTIVE AND POLICIES

The fundamental investment objective of the Company is to achieve long-term capital growth. The investment restrictions applying to the Company are set out in the Prospectus.

- **Cavendish AIM Fund**

The principal investment objective of the sub-fund is to achieve long-term capital growth. To achieve this objective the sub-fund aims to invest mainly in equities on the UK Alternative Investment Market ('AIM'). This will be achieved by an actively managed diversified portfolio of shares spread across any sector of AIM. In addition, the sub-fund may on occasion invest in fully listed shares of companies with smaller market capitalisations.

- **Cavendish Opportunities Fund**

The principal investment objective of the sub-fund is to achieve long-term capital growth. To achieve this objective the sub-fund aims to invest in equities falling mainly under the following categories: smaller companies which offer long-term growth; companies which offer recovery prospects; and companies in sectors which are perceived to be unduly depressed. There is no geographical restriction but in practice the sub-fund will be mainly invested in the UK.

- **Cavendish Worldwide Fund**

The principal investment objective of the sub-fund is to achieve long-term capital growth. To achieve this objective the sub-fund aims to invest mainly in blue chip equity securities which offer a balanced spread in any part of the world without restriction on economic sectors of investment.

- **Cavendish Asia Pacific Fund**

The objective of the Cavendish Asia Pacific Fund is to achieve long term capital growth. The Fund will invest mainly in a diversified portfolio of equities within the Asia Pacific region, excluding Japan but incorporating Australia. The Fund is likely to have a bias towards the shares of medium and larger-sized companies, although it will not be restricted in its choice of company, either by size, market capitalisation or industry.

- **Cavendish European Fund**

The objective of the European Fund is to achieve long term capital growth. The Fund will invest mainly in a diversified portfolio of European equities, consisting predominately of companies listed in the developed markets of Europe. The Fund will not be restricted in the choice of company, either by size or industry or market capitalisation.

- **Cavendish Japan Fund**

The objective of the Japan Fund is to achieve long term capital growth. The Fund will invest predominantly in a diversified portfolio of Japanese equities listed on the local and international stock exchanges.

- **Cavendish North American Fund**

The objective of the North American Fund is to achieve long term capital growth. The Fund will invest mainly in a diversified portfolio of North American equities, consisting predominantly of companies listed in the United States of America. The Fund is likely to have a strong bias towards the shares of medium and larger-sized companies, although it will not be restricted in its choice of company, either by industry, by market capitalisation or by size.

GENERAL INFORMATION (continued)

INVESTMENT OBJECTIVE AND POLICIES (continued)

- **Cavendish Technology Fund**

The objective of the Technology Fund is to achieve long term capital growth. The Fund will invest mainly in equities of technology companies globally without any geographical restriction. In practice, the Fund will be mainly invested in North American equities although investments could be made in the UK, Europe, and the Far East or elsewhere if considered appropriate.

- **Cavendish UK Balanced Income Fund**

The objective of the UK Balanced Income Fund is to provide income and growth. The Fund will be a diversified portfolio invested predominantly in UK equities typically from the FTSE 350 and in a range of fixed interest stocks such as government and public securities, debentures and corporate bonds. The Fund will not be restricted in the choice of fixed interest stocks in terms of duration or rating. If considered appropriate the Fund may also invest in other markets as specified in the Prospectus and in other assets including other transferable securities, cash and near cash, deposits and money market instruments. Derivative instruments may be used to manage exposure to risk, reduce cost, or for the generation of revenue.

- **Cavendish UK Select Fund**

The objective of the UK Select Fund is to achieve long-term capital growth. The Fund will have a diversified portfolio, predominantly to be invested in companies listed on the UK stock exchange, with no bias across industrial sectors. If considered appropriate the Fund may also invest in other markets as specified in the Prospectus and in other assets including government and public securities, other debt instruments other transferable securities, cash and near cash, deposits and money market instruments. Derivative instruments may be used to manage exposure to risk, reduce cost, or for the generation of revenue.

PROSPECTUS AND REPORTS

Copies of the Prospectus and Reports are available from the ACD and the Registrar of the Company at the addresses shown on page 4.

TO BUY OR TO SELL

The Manager will accept orders to buy or sell shares on normal business days between 9.00am and 5.30pm and transactions will be effected at prices determined by the next following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG or by telephone on 0870 870 7502. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

RISK FACTORS

Past performance is not necessarily a guide to future performance.

The price and value of the shares, and the revenue from them, can go down as well as up.

This investment is intended as a long-term investment. If you withdraw early, there is a risk that you may receive back less than the amount you paid in (net of the initial charge).

As the sub-fund may invest in overseas stock markets, changes in rates of exchange between currencies may also cause the value of your investments to rise or fall (the required disclosures are set out in the notes to the financial statements of each of the sub-funds).

CANCELLATION RIGHTS

If you have obtained advice from a financial adviser, then you have the right to cancel. If you have received such advice, please tell us and we will send you details of your right to cancel when we receive your application. If you have not obtained advice, the cancellation rights do not apply.

GENERAL INFORMATION (continued)

TAXATION

The following is a brief summary of the UK taxation position relating to holdings in the sub-fund at the time of going to print. It should not be regarded as exhaustive and does not constitute legal or tax advice.

Levels and bases of taxation, and the reliefs from taxation, are subject to Government legislation and may change and they will also depend on individual circumstances.

Transactions within the sub-fund are exempt from UK tax on capital gains realised on the disposal of investments.

Dividends from UK companies come with a tax credit and no further tax is payable by the sub-fund. The taxable unfranked revenue received, and other types of taxable revenue received by the sub-fund, after deducting allowable expenses, are subject to Corporation Tax at 20%.

The distribution of revenue will carry with it a tax credit at the prevailing rate. We will send you a tax voucher detailing the income earned and tax paid on your investment. The tax credit will eliminate any further tax for lower or basic rate taxpayers. Higher rate taxpayers will be liable to tax on the distribution at the difference between higher rate tax and the tax credit. You may also be liable to Capital Gains Tax on any gain on the disposal or part disposal of your investment.

STAMP DUTY CHARGES

The Finance Act 1999 (Section 122 and Schedule 19) introduced, from 6 February 2000, a new system of Stamp Duty Reserve Tax ('SDRT') for certain deals in units of Unit Trusts and shares in OEICs.

The liability for payment of this duty lies with the OEIC as a company and with the Depositary and the regulations permit that payments of SDRT may either be paid from the property of the respective sub-funds or by the ACD levying an SDRT provision against the individual purchase and sale of shares. Accordingly this would, if imposed, increase the cost of buying shares and reduce the proceeds of sales by the investor (up to a maximum of 0.5% of the value of the transaction). It is not the ACD's intention to apply the SDRT charge against deals, but they do however reserve the right to charge this duty should circumstances arise which make such imposition fair to all current and potential holders. The ACD may also impose an SDRT provision on large deals when no SDRT provision is imposed on smaller deals or which is at higher rate than imposed on smaller deals.

The ACD's current policy is that this duty will be charged as an expense to the capital account of the relevant sub-fund and will be included within the price of a share.

SIGNIFICANT CHANGES OF NOTE

With effect from 3rd February 2014 an interim income distribution date of 15th July have been added for the Cavendish Worldwide Fund. This means that the Cavendish Worldwide Fund now has two income distribution dates of 15th March and 15th July, with corresponding ex-dividend dates of 15th November and 15th May respectively. As a result of this change the first distribution period that will be impacted will be for 15th July 2014 with an ex-dividend date of 15th May 2014. Please be aware that there is no guarantee that the Cavendish Worldwide Fund will distribute Income.

For Class C Accumulation Share rather than being distributed to shareholders any income is retained in the Fund.

RESPONSIBILITIES OF THE AUTHORISED CORPORATE DIRECTOR

The Collective Investment Schemes Sourcebook, as issued by the Financial Conduct Authority (“FCA”), requires the Authorised Corporate Director (‘ACD’) to prepare the annual report and financial statements for each accounting year which give a true and fair view of the financial position of the Company for the year, and the net revenue or expense and the net gains and losses for the year. In preparing the financial statements, the ACD is required to:

- comply with the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (‘IMA’) in October 2010, the Instrument of Incorporation, Generally Accepted Accounting Principles and applicable Accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is responsible for the management of the Company and its sub-funds in accordance with the Prospectus and the Regulations. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Authorised Corporate Director confirms that the above requirements have been met in preparing the financial statements.

RESPONSIBILITIES OF THE DEPOSITARY IN RESPECT OF THE COMPANY AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

The Depositary is responsible for the safekeeping of all 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 Company's Instrument of Incorporation and Prospectus in relation to the pricing of, and dealings in, shares in the Scheme; the application of revenue of the Company; and the investment and borrowing powers of the Company.

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 ACD:

- 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, the Instrument of Incorporation and Prospectus; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank plc

Trustee and Depositary Services

London

28th February 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH INVESTMENTS FUNDS (THE 'COMPANY')

We have audited the financial statements of Cavendish Investments Funds ("the Company") for the year ended 15th November 2013 which comprise the Aggregated Statement of Total Return, Aggregated Statement of Change in Net Assets attributable to Shareholders, Aggregated Balance Sheet and the related notes 1 to 16, together with the Statement of Total Return, Statement of Change in Net Assets attributable to Shareholders, Balance Sheet, the related notes and the Distribution Table for each sub-fund. 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 members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (formerly the Financial Services Authority). Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director ('ACD') and Auditor

As explained more fully in the ACD's responsibilities statement set out on page 10, 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 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 of the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 its sub-funds as at 15th November 2013 and of the net revenue and the net capital gains on the scheme property of the Company and its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAVENDISH INVESTMENTS FUNDS (THE 'COMPANY') (continued)

Opinion on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (formerly Financial Services Authority)

In our opinion;

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (formerly Financial Services Authority) and the 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.

Ernst & Young LLP

Statutory Auditor

London

28th February 2014

AGGREGATED STATEMENT OF TOTAL RETURN

for the year ended 15th November 2013

	Notes	£'000	15/11/13 £'000	15/11/12 £'000
Income				
Net capital gains	2		101,598	34,806
Revenue	3	11,995		10,134
Expenses	4	(4,273)		(3,433)
Finance costs: Interest	6	(26)		(3)
Net revenue before taxation		7,696		6,698
Taxation	5	(639)		(563)
Net revenue after taxation			7,057	6,135
Total return before distributions			108,655	40,941
Finance costs: Distributions	6		(7,062)	(6,186)
Change in net assets attributable to shareholders from investment activities			101,593	34,755

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 15th November 2013

	£'000	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders		419,277	366,375
Amounts receivable on issue of shares	275,591		59,587
Amounts payable on cancellation of shares	(187,852)		(41,443)
		87,739	18,144
Stamp duty reserve tax		(56)	(21)
Dilution levy		37	24
Change in net assets attributable to shareholders from investment activities (see above)		101,593	34,755
Retained distribution on accumulation shares		2,341	-
Closing net assets attributable to shareholders		610,931	419,277

AGGREGATED BALANCE SHEET

as at 15th November 2013

	Notes	£'000	15/11/13 £'000	£'000	15/11/12 £'000
ASSETS					
Investment assets			579,000		404,597
Debtors	8	14,331		2,794	
Cash and bank balances		28,648		34,086	
Total other assets			42,979		36,880
Total assets			621,979		441,477
LIABILITIES					
Creditors	9	(7,541)		(17,087)	
Bank overdrafts		(28)		(896)	
Distribution payable on income shares		(3,479)		(4,217)	
Total liabilities			(11,048)		(22,200)
Net assets attributable to shareholders			610,931		419,277

REPORT OF THE AUTHORISED CORPORATE DIRECTOR CAVENDISH ASSET MANAGEMENT LIMITED

In accordance with the requirements of the Collective Investment Schemes sourcebook of the Financial Conduct Authority, we hereby certify the report on behalf of the ACD, Cavendish Asset Management Limited.

Julian Lewis (Director)
Cavendish Asset Management Limited
28th February 2014

Michael Rosehill (Director)
Cavendish Asset Management Limited

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010 ("the IMA SORP 2010").

Revenue

Dividends on equities and distributions from Collective Investment Schemes are recognised when quoted ex-dividend or ex-distribution respectively. Interest on deposits is accounted for on an accruals basis. Interest on debt securities is recognised on an accrual basis.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase of an investment over its remaining life based on estimated future cashflows. Any adjustments resulting from changes in cashflow estimates are treated as capital.

Stock Dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the sub-fund. Any enhancement above the cash dividend is treated as capital.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend receivable. Any tax treatment would follow the accounting treatment of the principal amount.

Scrip Dividends

Ordinary scrip dividends are recognised as revenue, based on the market value of the shares on the date they are quoted ex-dividend.

Distribution Policy

Net revenue in respect of income shares is distributed to shareholders. The annual distribution date is 15th March in relation to each sub-fund. The Cavendish Opportunities Fund and the Cavendish UK Select Fund have an additional interim distribution date of 15 July and the Cavendish UK Balanced Income Fund has additional interim distribution dates of 15 April, 15 July and 15 October.

Distributions which have remained unclaimed by shareholders for more than six years, are credited to the capital property of the sub fund. If members wish to elect to receive a cash dividend instead of the scrip dividend it forms part of the distribution.

Investments

All investments are valued at their fair value at 12 noon as on 15th November 2013 being the last business day of the financial year. The fair value of the non-derivative securities is bid price.

Investment gains and losses

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the statement of total return. Unrealised gains and losses comprise changes in the fair value of investments for the period and from reversal of prior period's unrealised gains and losses for investments which were realised in the reporting period. Realised gains and losses represent the difference between an instruments initial carrying amount and disposal amount. The cost of investments sold is accounted for on a weighted average basis.

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

1 ACCOUNTING POLICIES (continued)

Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accrual basis.

Exchange Rates

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling as on 15th November 2013, being the last business day of the financial year.

Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

Aggregation

The aggregated financial statements represent the sum of the individual sub-funds within the company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-funds.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	101,929	34,963
Currency losses	(296)	(124)
Forward currency contracts	-	-
Security transaction charges	(35)	(33)
Net capital gains	<u>101,598</u>	<u>34,806</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Bank interest	7	23
Interest on debt securities	577	576
Overseas dividends	6,604	5,167
UK dividends	4,762	4,350
Net franked REIT revenue	26	2
Unfranked REIT revenue	19	16
	<u>11,995</u>	<u>10,134</u>

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	3,823	3,041
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	211	186
Safe custody charges	130	100
	341	286
Other expenses:		
Audit fees	60	60
VAT on audit fees	10	10
Legal fees	1	-
Price publication fees	38	36
	109	106
Total expenses	4,273	3,433

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

5 TAXATION

	15/11/13 £'000	15/11/12 £'000
a) Analysis of charge in year:		
Corporation tax	78	71
Overseas withholding tax	561	492
Current tax charge (note 5b)	639	563
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	7,696	6,698
Corporation tax at 20% (2012: 20%)	1,539	1,339
Effects of:		
UK dividends	(957)	(876)
Double taxation relief	(3)	(3)
Overseas withholding tax	561	492
Current period expenses not utilised	785	626
Overseas dividends not taxable	(1,279)	(1,011)
Excess Non trade loan deficits not utilised	2	-
Tax payable in different periods	(9)	(4)
Current tax charge for the year (note 5a)	639	563

At the year end there was an unrecognised deferred tax asset of £2,882,974 (2012: £2,097,906) in relation to unutilised management expenses £14,414,879 (2012: £10,489,531). It is unlikely that the sub-funds will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Interim		
Class A Income Shares	32	948
Class B Income Shares	1,932	1,068
Class C Accumulation Shares	294	-
Final		
Class A Income Shares	47	59
Class B Income Shares	3,432	4,158
Class C Accumulation Shares	2,047	-
	<u>7,784</u>	<u>6,233</u>
Add: Revenue deducted on cancellation of shares	1,223	270
Deduct: Revenue received on issue of shares	<u>(1,945)</u>	<u>(317)</u>
Finance costs: Distributions	<u>7,062</u>	<u>6,186</u>
Interest	26	3
Total finance costs	<u>7,088</u>	<u>6,189</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	7,057	6,133
Add: Deficit transferred to capital	5	53
	<u>7,062</u>	<u>6,186</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	1,150	1,107
Amounts receivable for issue of shares	10,867	118
Overseas tax recoverable	166	140
Currency deals awaiting settlement	254	-
Prepaid expense	21	20
Recoverable PID tax	-	1
Sales awaiting settlement	1,873	1,408
	<u>14,331</u>	<u>2,794</u>

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	325	260
Amounts payable for cancellation of shares	115	29
Corporation tax provision	78	71
Currency deals awaiting settlement	256	-
Purchases awaiting settlement	6,767	16,727
	<u>7,541</u>	<u>17,087</u>

10 RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

11 EQUALISATION

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

12 CONTINGENT LIABILITIES

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

13 FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

14 RISKS OF FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

15 SHAREHOLDER FUNDS

The required disclosures are set out in the notes to the financial statements of each of the sub-fund's.

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	229,637	156,762
Commissions	458	440
Taxes	156	274
Total purchase costs	<u>614</u>	<u>714</u>
Gross purchases total	<u>230,251</u>	<u>157,476</u>
Analysis of total sale costs:		
Gross sales before transaction costs	158,138	135,365
Commissions	(318)	(318)
Taxes	(30)	(21)
Total sale costs	<u>(348)</u>	<u>(339)</u>
Total sales net of transaction costs	<u>157,790</u>	<u>135,026</u>

CAVENDISH AIM FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Class 'A' and Class 'B' share classes returned 27.9% and 28.9% respectively. This compared to a return of 18.8% in the FTSE AIM Index.

Investor confidence improved as the year progressed and the many uncertainties such as sovereign debt in Euro-zone countries and the US fiscal-cliff problems receded into the background. Civil unrest continued in a number of Middle East countries and the Chinese growth slowed. A continuing feature was the number of fines being imposed on banks for past misdemeanours. While new uncertainty was created by talk of end to US tapering measures, which could herald a period of rising interest rates. Despite this, investors were prepared to commit an increasing proportion of Funds to equity shares

In the UK there were signs of an improving economy and a pick- up in the housing market. Company profits have generally met or exceeded expectations helped by the low level of interest rates. There have been an increasing number of companies coming to the Stock Market to raise Funds and the Royal Mail share offering sparked investor interest. A significant number of companies listed on AIM and we would expect the trend to continue. Even though the UK Stock Market had a good rise it is still valued below its long term average rating and pension Funds are also underweight in equities. As investors' become less risk averse further Funds should be channelled into equity shares.

MARKET OUTLOOK

Stock markets tend to anticipate the future and we would expect the UK economy to improve further. There could well be some obstacles but the chances are that investors will be influenced by the yield attraction and prospects of capital gains.

The AIM Fund contains a wide spread of interests in companies which we feel offer attractive long term potential and is well positioned to take advantage of any further market rise. With AIM shares being allowed into ISAs and stamp duty being removed from next April the perceptions of this market has greatly improved. To the private investor IHT (inheritance tax) relief adds to the attractions as does the benefit of EIS (enterprise investment scheme) tax relief on qualifying shares in IPO's. We have taken advantage of the increase in new issues and have subscribed for several of these. Looking forward we would expect to be able to take advantage of the increasing number of companies looking to raise Funds on AIM. We therefore feel cautiously optimistic about the year ahead.

Top 5 purchases during the year

Keywords Studios
OMG
Dotdigital Group
Waterlogic
Xcite Energy

Top 5 sales during the year

Noble Investment
May Gurney Integrated Services
Sanderson
Goals Soccer Centres
Valiant Petroleum

Cavendish Asset Management Limited
28th February 2014

CAVENDISH AIM FUND PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	15,272,982
2012	17,959,689
2013*	27,770,636

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	98.45	66,353
2012	107.43	87,586
2013*	138.15	545,045

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	100.13	15,187,263
2012	109.37	16,335,528
2013*	140.92	19,172,019

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	104.73	52.64
2009	83.89	51.30
2010	111.80	82.10
2011	116.90	95.01
2012	111.70	98.12
2013*	140.90	110.00

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	106.05	52.99
2009	85.66	51.91
2010	113.90	83.54
2011	119.10	97.27
2012	114.50	99.92
2013*	144.30	112.00

* as at 15th November 2013

CAVENDISH AIM FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2008	0.3647
2009	0.4488
2010	-
2011	0.0860
2012	-
2013*	-

Class B Income Shares

Calendar year	Pence per Share (net)
2008	0.7675
2009	0.4601
2010	0.5501
2011	1.0130
2012	0.7726
2013*	0.6311

* as at 15th November 2013

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.64
15/11/2013	1.62

Class B Income Shares

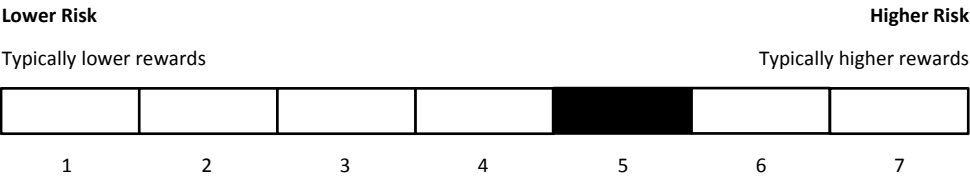
As at	%
15/11/2012	0.89
15/11/2013	0.87

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH AIM FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH AIM FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding	Bid-Market Value £	Percentage of total net assets %
Chemicals 3.91% (3.95%)		
182,500 Norman Hay*	200,750	0.72
400,000 Plastics Capital	440,000	1.58
500,000 Scapa	446,250	1.61
	1,087,000	3.91
Construction & Materials 7.56% (3.87%)		
357,250 Billington	350,105	1.26
805,751 Michelmersh Brick	418,991	1.51
575,000 Renew	943,000	3.40
115,000 Telford Homes	385,250	1.39
	2,097,346	7.56
Electronic & Electrical Equipment 3.38% (5.37%)		
3,150,000 Elektron	283,500	1.02
575,000 Stadium	281,750	1.01
200,000 Zytronic	374,000	1.35
	939,250	3.38
Financial Services 0.81% (3.39%)		
6,960,000 Lighthouse	226,200	0.81
General Industrials 0.03% (0.04%)		
1,449,586 Environ	7,973	0.03
General Retail 1.40% (1.55%)		
123,974 Stanley Gibbons	388,039	1.40
Health Care Equipment & Services 11.04% (11.27%)		
410,001 Advanced Medical Solutions	424,351	1.53
150,000 Clinigen Group	725,250	2.61
1,300,000 EKF Diagnostics	429,000	1.54
100,946 Immunodiagnostic Systems	499,178	1.80
2,402,220 Omega Diagnostics	318,294	1.15
4,000,000 Surgical Innovations	260,000	0.94
1,280,000 Tristel	409,600	1.47
	3,065,673	11.04
Industrial Engineering 3.66% (4.66%)		
235,000 Hydro	242,050	0.87

CAVENDISH AIM FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Industrial Engineering (continued)		
4,450,000 Interbulk Investments	278,125	1.00
100,000 Northbridge Industrial Services	480,000	1.73
174,900 Turbotec Products	17,490	0.06
	1,017,665	3.66
Insurance 0.86% (0.00%)		
119,888 Aviva	239,776	0.86
Media 3.66% (4.43%)		
2,322,850 Altitude	267,128	0.96
232,500 M&C Saatchi	748,650	2.70
	1,015,778	3.66
Mining 2.00% (2.86%)		
148,839 Medusa Mining	157,769	0.57
2,910,500 Richland Resources	101,868	0.37
4,000,000 Sylvania Platinum	294,000	1.06
	553,637	2.00
Mobile Telecommunications 3.42% (2.29%)		
55,000 Gooch & Housego	336,050	1.21
1,200,000 Monitise	615,000	2.21
	951,050	3.42
Oil & Gas Producers 7.47% (8.64%)		
1,750,000 Circle Oil	328,125	1.18
294,908 Faroe Petroleum	384,855	1.39
99,950 Gulfsands Petroleum	59,470	0.21
349,750 Ithaca Energy	517,630	1.86
1,250,009 Northern Petroleum	418,753	1.51
325,000 Xcite Energy	367,250	1.32
	2,076,083	7.47
Pharmaceuticals & Biotechnology 5.29% (7.16%)		
1,100,000 Alliance Pharmaceuticals	376,750	1.36
200,000 Animalcare	350,000	1.26
2,766,196 Beximco Pharmaceuticals	401,098	1.44
172,978 Eco Animal Health	340,767	1.23
	1,468,615	5.29

CAVENDISH AIM FUND
PORTFOLIO STATEMENT (continued)
as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Real Estate Holding & Development 1.76% (1.58%)		
2,200,000 Eatonfield*	4,400	0.02
250,000 Lok'Nstore Group	482,500	1.74
	486,900	1.76
Software and Computer Services 18.92% (18.68%)		
280,000 Bango	392,000	1.41
545,455 Centralnic Group	561,819	2.02
2,000,000 Dotdigital Group	435,000	1.57
3,600,000 Eckoh	998,999	3.60
80,000 Emis	484,000	1.74
1,500,000 Eservglobal	555,000	2.00
350,000 Gb	458,500	1.65
190,000 Iomart	494,475	1.78
1,475,000 OMG	394,563	1.42
100,000 SQS Software Quality Systems	480,000	1.73
	5,254,356	18.92
Support Services 18.18% (16.76%)		
76,500 Assetco	221,850	0.80
2,250,000 BGlobal	146,250	0.53
5,270,000 Inspired Energy	487,475	1.76
177,000 James Latham	690,300	2.49
375,000 Keywords Studios	431,250	1.55
225,000 MDM Engineering	315,000	1.13
859,913 Nature	305,269	1.10
500,000 Redhall	265,000	0.95
200,000 Regeneris	610,000	2.20
200,000 Robinson	354,000	1.27
75,000 RWS	551,250	1.99
50,000 Synectics	275,000	0.99
375,000 Waterlogic	393,750	1.42
	5,046,394	18.18
Travel & Leisure 2.67% (3.12%)		
1,000,000 All Leisure	340,000	1.22
325,000 Prezzo	403,000	1.45
	743,000	2.67

CAVENDISH AIM FUND
PORTFOLIO STATEMENT (continued)
as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Warrants 0.12% (0.21%)		
37,500 Assetco Warrants	33,750	0.12
Portfolio of Investments 96.14% (99.83%)	26,698,485	96.14
Net other assets	1,072,151	3.86
Net assets	27,770,636	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

* Delisted /Suspended Security

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH AIM FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		5,483		1,438
Revenue	3	293		274	
Expenses	4	(184)		(150)	
Finance costs: Interest	6	-		-	
Net revenue before taxation		109		124	
Taxation	5	(1)		(1)	
Net revenue after taxation			108		123
Total return before distributions			5,591		1,561
Finance costs: Distributions	6		(108)		(123)
Change in net assets attributable to shareholders from investment activities			5,483		1,438

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

		15/11/13		15/11/12
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		17,960		15,273
Amounts receivable on issue of shares	5,361		3,388	
Amounts payable on cancellation of shares	(1,031)		(2,138)	
		4,330		1,250
Stamp duty reserve tax		(2)		(1)
Change in net assets attributable to shareholders from investment activities (see above)		5,483		1,438
Closing net assets attributable to shareholders		27,771		17,960

CAVENDISH AIM FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			26,698		17,929
Debtors	8	568		31	
Cash and bank balances		906		141	
Total other assets			1,474		172
Total assets			28,172		18,101
LIABILITIES					
Creditors	9	(280)		(15)	
Distribution payable on income shares		(121)		(126)	
Total liabilities			(401)		(141)
Net assets attributable to shareholders			27,771		17,960

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	5,484	1,441
Currency gains/(losses)	1	(1)
Security transaction charges	(2)	(2)
Net capital gains	<u>5,483</u>	<u>1,438</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	52	40
UK dividends	241	234
	<u>293</u>	<u>274</u>

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	<u>162</u>	<u>128</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	10	10
Safe custody charges	<u>1</u>	<u>1</u>
	<u>11</u>	<u>11</u>
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	<u>4</u>	<u>4</u>
	<u>11</u>	<u>11</u>
Total expenses	<u>184</u>	<u>150</u>

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13 £'000	15/11/12 £'000
a) Analysis of charge in year:		
Overseas withholding tax	1	1
Current tax charge (note 5b)	<u>1</u>	<u>1</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	109	124
Corporation tax at 20% (2012: 20%)	<u>22</u>	<u>25</u>
Effects of:		
UK dividends	(48)	(47)
Overseas withholding tax	1	1
Current period expenses not utilised	36	30
Overseas dividends not taxable	<u>(10)</u>	<u>(8)</u>
Current tax charge for the year (note 5a)	<u>1</u>	<u>1</u>

At the year end there was an unrecognised deferred tax asset of £168,188 (2012: £131,318) in relation to unutilised management expenses of £840,941 (2012: £656,591). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	-	-
Class B Income Shares	121	126
	<u>121</u>	<u>126</u>
Add: Revenue deducted on cancellation of shares	1	11
Deduct: Revenue received on issue of shares	(14)	(14)
	<u>108</u>	<u>123</u>
Finance costs: Distributions		
Interest	-	-
Total finance costs	<u>108</u>	<u>123</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	108	123
	<u>108</u>	<u>123</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	15	28
Amounts receivable for issue of shares	518	-
Overseas tax recoverable	1	2
Prepaid expense	2	1
Sales awaiting settlement	32	-
	<u>568</u>	<u>31</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	17	14
Amounts payable for cancellation of shares	17	-
Purchases awaiting settlement	246	1
	<u>280</u>	<u>15</u>

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director in Cavendish Asset Management Limited as at 15th November 2013 held 1,362,399 shares in the Cavendish Aim Fund

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £8,776 (2012: £5,780).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH AIM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market price risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

sub-fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in GBP

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in in equities, which do not pay interest.] Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	906	-	27,266	28,172
	906	-	27,266	28,172

CAVENDISH AIM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Financial Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	401	401
	-	-	401	401

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	141	-	17,960	18,101
	141	-	17,960	18,101

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	141	141
	-	-	141	141

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. The Aim Market in which the sub-fund is primarily invested is a Prescribed Market under the Financial Services and Market Act 2000 and is generally considered inherently illiquid. It should also be noted that market liquidity may be further affected by adverse economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select stocks consistent with the sub-fund's investments objective and maintains a highly diversified portfolio with about 75 individual stocks being held on an ongoing basis.

Most Holdings are valued daily. Individual stocks identified as having a greater illiquidity are reviewed for pricing accuracy as the need arises and on a formal basis by the Manager.

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 24. The distribution per share class is given in the distribution tables on page 40. All classes have the same rights on winding up.

CAVENDISH AIM FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	6,557	4,012
Commissions	13	12
Taxes	16	15
Total purchase costs	<u>29</u>	<u>27</u>
Gross purchases total	<u>6,586</u>	<u>4,039</u>
Analysis of total sale costs:		
Gross sales before transaction costs	3,308	2,697
Commissions	<u>(6)</u>	<u>(4)</u>
Total sale costs	<u>(6)</u>	<u>(4)</u>
Total sales net of transaction costs	<u>3,302</u>	<u>2,693</u>

CAVENDISH AIM FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class A Income Shares			14/03/14	15/03/13
Group 1	-	-	-	-
Group 2	-	-	-	-

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class B Income Shares			14/03/14	15/03/13
Group 1	0.6311	-	0.6311	0.7726
Group 2	0.1826	0.4485	0.6311	0.7726

CAVENDISH OPPORTUNITIES FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Class 'A' and Class 'B' shares returned 37.8% and 39.0% respectively. This compared to a return of 51.8% in the FTSE Small Cap (ex Investment Companies) and 24.2% in the FTSE All-Share Index.

On the 15th May a Class 'C' Accumulation share class was launched for the fund, in the period under review since launch it returned 15.3%.

Investor confidence improved as the year progressed and the many uncertainties such as sovereign debt in Euro-zone countries and the US fiscal-cliff problems receded into the background. Civil unrest continued in a number of Middle East countries and the Chinese growth slowed. A continuing feature was the number of fines being imposed on banks for past misdemeanours. While new uncertainty was created by talk of end to US tapering measures, which could herald a period of rising interest rates. Despite this investors were prepared to commit an increasing proportion of funds to equity shares.

In the UK there were signs of an improving economy and a pick-up in the housing market. Back home UK economic growth has been slower than expected. Company profits have generally met or exceeded expectations helped by the low level of interest rates. There have been an increasing number of companies coming to the Stock Market to raise funds and the Royal Mail share offering sparked investor interest. Even though the UK Stock Market had a good rise it is still valued below its long term average rating and pension funds are also underweight in equities. As investors' become less risk averse further funds should be channelled into equity shares.

MARKET OUTLOOK

Stock markets tend to anticipate the future and we would expect the UK economy to improve further. There could well be some obstacles but the chances are that investors will be influenced by the yield attraction and prospects of capital gains. The Opportunities Fund contains a wide spread of interests in companies which we feel offer attractive long term potential and is well positioned to take advantage of any further market rise.

Top 5 purchases during the year

Randgold Resources
De La Rue
Petrofac
OMG
EMIS Group

Top 5 sales during the year

Tesco
Rio Tinto
CompuCenter
Taylor Wimpey
AVIVA

Cavendish Asset Management Limited
28 February 2014

CAVENDISH OPPORTUNITIES FUND

PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	49,744,680
2012	66,683,502
2013*	108,307,346

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	608.05	831,478
2012	720.83	1,063,888
2013*	988.93	1,439,902

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	609.96	7,326,571
2012	723.22	8,160,028
2013*	992.73	3,712,064

Class C Accumulation Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2013**	1,005.56	5,690,072

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH OPPORTUNITIES FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	558.48	256.70
2009	482.40	259.30
2010	639.40	461.90
2011	729.70	581.60
2012	765.70	613.80
2013*	1,023.00	771.60

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	560.24	257.20
2009	484.70	260.20
2010	641.70	463.80
2011	732.90	583.60
2012	762.70	611.20
2013*	1,016.00	768.30

Class C Accumulation Shares

Calendar year	Highest (pence)	Lowest (pence)
2013**	1,029.02	835.03

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH OPPORTUNITIES FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2008	3.3472
2009	4.4162
2010	3.8650
2011	4.1790
2012	7.6913
2013*	5.4843

Class B Income Shares

Calendar year	Pence per Share (net)
2008	6.9230
2009	7.0637
2010	7.5822
2011	8.8032
2012	12.8260
2013*	12.0670

Class C Accumulation Shares

Calendar year	Pence per Share (net)
2013**	12.1514

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH OPPORTUNITIES FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

ONGOING CHARGES FIGURE

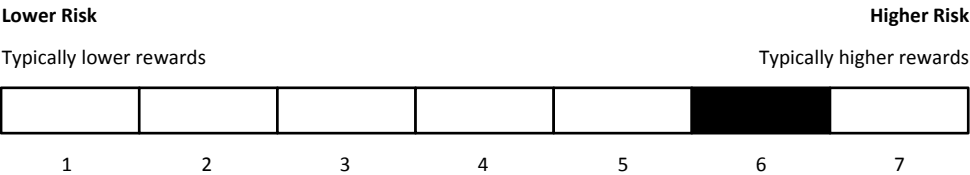
Class A Income Shares		
As at		%
15/11/2012		1.58
15/11/2013		1.56
Class B Income Shares		
As at		%
15/11/2012		0.83
15/11/2013		0.81
Class C Accumulation Shares*		
As at		%
15/11/2013		0.81

* Class C Accumulation Shares launched on 15th May 2013

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH OPPORTUNITIES FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding	Bid-Market Value £	Percentage of total net assets %
United Kingdom 97.05% (99.59%)		
Aerospace & Defence 1.96% (0.69%)		
555,000 Chemring Group	1,136,640	1.05
193,816 Meggitt	990,715	0.91
	2,127,355	1.96
Automobiles & Parts 0.87% (1.09%)		
3,690,255 Torotrak	941,015	0.87
Banks 2.94% (2.43%)		
2,000,000 Lloyds Banking Group	1,526,400	1.41
500,000 Royal Bank of Scotland	1,653,000	1.53
	3,179,400	2.94
Broadcasting 0.00% (1.78%)		
Chemicals 2.28% (5.73%)		
445,000 Elementis	1,116,060	1.03
600,000 Synthomer	1,350,600	1.25
	2,466,660	2.28
Coal 1.20% (0.00%)		
1,132,154 Bisichi Mining	1,301,977	1.20
Construction & Materials 2.31% (5.58%)		
495,005 Costain Group	1,450,365	1.34
61,102 Kier Group	1,054,010	0.97
	2,504,375	2.31
Consumer Goods 0.00% (2.74%)		
Electronic & Electrical Equipment 12.50% (8.32%)		
264,381 Avon Rubber	1,455,417	1.34
315,119 Carclo	1,114,733	1.03
172,526 Dialight	1,575,162	1.45
400,000 Morgan Advanced Materials	1,180,000	1.09
438,000 Porvair	1,183,695	1.09
600,000 Senior	1,701,600	1.57
850,000 TT Electronics	1,625,625	1.50
8,845,625 Turbo Power Systems	44,228	0.04

CAVENDISH OPPORTUNITIES FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Electronic & Electrical Equipment (continued)		
143,512 XP Power	2,261,749	2.09
755,000 Zytronic	1,411,850	1.30
	13,554,059	12.50
General Industrials 0.00% (1.58%)		
General Retail 4.63% (7.94%)		
424,999 Brown (N)	2,239,745	2.07
1,250,000 Debenhams	1,263,750	1.17
124,519 J.D. Fashion	1,507,925	1.39
	5,011,420	4.63
Health Care Equipment & Services 5.67% (5.42%)		
1,520,001 Advanced Medical Solutions	1,573,201	1.45
1,065,600 BIOQUELL	1,459,872	1.35
152,500 Consort Medical	1,351,150	1.25
355,845 Immunodiagnostic Systems	1,759,654	1.62
	6,143,877	5.67
Household Goods & Home Constructions 4.36% (3.18%)		
1,070,335 Aga Rangemaster Group	1,386,084	1.28
150,000 Bovis Homes	1,122,000	1.04
53,989 Galliford Try	580,382	0.54
815,000 Henry Boot	1,632,038	1.50
	4,720,504	4.36
Industrial Engineering 2.07% (6.11%)		
832,161 Hydro International	857,126	0.79
790,000 MS International	1,382,500	1.28
	2,239,626	2.07
Industrial Metals 0.00% (0.94%)		
Life Insurance 1.20% (1.60%)		
572,000 eSure Group	1,300,156	1.20
Media 7.45% (2.06%)		
974,446 Bloomsbury Publishing	1,685,792	1.56
700,000 M&C Saatchi	2,254,000	2.08

CAVENDISH OPPORTUNITIES FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Media (continued)		
290,000 Quarto	455,300	0.42
1,205,000 STV Group	3,675,250	3.39
	8,070,342	7.45
Mining 4.30% (2.14%)		
162,500 Antofagasta	1,325,188	1.22
5,404,560 International Ferro Metals	608,013	0.56
1,045,358 Medusa Mining	1,108,079	1.02
35,000 Randgold Resources	1,619,800	1.50
	4,661,080	4.30
Mobile Telecommunications 1.98% (2.14%)		
4,175,084 Monitise	2,139,731	1.98
Oil & Gas Producers 8.68% (6.34%)		
535,000 Cairn Energy	1,446,640	1.34
7,000,000 Circle Oil	1,312,500	1.21
1,160,841 Faroe Petroleum	1,514,898	1.40
1,250,000 Ithaca Energy	1,850,000	1.70
4,833,880 Northern Petroleum	1,619,350	1.50
115,000 Petrofac	1,652,550	1.53
	9,395,938	8.68
Pharmaceuticals & Biotechnology 1.26% (1.76%)		
3,990,000 Alliance Pharma	1,366,575	1.26
Printing & Publishing 0.00% (2.42%)		
Real Estate 12.03% (10.77%)		
4,000,000 Capital & Regional	1,700,000	1.57
29,662 Daejan	1,184,997	1.09
1,002,500 Grainger	2,026,052	1.87
1,100,000 Lok'Nstore	2,123,000	1.96
4,593,000 London & Associated Properties	1,929,060	1.78
2,500,000 Quintain Estates & Development	2,281,249	2.11
525,000 St. Modwen Properties	1,783,950	1.65
	13,028,308	12.03
Restaurants 1.07% (1.39%)		
775,000 Marston's	1,157,850	1.07

CAVENDISH OPPORTUNITIES FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Software & Computer Services 6.13% (2.74%)		
154,460 Domino Printing Sciences	1,048,783	0.97
8,000,000 Eckoh	2,219,999	2.05
229,494 Emis Group	1,388,439	1.28
5,700,000 OMG	1,524,750	1.41
251,396 Servelec Group	449,999	0.42
	6,631,970	6.13
Support Services 7.55% (9.63%)		
3,332,844 Communisis	2,091,360	1.93
187,200 De La Rue	1,558,440	1.44
201,837 Hyder Consulting	1,144,416	1.06
355,000 Interserve	2,197,449	2.03
155,764 John Menzies	1,185,364	1.09
	8,177,029	7.55
Technology Hardware & Equipment 3.86% (2.19%)		
300,000 CSR	1,489,200	1.37
900,000 E2V Technologies	1,446,750	1.34
500,000 Laird	1,250,500	1.15
	4,186,450	3.86
Transportation 0.65% (0.72%)		
11,213,087 Interbulk Group	700,818	0.65
Utilities 0.10% (0.16%)		
1,500,525 Dyson Group	108,038	0.10
Portfolio of Investments 97.05% (99.59%)		
	105,114,553	97.05
Net other assets	3,192,793	2.95
Net assets	108,307,346	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

for the year ended 15th November 2013

	Notes	15/11/13 £'000	15/11/12 £'000
Income			
Net capital gains	2	26,534	9,397
Revenue	3	1,911	1,627
Expenses	4	(778)	(538)
Finance costs: Interest	6	-	-
Net revenue before taxation		1,133	1,089
Taxation	5	(6)	(5)
Net revenue after taxation		1,127	1,084
Total return before distributions		27,661	10,481
Finance costs: Distributions	6	(1,127)	(1,084)
Change in net assets attributable to shareholders from investment activities		26,534	9,397

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 15th November 2013

	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders	66,684	49,745
Amounts receivable on issue of shares	71,073	16,833
Amounts payable on cancellation of shares	(56,630)	(9,289)
	14,443	7,544
Stamp duty reserve tax	(41)	(19)
Dilution levy	37	17
Change in net assets attributable to shareholders from investment activities (see above)	26,534	9,397
Retained distributions on accumulation shares	650	-
Closing net assets attributable to shareholders	108,307	66,684

CAVENDISH OPPORTUNITIES FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			105,114		66,410
Debtors	8	3,870		359	
Cash and bank balances		<u>1,223</u>		<u>591</u>	
Total other assets			<u>5,093</u>		<u>950</u>
Total assets			<u>110,207</u>		<u>67,360</u>
LIABILITIES					
Creditors	9	(1,633)		(128)	
Distribution payable on income shares		<u>(267)</u>		<u>(548)</u>	
Total liabilities			<u>(1,900)</u>		<u>(676)</u>
Net assets attributable to shareholders			<u>108,307</u>		<u>66,684</u>

CAVENDISH OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	26,539	9,401
Security transaction charges	(5)	(4)
Net capital gains	<u>26,534</u>	<u>9,397</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	177	120
UK dividends	1,734	1,507
	<u>1,911</u>	<u>1,627</u>

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	<u>730</u>	<u>498</u>

Payable to the Depositary or associates of the Depositary:

Depositary's fees	32	26
Safe custody charges	4	3
	<u>36</u>	<u>29</u>

Other expenses:

Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	5	4
	<u>12</u>	<u>11</u>
Total expenses	<u>778</u>	<u>538</u>

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13 £'000	15/11/12 £'000
a) Analysis of charge in year:		
Overseas withholding tax	6	5
Current tax charge (note 5b)	<u>6</u>	<u>5</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1,133	1,089
Corporation tax at 20% (2012: 20%)	<u>227</u>	<u>218</u>
Effects of:		
UK dividends	(347)	(302)
Overseas withholding tax	6	5
Current period expenses not utilised	156	108
Overseas dividends not taxable	(34)	(24)
Taxation due to timing differences	<u>(2)</u>	<u>-</u>
Current tax charge for the year (note 5a)	<u>6</u>	<u>5</u>

At the year end there was an unrecognised deferred tax asset of £768,102 (2012: £612,526) in relation to unutilised management expenses £3,840,511 (2012: £3,062,628). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Interim		
Class A Income Shares	32	56
Class B Income Shares	218	505
Class C Accumulation Shares	294	-
Final		
Class A Income Shares	38	38
Class B Income Shares	229	510
Class C Accumulation Shares	356	-
	<u>1,167</u>	<u>1,109</u>
Add: Revenue deducted on cancellation of shares	326	26
Deduct: Revenue received on issue of shares	(366)	(51)
Finance costs: Distributions	<u>1,127</u>	<u>1,084</u>
Interest	-	-
Total finance costs	<u>1,127</u>	<u>1,084</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	<u>1,127</u>	<u>1,084</u>
	<u>1,127</u>	<u>1,084</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	198	196
Amounts receivable for issue of shares	1,835	92
Overseas tax recoverable	-	1
Prepaid expense	2	2
Sales awaiting settlement	1,835	68
	<u>3,870</u>	<u>359</u>

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

9 CREDITORS

	15/11/13	15/11/12
	£'000	£'000
Accrued expenses	49	34
Amounts payable for cancellation of shares	47	7
Purchases awaiting settlement	1,537	87
	<u>1,633</u>	<u>128</u>

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Clive Lewis, Julian Lewis and Michael Rosehill Directors of Cavendish Asset Management Limited as at 15th November 2013 held 19,576, 313,273 and 9,930 shares respectfully in Cavendish Opportunities Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's service charge are disclosed in note 4. The balance due at the year end was £37,923 (2012: £23,571).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

Fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in GBP

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk as a majority of its financial assets are in equities which do not pay interest. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	1,223	-	108,984	110,207
	1,223	-	108,984	110,207

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	1,900	1,900
	-	-	1,900	1,900

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	591	-	66,769	67,360
	591	-	66,769	67,360

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	676	676
	-	-	676	676

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has three share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%
Class C Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 43. The distribution per share class is given in the distribution tables on page 60. All classes have the same rights on winding up.

CAVENDISH OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	34,897	27,552
Commissions	93	87
Taxes	126	129
Total purchase costs	<u>219</u>	<u>216</u>
Gross purchases total	<u>35,116</u>	<u>27,768</u>
Analysis of total sale costs:		
Gross sales before transaction costs	23,011	20,092
Commissions	(61)	(48)
Taxes	-	-
Total sale costs	<u>(61)</u>	<u>(48)</u>
Total sales net of transaction costs	<u>22,950</u>	<u>20,044</u>

CAVENDISH OPPORTUNITIES FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Interim Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Paid	Paid
			15/07/13	15/07/12
Class A Income Shares				
Group 1	2.8107	-	2.8107	4.1122
Group 2	2.5018	0.3089	2.8107	4.1122

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Paid	Paid
			15/07/13	15/07/12
Class B Income Shares				
Group 1	5.9012	-	5.9012	6.5765
Group 2	4.6756	1.2256	5.9012	6.5765

	Net	Equalisation	Accumulation	Accumulation
	Income	(note 11)	Paid	Paid
			15/07/13	15/07/12
Class C Accumulation Shares				
Group 1	5.9012	-	5.9012	6.5765
Group 2	5.9012	-	5.9012	6.5765

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th May 2013

Group 2: Shares purchased on or after 16th May 2013

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class A Income Shares				
Group 1	2.6736	-	2.6736	3.5791
Group 2	0.9177	1.7559	2.6736	3.5791

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class B Income Shares				
Group 1	6.1658	-	6.1658	6.2495
Group 2	1.8520	4.3138	6.1658	6.2495

	Net	Equalisation	Accumulation	Accumulation
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class C Accumulation Shares				
Group 1	6.2502	-	6.2502	-
Group 2	1.3632	4.8870	6.2502	-

CAVENDISH WORLDWIDE FUND

as at 15th November 2013

AUTHORISED CORPORATE DIRECTOR'S REPORT

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under the review the Class 'A' and Class 'B' units returned 21.5% and 22.3% respectively. This compares to a benchmark return of 28.8% in the FTSE World Index in Sterling terms.

On the 15th May a Class 'C' Accumulation share class was launched for the sub-fund, in the period under review since launch it returned 0.6%.

The period to 15th November 2013 saw a strong recovery in global equity markets, but considerable divergence in individual market returns. Of particular note was the relative underperformance of emerging markets (EM) versus developed markets (DM). In addition to equity market underperformance, a number of emerging market currencies came under pressure and fell significantly. These include the Turkish Lira, Brazilian Real, and Indian Rupee.

This underperformance by the EM sector depressed sub-fund returns, due to our overweight position in emerging markets. This effect was somewhat mitigated by an increased weighting in the USA. Although below global benchmark weightings, the Worldwide Fund had over 20% of its assets in US equity markets at the end of the period, a considerable increase on prior years.

MARKET OUTLOOK

Globally, amongst developed markets we believe the prospects look best for the UK and USA in 2014. There is mounting evidence that economic recovery in the UK is sustainable, and picking up steam. In the US evidence is more patchy, but we believe that, on balance, recovery will accelerate in 2014.

We are less sanguine about Europe and have been surprised at the strength of the rally in European markets. We do not think economic fundamentals justify this recent strength. On the other hand, interest rate prospects for Europe are low, and rates are likely to remain low for some time.

The outlook for the EM sector is less clear. Economic and political headwinds plague a number of these markets. Growth has slowed in China and Brazil, whilst political problems assail Turkey and Thailand. We believe that, on balance, EM will cease to underperform DM in 2014 and may begin to outperform – particularly if economic and investor confidence globally continues to recover. We thus remain overweight emerging markets.

Overall we believe that global markets will now pause for breath after the strong rally in 2013. We expect therefore a period of consolidation. If the economic recovery continues to strengthen and if interest rates remain benign we think there is scope further appreciation in markets over the course of the year.

Top 5 purchases during the year

Urban Outfitters
Esure Group
Nissan Motor
Largan Precision
Sonae Sierra Brasil SA

Top 5 sales during the year

SuperGroup
Lululemon Athletica
Hill (William)
Vinda International
Zillow

Cavendish Asset Management Limited
28th February 2014

CAVENDISH WORLDWIDE FUND

PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	62,113,861
2012	65,389,246
2013*	93,382,276

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	228.82	1,669,897
2012	239.58	1,507,829
2013*	290.34	1,163,774

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	228.83	25,474,670
2012	239.56	25,787,525
2013*	290.24	8,802,510

Class C Accumulation Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2013**	293.29	21,976,643

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH WORLDWIDE FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	228.56	143.00
2009	218.40	149.70
2010	256.70	207.40
2011	269.36	212.61
2012	251.30	223.90
2013*	296.10	253.80

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2008	229.45	142.90
2009	219.50	149.80
2010	257.00	207.70
2011	270.73	214.07
2012	251.40	224.70
2013*	298.00	254.10

Class C Accumulation Shares

Calendar year	Highest (pence)	Lowest (pence)
2013**	298.18	261.28

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH WORLDWIDE FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2008	2.7678
2009	3.3536
2010	2.5938
2011	1.2803
2012	1.4186
2013*	0.7090

Class B Income Shares

Calendar year	Pence per Share (net)
2008	3.9069
2009	4.5170
2010	4.3024
2011	3.1113
2012	3.2109
2013*	2.7983

Class C Accumulation Shares

Calendar year	Pence per Share (net)
2013**	2.8184

* to 15th November 2013

** from 15th May 2013 to 15th November 2013

CAVENDISH WORLDWIDE FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

ONGOING CHARGES FIGURE

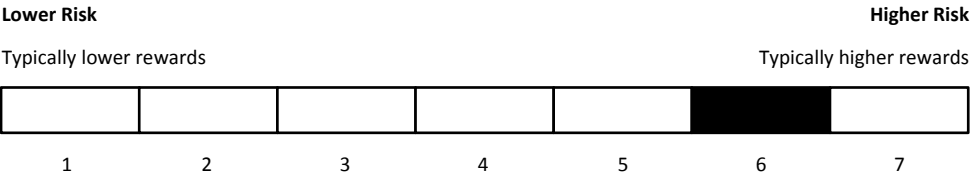
Class A Income Shares		
As at		%
15/11/2012		1.60
15/11/2013		1.61
Class B Income Shares		
As at		%
15/11/2012		0.85
15/11/2013		0.86
Class C Accumulation Shares*		
As at		%
15/11/2013		0.86

* Class C Accumulation Shares launched on 15th May 2013

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of loosing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH WORLDWIDE FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding		Bid- Market Value £	Percentage of total net assets %
EQUITIES 94.15% (88.45%)			
UNITED KINGDOM 20.14% (15.95%)			
Aerospace & Defence 1.15% (0.88%)			
61,000	Chemring Group	124,928	0.13
77,000	Roll-Royce	943,250	1.01
6,622,000	Rolls-Royce 'C'	6,622	0.01
		1,074,800	1.15
Chemicals 0.82% (1.13%)			
32,500	Croda International	763,425	0.82
Computers & Peripherals 0.54% (0.00%)			
74,000	Domino Printing Sciences	502,460	0.54
Electronic & Electrical Equipment 0.93% (0.74%)			
30,500	Dialight	278,465	0.30
200,000	Morgan Crucible	590,000	0.63
		868,465	0.93
Food & Drug Retailers 1.01% (0.61%)			
105,000	Clinigen Group	507,675	0.54
125,000	Tesco	442,188	0.47
		949,863	1.01
Health Care Equipment & Services 2.47% (1.38%)			
72,000	Consort Medical	637,920	0.68
70,000	Smith & Nephew	563,850	0.60
42,500	Smiths Group	609,025	0.65
48,000	Synergy Health	504,480	0.54
		2,315,275	2.47
Household Goods 2.82% (1.53%)			
132,000	Bovis Homes	987,360	1.06
12,500	Reckitt Benckiser	598,000	0.64
42,000	Urban Outfitters	1,044,741	1.12
		2,630,101	2.82

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Industrial Engineering 0.58% (0.00%)		
191,942 Senior	544,348	0.58
Life Insurance 3.10% (1.13%)		
14,000 Aon	703,723	0.75
225,000 Aviva	977,400	1.05
330,000 Esure Group	750,090	0.80
450,000 Royal Sun Alliance	467,100	0.50
	2,898,313	3.10
Mobile Telecommunications 1.89% (0.86%)		
1,345,000 Monitise	689,313	0.74
8,900 NetEase Inc-ADR	367,316	0.39
21,100 Tencent	709,588	0.76
	1,766,217	1.89
Non-Life Insurance 0.00% (0.76%)		
Oil & Gas Producers 1.45% (2.20%)		
347,000 Afren	516,683	0.55
100,000 BP	486,700	0.52
40,000 Tullow Oil	358,800	0.38
	1,362,183	1.45
Pharmaceuticals & Biotechnology 0.60% (0.71%)		
35,000 GlaxoSmithKline	562,800	0.60
Tobacco 0.73% (0.97%)		
20,000 British American Tobacco	677,100	0.73
Travel & Leisure 2.05% (3.05%)		
157,000 Cineworld Group	567,555	0.61
100,000 Compass Group	889,000	0.95
122,222 Hill (William)	455,766	0.49
	1,912,321	2.05
Australia 0.25% (0.69%)		
218,400 Medusa Mining	237,020	0.25

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Bermuda 2.61% (1.66%)		
325,000 Luk Fook Holdings	780,877	0.84
1,352,000 Nine Dragons Paper Holdings	733,205	0.79
1,945,000 Sihuan Pharmaceuticals	919,046	0.98
	2,433,128	2.61
Brazil 5.86% (5.95%)		
167,000 Banco Pine SA	462,380	0.50
85,000 BR Properties	429,787	0.46
45,000 BRF-Brasil Foods	635,910	0.68
100,000 Estacio Participacoes	474,449	0.51
59,900 Iochpe-Maxion SA	434,585	0.47
65,000 Itau Unibanco Holdings	587,081	0.63
330,000 Marcopolo	488,777	0.52
190,400 MRV Engenharia	481,617	0.52
150,000 Odontoprev	377,006	0.40
28,500 Ser Educacional	150,923	0.16
80,700 Sonae Sierra Brasil SA	460,975	0.49
50,000 Vale	485,180	0.52
	5,468,670	5.86
China 3.98% (1.62%)		
1,820,000 Bank of China	522,705	0.56
420,000 China International Marine Containers	471,715	0.51
852,500 China Minsheng BK - H Common	596,366	0.64
923,000 China Railway Construction 'H'	627,914	0.67
30,000 Ctrip.com International	969,801	1.04
103,000 Ping AN INS Group	524,289	0.56
	3,712,790	3.98
France 2.13% (2.13%)		
20,460 Alstom	462,288	0.50
13,850 Sanofi-Aventis	917,145	0.98
11,840 Schneider Electric	609,921	0.65
	1,989,354	2.13
Germany 2.44% (1.79%)		
13,300 Bayer	1,052,619	1.13
35,000 ElringKlinger	902,367	0.97
20,900 OHB AG	312,955	0.34
	2,267,941	2.44

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Hong Kong 5.62% (6.39%)		
96,400 AIA Group	297,742	0.32
104,000 Beijing Enterprises	531,048	0.57
1,787,000 China Automation	279,551	0.30
800,000 China State Construction International	825,341	0.88
200,000 Galaxy Entertainment	935,408	1.00
1,500,000 Ju Teng International	590,181	0.63
790,000 Lenovo	567,855	0.61
3,780,000 Yuexiu Property	642,880	0.69
1,000,000 Zoomlion Heavy Industries	583,226	0.62
	5,253,232	5.62
India 2.73% (3.28%)		
50,000 Godrej Consumer Products	422,321	0.45
55,000 HDFC	428,427	0.46
60,000 ICICI Bank	619,558	0.66
60,000 Larsen & Toubro	553,835	0.59
27,300 Tata Motors	533,043	0.57
	2,557,184	2.73
Indonesia 0.51% (0.99%)		
1,145,000 Bank Mandiri	475,017	0.51
Ireland 0.61% (1.05%)		
14,400 Kerry Group	565,924	0.61
Italy 0.78% (0.00%)		
118,600 Prada	728,337	0.78
Japan 5.03% (3.34%)		
25,000 Bridgestone	555,353	0.59
5,000 FANUC	517,400	0.55
45,200 JFE Holdings	662,943	0.71
45,500 Lixil Group	704,559	0.76
149,000 Mitsubishi UFJ Financial	607,508	0.65
119,500 Nissan Motor	683,454	0.73
54,000 Sekisui House	462,425	0.50
35,000 THK	508,136	0.54
	4,701,778	5.03
Jersey 0.69% (0.59%)		
45,000 Petrofac	646,650	0.69

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Korea 3.93% (6.03%)		
2,700 Korea Zinc	461,146	0.49
1,910 LG Household & Health Care	596,576	0.64
7,658 Mando	636,056	0.68
2,250 Samsung Electronic GDR	955,199	1.02
44,000 Youngone Corporation	1,021,725	1.10
	3,670,702	3.93
Mexico 1.07% (2.27%)		
10,000 Fomento Economico Mexicano ADR	566,230	0.61
168,457 Mexichem	427,710	0.46
	993,940	1.07
Netherlands 0.31% (0.73%)		
4,100 Gemalto	286,249	0.31
Norway 0.57% (0.00%)		
24,400 Norwegian Air Shuttle	533,976	0.57
Russia 0.00% (0.23%)		
Singapore 0.70% (1.04%)		
572,000 Ascendas Real Estate Investment Trust	652,999	0.70
Switzerland 3.12% (3.57%)		
12,950 ACE	791,669	0.85
16,580 Aryzta	757,424	0.81
12,500 Swiss Reinsurance	690,679	0.74
2,750 Syngenta	668,726	0.72
	2,908,498	3.12
Taiwan 3.85% (3.17%)		
175,000 China Steel Chemical Corporation	618,586	0.66
490,000 ChipBond Technology	575,285	0.62
324,600 Kinsus Interconnect Technology	689,799	0.74
40,000 Largan Precision	836,564	0.90
400,000 Taiwan Semiconductor Manufacturing	871,070	0.93
	3,591,304	3.85

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Thailand 2.11% (0.86%)		
4,131,200 Asia Aviation	426,525	0.46
123,000 Bangkok Bank	488,614	0.52
3,158,000 Jasmine International	506,150	0.54
1,640,000 Supalai PCL	551,505	0.59
	1,972,794	2.11
Turkey 1.35% (2.67%)		
150,000 Akcansa Cimento	517,147	0.55
140,000 Turk Telekomunikasi	273,371	0.29
100,000 Turkiye Halki Bankasi	469,857	0.51
	1,260,375	1.35
United States 23.76% (22.45%)		
45,000 Acadia Healthcare	1,251,205	1.34
20,000 Aci Worldwide	769,695	0.82
20,000 Arctic Cat	674,774	0.72
27,500 Babcock & Wilcox	537,290	0.58
25,600 Bristol-Myers Squibb	839,665	0.90
27,500 Cepheid	724,769	0.78
50,000 Cinemark Holdings	1,060,553	1.14
12,500 Citrix Systems	427,332	0.46
12,500 Emerson Electric	522,502	0.56
30,900 Evertec	435,731	0.47
25,000 Gilead Sciences	1,072,372	1.15
27,500 GNC	1,006,842	1.08
80,000 GT Advanced Technologies	512,052	0.55
14,000 Harley-Davidson	574,142	0.61
40,000 Maximus	1,167,667	1.25
54,000 PhotoMedex	442,037	0.47
31,542 Portfolio Recovery	1,110,096	1.19
13,500 Ross Stores	680,857	0.73
22,500 Royal Caribbean Cruises	612,447	0.66
120,000 Ruths Hospitality Group	1,020,371	1.09
417,600 Samsonite International	710,229	0.76
16,000 The Fresh Market	505,483	0.54
22,000 Tractor Supply	1,003,763	1.07
20,000 Tripadvisor	1,108,575	1.19
17,500 Ulta Salon Cosmetics & Fragrance	1,419,899	1.52
13,000 Verisk Analytics 'A'	514,776	0.55

CAVENDISH WORLDWIDE FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
United States (continued)		
14,000 Whiting Petroleum	573,620	0.61
17,500 Zillow	904,364	0.97
	22,183,108	23.76
Sterling Denominated Bonds 0.55% (0.91%)		
550,000 Investec Finance FRN 01/03/2016	517,000	0.55
Portfolio of Investments 94.70% (89.36%)		
	88,435,641	94.70
Net other assets	4,946,635	5.30
Net assets	93,382,276	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

Portfolio of Investments	£	%
Bonds	517,000	0.58
Equities	87,918,641	99.42
	88,435,641	100.00

CAVENDISH WORLDWIDE FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

	Notes	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Income					
Net capital gains	2		13,890		2,948
Revenue	3	1,514		1,523	
Expenses	4	(667)		(576)	
Finance costs: Interest	6	(2)		-	
Net revenue before taxation		845		947	
Taxation	5	(99)		(101)	
Net revenue after taxation			746		846
Total return before distributions			14,636		3,794
Finance costs: Distributions	6		(746)		(846)
Change in net assets attributable to shareholders from investment activities			13,890		2,948

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Opening net assets attributable to shareholders		65,389		62,114
Amounts receivable on issue of shares	66,159		6,094	
Amounts payable on cancellation of shares	(52,674)		(5,766)	
		13,485		328
Stamp duty reserve tax		(1)		(1)
Change in net assets attributable to shareholders from investment activities (see above)		13,890		2,948
Retained distribution on accumulation shares		619		-
Closing net assets attributable to shareholders		93,382		65,389

CAVENDISH WORLDWIDE FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			88,436		58,429
Debtors	8	1,056		195	
Cash and bank balances		4,199		9,168	
Total other assets			5,255		9,363
Total assets			93,691		67,792
LIABILITIES					
Creditors	9	(53)		(1,553)	
Bank overdrafts		(1)		(1)	
Distribution payable on income shares		(255)		(849)	
Total liabilities			(309)		(2,403)
Net assets attributable to shareholders			93,382		65,389

CAVENDISH WORLDWIDE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	14,181	3,141
Currency losses	(281)	(189)
Forward currency contracts	(1)	-
Security transaction charges	(9)	(4)
Net capital gains	<u>13,890</u>	<u>2,948</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Bank interest	5	2
Interest on debt securities	38	102
Overseas dividends	1,084	994
UK dividends	387	425
	<u>1,514</u>	<u>1,523</u>

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	<u>595</u>	<u>514</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	30	28
Safe custody charges	<u>31</u>	<u>23</u>
	<u>61</u>	<u>51</u>
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	<u>4</u>	<u>4</u>
	<u>11</u>	<u>11</u>
Total expenses	<u>667</u>	<u>576</u>

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13 £'000	15/11/12 £'000
a) Analysis of charge in year:		
Overseas withholding tax	99	101
Current tax charge (note 5b)	99	101
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	845	947
Corporation tax at 20% (2012: 20%)	169	189
Effects of:		
UK dividends	(78)	(85)
Overseas withholding tax	99	101
Current period expenses not utilised	125	93
Overseas dividends not taxable	(217)	(198)
Tax payable in different periods	1	1
Current tax charge for the year (note 5a)	99	101

At the year end there was an unrecognised deferred tax asset of £353,060 (2012: £227,906) in relation to unutilised management expenses £1,765,301 (2012: £1,139,528). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	8	21
Class B Income Shares	247	828
Class C Accumulation Shares	619	-
	<u>874</u>	<u>849</u>
Add: Revenue deducted on cancellation of shares	241	53
Deduct: Revenue received on issue of shares	(369)	(56)
Finance costs: Distributions	<u>746</u>	<u>846</u>
Interest	2	-
Total finance costs	<u>748</u>	<u>846</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	746	846
	<u>746</u>	<u>846</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	142	157
Amounts receivable for issue of shares	896	5
Overseas tax recoverable	15	22
Prepaid expense	3	2
Sales awaiting settlement	-	9
	<u>1,056</u>	<u>195</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	48	40
Amounts payable for cancellation of shares	5	15
Purchases awaiting settlement	-	1,498
	<u>53</u>	<u>1,553</u>

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Clive Lewis, Julian Lewis and Michael Rosehill Directors of Cavendish Asset Management Limited as at 15th November 2013 held 56,308, 1,301,957, and 35,063 share respectively in Cavendish Worldwide Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £27,312 (2012: £21,787).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary	Non		
	Assets/Liabilities	Monetary	Total	%
	£'000	Assets	£'000	
		£'000	£'000	
Australian Dollar	-	237	237	0.25
Brazilian real	199	4,983	5,182	5.55
Euro	724	5,867	6,591	7.06
Hong Kong dollar	-	11,987	11,987	12.84
Indian rupee	89	2,024	2,113	2.26
Indonesian Rupiah	-	475	475	0.51
Japanese yen	-	4,702	4,702	5.03
Norwegian Kroner	-	534	534	0.57
Mexican Peso	-	428	428	0.46
Singapore dollar	-	653	653	0.70
South Korean Won	-	2,716	2,716	2.91
Sterling	2,772	17,166	19,938	21.35
Swiss franc	97	1,359	1,456	1.56
Taiwanese dollar	27	4,182	4,209	4.51
Thailand - THB	-	1,973	1,973	2.11
Turkey - TRY	561	1,260	1,821	1.95
US dollar	477	27,890	28,367	30.38
	4,946	88,436	93,382	100.00

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- Interest rate risk (continued)*

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities	Monetary Assets	Non Monetary Assets	Total	%
	£'000	£'000	£'000	£'000	
Australian Dollar	-	452		452	0.69
Brazilian real	574	3,558		4,132	6.31
Euro	584	3,765		4,349	6.62
Hong Kong dollar	(360)	6,458		6,098	9.33
Indian rupee	519	2,142		2,661	4.07
Indonesian Rupiah	-	649		649	0.99
Japanese yen	816	2,193		3,009	4.58
Korean won	(280)	3,072		2,792	4.27
Mexican Peso	171	492		663	1.01
Poland - PLN	-	478		478	0.73
Russia - RUB	-	152		152	0.23
Singapore dollar	506	678		1,184	1.80
Sterling	1,012	11,401		12,413	19.09
Swedish Krona	317	-		317	0.48
Swiss franc	1,008	1,204		2,212	3.38
Taiwanese dollar	1,097	2,430		3,527	5.39
Thailand - THB	-	561		561	0.86
Turkey - TRY	-	1,746		1,746	2.67
US dollar	996	16,998		17,994	27.50
	6,960	58,429		65,389	100.00

- Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in equities, which do not pay interest. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Australian Dollar	-	-	237	237
Brazilian real	198	-	4,984	5,182
Euro	718	-	5,873	6,591
Hong Kong dollar	-	-	11,987	11,987
Indian rupee	89	-	2,024	2,113
Indonesian Rupiah	-	-	475	475
Japanese Yen	-	-	4,702	4,702
Mexican peso	-	-	428	428
Norwegian Kroner	-	-	534	534
Singapore dollar	-	-	653	653
South Korean Won	-	-	2,716	2,716
Sterling	2,556	-	17,691	20,247
Swiss franc	89	-	1,367	1,456
Taiwan Dollar	28	-	4,181	4,209
Thailand - THB	-	-	1,973	1,973
Turkey - TRY	561	-	1,260	1,821
US Dollar	477	-	27,890	28,367
	4,716	-	88,975	93,691

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Taiwan Dollar	1	-	-	1
Sterling	-	-	308	308
	1	-	308	309

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Financial Fixed Rate Assets £'000	Assets not carrying Interest £'000	Total £'000
Australian Dollar	-	-	452	452
Brazilian real	569	-	3,563	4,132
Euro	563	-	3,786	4,349
Hong Kong dollar	142	-	6,458	6,600
Indian rupee	517	-	2,143	2,660
Indonesian Rupiah	-	-	649	649
Japanese Yen	800	-	2,209	3,009
Korean Won	-	-	3,072	3,072
Mexican peso	289	-	492	781
Poland - PLN	-	-	478	478
Russia - RUB	5	-	151	156
Singapore dollar	496	-	689	1,185
Sterling	2,393	-	10,928	13,321
Swedish Krona	317	-	-	317
Swiss franc	1,004	-	1,208	2,212
Taiwan Dollar	1,096	-	2,430	3,526
Thailand - THB	-	-	561	561
Turkey - TRY	-	-	1,746	1,746
US Dollar	1,574	-	17,011	18,585
	9,765	-	58,026	67,791

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Hong Kong dollar	-	-	502	502
Korean Won	-	-	280	280
Mexican peso	-	-	118	118
Russia - RUB	-	-	5	5
Sterling	-	-	904	904
Taiwan Dollar	1	-	-	1
US Dollar	-	-	592	592
	1	-	2,401	2,402

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*
Fixed Rate Financial Assets

	Weighted Average Interest Rate 2013	Weighted Average Interest Rate 2012	Weighted Average Period for which Interest Rate is fixed 2013	Weighted Average Period for which Interest Rate is fixed 2012
Sterling	8.73%	8.84%	2.29 years	3.29 years

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

The sub-fund only buys and sells investments through brokers which have been approved as reputable counterparties.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

CAVENDISH WORLDWIDE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

15 SHAREHOLDER FUNDS

The sub-fund currently has three share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%
Class C Accumulation Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 63. The distribution per share class is given in the distribution tables on page 86. All classes have the same rights on winding up.

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	31,768	16,333
Commissions	94	42
Taxes	35	8
Total purchase costs	129	50
Gross purchases total	<u>31,897</u>	<u>16,383</u>
Analysis of total sale costs:		
Gross sales before transaction costs	16,125	19,775
Commissions	(46)	(30)
Taxes	(8)	(5)
Total sale costs	(54)	(35)
Total sales net of transaction costs	<u>16,071</u>	<u>19,740</u>

CAVENDISH WORLDWIDE FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class A Income Shares				
Group 1	0.7090	-	0.7090	1.4186
Group 2	0.2878	0.4212	0.7090	1.4186

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class B Income Shares				
Group 1	2.7983	-	2.7983	3.2109
Group 2	2.2533	0.5450	2.7983	3.2109

Final Accumulation (in pence per Share)

Group 1: Shares purchased prior to 16th May 2013

Group 2: Shares purchased on or after 16th May 2013

	Net	Equalisation	Accumulation	Accumulation
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class C Accumulation Shares				
Group 1	2.8184	-	2.8184	-
Group 2	0.1183	2.7001	2.8184	-

CAVENDISH ASIA PACIFIC FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Cavendish Asia Pacific Fund Class 'A' and Class 'B' shares returned 3.2% and 3.9% respectively. This compared to an increase of 10.6% in the MSCI Asia Pacific ex Japan Index in total return sterling terms.

On the 5th August 2013 a Class 'C' Accumulation share class was launched for the sub-fund, in the period under review since launch it returned -0.1%.

MARKET OUTLOOK

The year to November 15th 2013 has been a very difficult one for Asian stock markets. In hindsight, markets peaked in May 2013 and then entered a period of increased volatility through to the year end. The major factor responsible for this volatility was the outlook for the US Federal Reserve's quantitative easing policy. Global markets have enjoyed an extended period of quantitative easing in the US which has led to extremely low interest rates globally and an acceleration of money flows into all asset classes from property to stock markets. As the US economy has improved, investors have been second guessing the announcement by Bernanke that the Fed was to begin a tapering programme whereby the amount of bonds repurchased every month would be reduced. Stock markets in emerging market countries suffered severe sell-offs each time the taper announcement was expected. Eventually, the taper announcement arrived in December 2013. A relatively small taper was announced so Asian stock markets staged a recovery, but this was short lived.

Another feature of the year under review has been the diverging performance of developed Asia versus emerging Asia countries. The stock markets of North Asia (Hong Kong, China, South Korea and Taiwan) have outperformed those in South East Asia (Thailand, Indonesia and Singapore mainly). As developed stock markets in the West have performed well, so have developed markets in the East as their economies are considered to be more highly correlated with both the US and European economies.

China has proved to be a disappointing market over the year in review. Whilst the economy slowed in the first half of 2013, a mini stimulus package in July caused a positive flurry in the stock market. This was short lived and the important Third Plenum meeting in November proved to be disappointing at first glance. However, at a later date, detailed documents were released highlighting a number of new reforms, both social and economic, which were taken positively. Despite this, the relentless concerns over the slowing of the Chinese economy caused in part by the continued clampdown on corruption, and the worries over shadow banking and the Chinese banking system in general have impeded progress. There has been a definite preference towards "new" China stocks such as in the internet, e-commerce and Macau gaming sectors versus "old" China stocks such as in the banking, property and industrial sectors.

The negative bias towards China's growth rate has led to a poor performance for commodity stocks so the Australian resource stocks have performed poorly including the Gold price. In conjunction, the Australian dollar has also weakened from, arguably, an overvalued level.

Currency weakness has been another feature of many Asian countries over the last six months. Countries with current account deficits and high inflation rates such as India and Indonesia have seen severe currency depreciation. Both countries have raised interest rates by a considerable amount in order to stabilize their currency. In Thailand, political instability has taken its toll on both the currency and stock prices.

Over the course of the year, we have seen continuing downgrades for most Asian countries in terms of economic growth forecasts and corporate profits estimates. This is in contrast to upward revisions to economic growth forecasts for the US and core European countries. This has served to maintain the negative stance towards most Asian stock markets.

CAVENDISH ASIA PACIFIC FUND
AUTHORISED CORPORATE DIRECTOR’S REPORT (continued)
as at 15th November 2013

MARKET OUTLOOK (continued)

The year has started poorly for Asian stock markets. Recent reported statistics seem to show that the economy in China appears to be slowing again. Having achieved a full year GDP growth rate of 7.7% for 2013, consensus is looking for 7% to 7.5% in 2014. Negative US data surprises have led to a correction in the US equity market and this has had a knock on effect to Asian equities. There are also concerns surrounding emerging market economies and some currencies have continued to devalue. Asia is not alone in the sell off as many emerging markets e.g. Turkey, Brazil and South Africa have all succumbed to intense selling pressure. It is not possible to quantify the duration of this negative view towards the Asian region, however, valuations are starting to look compelling. Many stocks are back at price levels which have not been seen since the global financial crisis in 2009. Whilst growth rates have slowed, most if not all Asian countries will see continued economic growth in 2014. For the patient investor with a long term investment horizon, it would appear that a buying opportunity is on the horizon.

Top 5 purchases during the year

China Construction Bank
Torrent Pharmaceuticals
NagaCorp
Fortescue Metals Group
Geely Automobile

Cavendish Asset Management Limited
28th February 2014

Top 5 sales during the year

Sino Thai Engineering & Construction
Vinda International
Samsung Electronic GDR
Kasikornbank
Power Assets Holdings

CAVENDISH ASIA PACIFIC FUND

PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	74,351,233
2012	81,312,945
2013*	103,819,109

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	136.91	76,616
2012	149.59	69,287
2013*	153.68	59,070

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	136.95	54,214,442
2012	149.66	54,262,339
2013*	153.58	11,291,129

Class C Accumulation Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2013**	155.84	55,433,112

* to 15th November 2013

** from 5 August 2013 to 15th November 2013

CAVENDISH ASIA PACIFIC FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009*	126.60	95.69
2010	163.70	117.10
2011	165.00	121.50
2012	154.90	134.20
2013**	174.90	144.20

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009*	126.90	95.81
2010	163.70	117.40
2011	165.50	122.60
2012	155.10	134.40
2013**	175.50	144.90

Class C Accumulation Shares

Calendar year	Highest (pence)	Lowest (pence)
2013***	159.80	145.20

* the Cavendish Asia Pacific Fund launched on 15th June 2009

** to 15th November 2013

*** from 5th August 2013 to 15th November 2013

CAVENDISH ASIA PACIFIC FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2009**	0.5659
2010	0.7747
2011	0.5380
2012	0.7857
2013*	0.7760

Class B Income Shares

Calendar year	Pence per Share (net)
2009**	0.5683
2010	1.8036
2011	1.8398
2012	1.8691
2013*	1.9208

Class C Accumulation Shares

Calendar year	Pence per Share (net)
2013***	1.9337

* the Cavendish Asia Pacific Fund launched on 15th June 2009

** to 15th November 2013

*** from 5th August 2013 to 15th November 2013

CAVENDISH ASIA PACIFIC FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

ONGOING CHARGES FIGURE

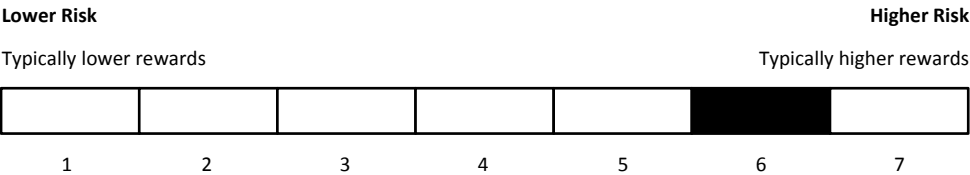
Class A Income Shares		
As at		%
15/11/2012		1.63
15/11/2013		1.62
Class B Income Shares		
As at		%
15/11/2012		0.88
15/11/2013		0.87
Class C Accumulation Shares*		
As at		%
15/11/2013		0.87

* Class C Accumulation Shares launched on 5th August 2013

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of loosing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH ASIA PACIFIC FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding		Bid- Market Value £	Percentage of total net assets %
Australia 5.48% (4.34%)			
70,250	BHP Billiton	1,544,353	1.49
590,000	David Jones	1,054,612	1.02
310,000	Fortescue Metals Group	1,048,867	1.01
25,000	Macquarie	791,453	0.76
15,000	Rio Tinto	570,281	0.55
50,000	Orica	679,010	0.65
		5,688,576	5.48
Bermuda 2.07% (3.06%)			
530,000	Luk Fook	1,273,430	1.23
1,210,000	Smartone Telecom	870,723	0.84
		2,144,153	2.07
Cayman Islands 11.32% (8.02%)			
615,000	Belle International	477,094	0.46
1,614,000	China Resources Cement Holdings	681,070	0.66
600,000	China Resources Land	1,027,665	0.99
430,000	China Shineway Pharmaceuticals	387,737	0.37
920,000	Chow Tai Fook Jewellery Group	949,142	0.91
3,125,000	Geely Automobile	995,274	0.96
1,900,000	Huiyin Household Appliances	44,965	0.04
1,600,000	KWG Property	601,998	0.58
1,000,000	Mongolian Mining	100,280	0.10
1,800,000	NagaCorp	1,058,471	1.02
1,200,000	Pacific Textiles	1,016,594	0.98
580,000	Sands China	2,635,908	2.54
50,000	Tencent	1,681,487	1.62
25,852	TPK	91,109	0.09
		11,748,794	11.32
China 13.12% (13.16%)			
1,900,000	Avichina Industry & Technology	588,360	0.57
17,500	Baidu ADR	1,730,678	1.67
2,000,000	China Construction Bank	956,266	0.92
800,000	China International Marine Containers	898,505	0.86
1,748,500	China Petroleum & Chemicals	908,956	0.88
1,500,000	China Railway Construction	1,020,445	0.98
230,000	China Shenhua Energy	451,138	0.43
1,700,000	CSR	920,566	0.89
730,000	Great Wall Motor	2,638,274	2.54
776,000	PetroChina	549,076	0.53

CAVENDISH ASIA PACIFIC FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
China (continued)		
265,000 Ping AN INS Group	1,348,900	1.30
3,000,000 Shanghai Electric Group	654,625	0.63
1,100,000 Want Want China	954,822	0.92
	13,620,611	13.12
Hong Kong 9.58% (10.16%)		
293,200 BOC Hong Kong	598,624	0.58
56,500 Cheung Kong	548,449	0.53
516,000 China Overseas Land & Investment	968,652	0.93
480,000 China Resources Enterprises	1,030,071	0.99
450,000 China Unicom Hong Kong	428,153	0.41
9,400,000 Emperor Watch and Jewellery	467,543	0.45
235,000 Hang Lung	785,209	0.76
5,512,595 Hengdeli	862,369	0.83
75,000 Hong Kong Exchanges & Clearing	752,698	0.73
130,000 Hutchison Whampoa	987,112	0.95
516,400 Swire Properties	876,191	0.84
313,397 The Wharf (Holdings)	1,639,248	1.58
	9,944,319	9.58
India 4.79% (3.58%)		
40,000 Cadila Healthcare	284,425	0.27
112,000 Cairn India	350,537	0.34
38,500 HDFC Bank	243,531	0.23
25,000 Hero MotoCorp	503,688	0.48
27,000 ICICI Bank	278,801	0.27
56,940 Larsen & Toubro P-Note 11/04/2011	525,981	0.51
75,000 Mahindra & Mahindra	682,154	0.66
435,000 NMDC	566,527	0.55
232,000 Torrent Pharmaceuticals	1,051,643	1.01
550,000 Voltas	484,022	0.47
	4,971,309	4.79
Indonesia 3.29% (8.34%)		
2,583,764 Bank Mandiri (Persero)	1,071,906	1.03
770,000 Indomobil Sukses	201,971	0.19
2,800,000 Jasa Marga	749,429	0.72
8,000,000 Lippo Karawaci	398,268	0.38
7,000,000 PT Bumi Serpong Damai	535,842	0.52
175,000 P T Matahari Department Store	107,730	0.10

CAVENDISH ASIA PACIFIC FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Indonesia (continued)		
1,375,000 PT Mitra Adiperkasa	366,183	0.35
	3,431,329	3.29
Malaysia 3.65% (4.09%)		
1,255,000 AirAsia Berhad	616,714	0.59
681,300 CIMB	975,271	0.94
440,000 Genting Berhad	888,803	0.86
1,080,000 Mah Sing Group Berhad	451,005	0.43
1,630,000 Supermax	864,310	0.83
	3,796,103	3.65
Philippines 2.01% (1.37%)		
52,000 Ayala	435,254	0.42
1,000,000 Bloomberry Resorts	146,712	0.14
325,000 Megawide Construction	48,702	0.05
8,000,000 Metro Pacific Investments	548,028	0.53
157,000 Philippine National Bank	197,400	0.19
500,000 SM Prime	124,020	0.12
320,000 Universal Robina	577,713	0.56
	2,077,829	2.01
Singapore 8.14% (7.97%)		
1,620,000 Ezion	1,712,110	1.64
4,291,264 Golden Agri-Resources	1,283,564	1.24
490,201 Keppel Land	887,078	0.85
796,363 Olam International	605,427	0.58
840,000 Parkson Retail Asia	410,380	0.40
592,700 SembCorp Marine	1,303,030	1.26
450,000 Starhub	960,146	0.92
250,000 Super Group	436,203	0.42
81,000 United Overseas Bank	856,863	0.83
	8,454,801	8.14
South Korea 8.73% (11.86%)		
45,000 Hana Financial	1,046,262	1.01
75,000 Hynix Semiconductor	1,478,368	1.42
10,000 Hyundai Motor	1,456,434	1.40
18,000 KB Financial	420,611	0.41
36,100 KT Corporation	344,237	0.33
16,415 LG Electronics	634,649	0.61

CAVENDISH ASIA PACIFIC FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
South Korea (continued)		
135,000 LG Uplus	868,596	0.84
2,200 Lotte Shopping Centre	485,127	0.47
2,889 Samsung Electronic GDR	1,226,475	1.18
665 Samsung Electronics	568,281	0.55
22,000 Seoul Semiconductor	532,739	0.51
	9,061,779	8.73
Taiwan 7.53% (8.65%)		
62,000 Asustek Computer	296,774	0.28
1,004,960 AU Optronics	187,131	0.18
80,000 Catcher Technology	297,931	0.29
400,000 ChipBond Technology	469,620	0.45
2,441,498 E.Sun Financial	994,008	0.96
322,000 Far Eastone Telecommunications	432,922	0.42
350,319 Hon Hai Precision Industry	555,023	0.53
145,000 Kinsus Interconnect Technology	308,136	0.30
46,000 Largan Precision	962,048	0.93
331,848 Powertech Technology	299,187	0.29
283,250 Radiant Opto-Electronics	607,887	0.59
353,000 Taiwan Fertilizer	512,479	0.49
869,095 Taiwan Semiconductor Manufacturing	1,892,606	1.82
	7,815,752	7.53
Thailand 8.08% (12.13%)		
245,000 Advanced Info Service	1,132,252	1.09
4,000,000 AP Thailand	405,113	0.39
3,081,735 Eastern Water Resources Development	775,737	0.75
9,700,000 Hemaraj Land and Development	633,314	0.61
7,000,000 Jasmine International	1,121,928	1.08
3,062,500 Krung Thai Bank	1,186,456	1.14
210,000 PTT Global Chemical	323,157	0.31
100,000 Siam Cement	837,759	0.81
4,439,500 Sino Thai Engineering & Construction	1,973,112	1.90
	8,388,828	8.08
United Kingdom 0.71% (0.80%)		
108,000 HSBC	741,218	0.71
United States 0.57% (0.00%)		
186,000 ResMed	592,619	0.57

CAVENDISH ASIA PACIFIC FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Bonds 0.14% (0.00%)		
249,261 Olam International 6.75% 29/01/2018	146,014	0.14
	146,014	0.14
Warrants 0.02% (0.00%)		
129,010 Olam International 29/01/2018 Warrant	18,858	0.02
	18,858	0.02
Portfolio of Investments 89.23% (97.51%)	92,642,892	89.23
Net other assets	11,176,217	10.77
Net assets	103,819,109	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH ASIA PACIFIC FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,967		6,869
Revenue	3	1,981		1,818	
Expenses	4	(771)		(671)	
Finance costs: Interest	6	(8)		(2)	
Net revenue before taxation		1,202		1,145	
Taxation	5	(135)		(122)	
Net revenue after taxation			1,067		1,023
Total return before distributions			3,034		7,892
Finance costs: Distributions	6		(1,067)		(1,023)
Change in net assets attributable to shareholders from investment activities			1,967		6,869

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

		15/11/13		15/11/12
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		81,313		74,351
Amounts receivable on issue of shares	87,852		8,369	
Amounts payable on cancellation of shares	(68,385)		(8,283)	
		19,467		86
Dilution levy		-		7
Change in net assets attributable to shareholders from investment activities (see above)		1,967		6,869
Retained distribution on accumulation shares		1,072		-
Closing net assets attributable to shareholders		103,819		81,313

CAVENDISH ASIA PACIFIC FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			92,643		79,286
Debtors	8	2,111		113	
Cash and bank balances		12,068		3,002	
Total other assets			14,179		3,115
Total assets			106,822		82,401
LIABILITIES					
Creditors	9	(2,759)		(52)	
Bank overdrafts		(27)		(21)	
Distribution payable on income shares		(217)		(1,015)	
Total liabilities			(3,003)		(1,088)
Net assets attributable to shareholders			103,819		81,313

CAVENDISH ASIA PACIFIC FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	2,080	6,821
Currency (losses)/gains	(106)	60
Security transaction charges	(7)	(12)
Net capital gains	<u>1,967</u>	<u>6,869</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Bank interest	1	19
Interest on debt securities	10	-
Overseas dividends	1,938	1,765
UK dividends	32	34
	<u>1,981</u>	<u>1,818</u>

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	<u>669</u>	<u>586</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	33	31
Safe custody charges	<u>58</u>	<u>43</u>
	<u>91</u>	<u>74</u>
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	<u>4</u>	<u>4</u>
	<u>11</u>	<u>11</u>
Total expenses	<u><u>771</u></u>	<u><u>671</u></u>

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Overseas withholding tax	135	122
Current tax charge (note 5b)	<u>135</u>	<u>122</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>1,202</u>	<u>1,145</u>
Corporation tax at 20% (2012: 20%)	240	229
Effects of:		
UK dividends	(6)	(7)
Overseas withholding tax	135	122
Current period expenses not utilised	153	131
Overseas dividends not taxable	(392)	(347)
Tax payable in different periods	<u>5</u>	<u>(6)</u>
Current tax charge for the year (note 5a)	<u><u>135</u></u>	<u><u>122</u></u>

At the year end there was an unrecognised deferred tax asset of £574,436 (2012: £420,906) in relation to unutilised management expenses £2,872,180 (2012: £2,104,531). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	1	-
Class B Income Shares	216	1,015
Class C Accumulation Shares	1,072	-
	<u>1,289</u>	<u>1,015</u>
Add: Revenue deducted on cancellation of shares	620	86
Deduct: Revenue received on issue of shares	(842)	(78)
Finance costs: Distributions	<u>1,067</u>	<u>1,023</u>
Interest	8	2
Total finance costs	<u>1,075</u>	<u>1,025</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	1,067	1,023
	<u>1,067</u>	<u>1,023</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	88	111
Amounts receivable for issue of shares	2,021	-
Overseas tax recoverable	2	2
	<u>2,111</u>	<u>113</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	64	52
Purchases awaiting settlement	2,695	-
	<u>2,759</u>	<u>52</u>

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish Asset Management Limited as at 15th November 2013 held 1,780,925 shares in Cavendish Asia Pacific Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £31,713 (2012: £25,494).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary Assets/Liabilities	Monetary Assets	Total	%
	£'000	£'000	£'000	
Australian Dollar	17	6,281	6,298	6.07
Hong Kong dollar	(2,525)	36,377	33,852	32.61
Indian rupee	13	4,971	4,984	4.80
Indonesian Rupiah	-	3,432	3,432	3.30
Korean won	-	7,491	7,491	7.22
Malaysian ringgit	24	3,796	3,820	3.68
Philippine peso	-	2,078	2,078	2.00
Singapore dollar	298	8,455	8,753	8.43
Sterling	11,316	-	11,316	10.90
Taiwanese dollar	2,002	7,907	9,909	9.54
Thai Baht	5	8,389	8,394	8.09
US dollar	26	3,466	3,492	3.36
	11,176	92,643	103,819	100.00

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Foreign currency risk (continued)*

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities	Monetary Assets	Non Monetary Assets	Total	%
	£'000	£'000	£'000	£'000	
Australian Dollar	327	3,529		3,856	4.74
Hong Kong dollar	52	27,347		27,399	33.70
Indian rupee	228	2,909		3,137	3.86
Indonesian rupiah	-	6,782		6,782	8.34
Korean won	-	7,012		7,012	8.62
Malaysian ringgit	-	3,318		3,318	4.08
Philippine peso	-	1,112		1,112	1.37
Singapore dollar	41	6,474		6,515	8.01
Sterling	1,398	(1,057)		341	0.42
Taiwanese dollar	667	7,279		7,946	9.77
Thai baht	-	9,858		9,858	12.12
US dollar	371	3,666		4,037	4.96
	3,084	78,229		81,313	100.00

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The Fund does not have any direct interest risk rate as majority of financial assets are in in equities, which do not pay interest. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- Interest rate risk (continued)*

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Australian Dollar	-	-	6,298	6,298
Hong Kong dollar	146	-	36,405	36,551
Indian rupee	-	-	4,984	4,984
Indonesian rupiah	-	-	3,432	3,432
Korean won	-	-	7,491	7,491
Malaysian ringgit	24	-	3,796	3,820
Philippine peso	-	-	2,078	2,078
Singapore dollar	275	-	8,477	8,752
Sterling	9,574	-	2,023	11,597
Taiwanese dollar	2,026	-	7,907	9,933
Thai baht	-	-	8,394	8,394
US dollar	23	146	3,323	3,492
	12,068	146	94,608	106,822

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Hong Kong Dollar	3	-	2,695	2,698
Sterling	-	-	281	281
Taiwan Dollar	24	-	-	24
	27	-	2,976	3,003

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Financial Fixed Rate Assets £'000	Assets not carrying Interest £'000	Total £'000
Australian Dollar	317	-	3,539	3,856
Hong Kong dollar	-	-	27,399	27,399
Indian rupee	227	-	2,909	3,136
Indonesian rupiah	-	-	6,782	6,782
Korean won	-	-	7,012	7,012
Malaysian ringgit	-	-	3,318	3,318
Philippine peso	-	-	1,112	1,112
Singapore dollar	-	-	6,515	6,515
Sterling	1,420	-	10	1,430
Taiwanese dollar	667	-	7,279	7,946
Thai baht	-	-	9,858	9,858
US dollar	371	-	3,666	4,037
	3,002	-	79,399	82,401

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	21	-	1,067	1,088
	21	-	1,067	1,088

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%
Class C Accumulation Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 89. The distribution per share class is given in the distribution tables on page 108. All classes have the same rights on winding up.

CAVENDISH ASIA PACIFIC FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	29,594	18,840
Commissions	97	66
Taxes	20	11
Total purchase costs	<u>117</u>	<u>77</u>
Gross purchases total	<u>29,711</u>	<u>18,917</u>
Analysis of total sale costs:		
Gross sales before transaction costs	18,518	13,545
Commissions	(65)	(43)
Taxes	(17)	(16)
Total sale costs	<u>(82)</u>	<u>(59)</u>
Total sales net of transaction costs	<u>18,436</u>	<u>13,486</u>

CAVENDISH ASIA PACIFIC FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class A Income Shares				
Group 1	0.7760	-	0.7760	0.7857
Group 2	0.5311	0.2449	0.7760	0.7857

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class B Income Shares				
Group 1	1.9208	-	1.9208	1.8691
Group 2	1.1709	0.7499	1.9208	1.8691

Final Accumulation (in pence per Share)

Group 1: Shares purchased prior to 5th August 2013

Group 2: Shares purchased on or after 5th August 2013

	Net	Equalisation	Accumulation	Accumulation
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Class C Accumulation Shares				
Group 1	1.9337	-	1.9337	-
Group 2	0.7096	1.2241	1.9337	-

CAVENDISH EUROPEAN FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

For the year ending 15th November 2013, the European Fund Class 'A' and Class 'B' shares returned 36.00% and 37.10% respectively compared to the FTSE All World Europe ex UK index which returned 32.1% in Sterling terms, a very strong performance by European equities versus their global peers. With the exception of Turkey, which fell by 9%, all markets rose with Greece outperforming by far, rising 50%.

This out-performance masked continuous political tensions and economic upsets, ranging from a financial crisis and bailout in Cyprus to civil unrest in Turkey. The Portuguese government came close to collapse as did the weak coalition government of Mr. Letta in Italy. External global factors negatively impacted the market such as the unrest in Egypt and the announcement in the US of Fed tapering. The fact that Europe was able to shrug off these issues, are testament to the success of the ECB's initiatives to shore up the European Financial system since the crisis.

During this time, interest rates and bond yields have fallen. Investors are more confident about the prospects in the peripheral markets such as Greece and Ireland; Europe appears to be on the path for growth, albeit a very fragile one.

MARKET OUTLOOK

Europe will continue to out-perform but not necessarily at the same pace. Investors have become cautious on emerging markets; hence markets such as Turkey and Hungary will continue to under perform in the short term, especially if the political tensions persist. France and Italy may weigh heavily on Europe's core markets out-performance as they appear to still be entrenched in recession along with some peripheral markets.

Despite the strong performance of many stocks the valuations of European equities are not stretched and we believe the still offer good value.

Top 5 purchases during the year

Sinpas Gayrimenkul Yatirim Ortakligi
Danske Bank
Dufry Group
Sopra Group
Storebrand

Top 5 sales during the year

Paddy Power
Kabel Deutschland
Actelion
Swatch
STADA Arzneimittel

Cavendish Asset Management Limited
28th February 2014

CAVENDISH EUROPEAN FUND PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	30,396,011
2012	33,076,950
2013*	57,562,462

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	96.86	10,000
2012	106.41	10,000
2013*	143.69	10,231

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	97.56	31,145,111
2012	107.22	30,838,704
2013*	144.89	39,717,697

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	126.10	93.74
2010	133.40	107.10
2011	137.70	89.94
2012	116.30	93.68
2013*	148.00	116.80

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	127.60	94.66
2010	135.50	108.55
2011	139.40	90.62
2012	117.30	94.76
2013*	150.20	117.80

* to 15th November 2013

** the Cavendish European sub-fund launched on 15th May 2009

CAVENDISH EUROPEAN FUND

PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

	Pence per Share (net)
Calendar year	
2009**	0.5746
2010	1.1698
2011	0.8690
2012	0.8082
2013*	1.2049

Class B Income Shares

	Pence per Share (net)
Calendar year	
2009**	0.5820
2010	2.0907
2011	1.8031
2012	1.5954
2013*	2.2073

* to 15th November 2013

** the Cavendish European sub-fund launched on 15th May 2009

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.65
15/11/2013	1.63

Class B Income Shares

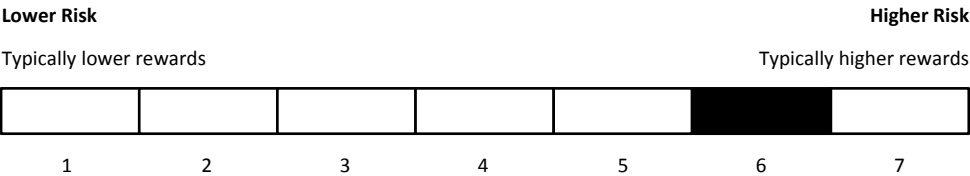
As at	%
15/11/2012	0.90
15/11/2013	0.88

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH EUROPEAN FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH EUROPEAN FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Austria 2.05% (0.60%)		
126,407 Austria Technology	784,722	1.36
12,800 Do & Co	399,287	0.69
	1,184,009	2.05
Belgium 0.93% (2.03%)		
9,635 EVS Broadcast Equipment	337,713	0.59
95,940 Nyrstar	195,024	0.34
53,760 Nyrstar Rights Issue	45	-
	532,782	0.93
Bermuda 1.88% (1.94%)		
60,000 Stolt-Nielsen	1,081,555	1.88
Cayman Islands 0.00% (0.03%)		
Denmark 1.38% (0.00%)		
57,915 Danske Bank	795,690	1.38
France 16.90% (17.61%)		
48,100 AXA	746,198	1.30
18,291 BNP Paribas	836,659	1.45
39,220 Bureau Veritas	710,802	1.23
17,900 Cap Gemini	717,924	1.25
17,000 Compagnie de Saint-Gobain	560,024	0.97
7,705 LVMH	900,433	1.56
39,800 Medica	663,550	1.15
11,628 Michelin	772,631	1.34
12,250 Neopost	579,189	1.01
12,660 Rubis	474,136	0.82
5,860 Societe BIC	452,511	0.79
19,000 Societe Generale	662,784	1.15
14,000 Sopra Group	824,837	1.43
22,418 Total	831,899	1.45
	9,733,577	16.90
Germany 13.89% (14.33%)		
26,000 Aareal Bank	580,720	1.01
8,400 Adidas	618,013	1.07
17,928 Bayer	1,418,898	2.46
46,000 Drillisch	792,120	1.38

CAVENDISH EUROPEAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Germany (continued)		
41,634 ElringKlinger	1,073,404	1.86
11,400 Fresenius Medical Care	456,653	0.80
19,500 Lanxess	801,019	1.39
53,312 Takkt	657,808	1.14
29,000 Talanx	610,973	1.06
23,975 Vib Vermoegen	230,843	0.40
4,700 Volkswagen Preference	760,980	1.32
	8,001,431	13.89
Greece 1.44% (1.50%)		
100,093 Frigoglass	528,342	0.92
39,400 OPAP	301,578	0.52
	829,920	1.44
Ireland 5.43% (7.19%)		
155,000 CPL Resources	842,935	1.46
67,000 Glanbia	594,665	1.03
110,000 Kingspan	1,246,390	2.17
95,000 Ryanair	445,035	0.77
	3,129,025	5.43
Italy 0.00% (0.78%)		
Luxemburg 1.03% (2.41%)		
46,000 Subsea 7	591,149	1.03
Netherlands 5.72% (5.61%)		
28,500 Astarta Holding	376,088	0.65
33,300 EADS	1,462,745	2.54
20,840 Gemalto	1,454,985	2.53
	3,293,818	5.72
Norway 4.95% (3.68%)		
57,000 DNB	612,448	1.06
48,630 Leroy Seafood	849,515	1.48
21,000 Norwegian Air Shuttle	459,570	0.81
240,000 Storebrand	918,471	1.60
	2,840,004	4.95

CAVENDISH EUROPEAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Poland 0.42% (1.45%)		
10,100 KGHM Polska Miedz	239,630	0.42
Russia 4.14% (6.87%)		
28,500 Magnit GDR	1,118,620	1.94
240,835 Sberbank Of Russia	477,620	0.83
54,700 Sollers	788,539	1.37
	2,384,779	4.14
Spain 14.11% (10.25%)		
18,950 Amadeus IT Holdings 'A'	441,010	0.77
87,585 Banco Santander	468,473	0.81
2,180 Construcciones y Auxiliar de Ferrocarriles	687,238	1.19
114,570 Distribuidora International De Alimentacion	620,957	1.08
59,164 Ebro Foods	835,682	1.45
10,000 Feintool International	473,608	0.82
90,916 Ferrovial	1,061,715	1.84
2,400 Kuoni Reisen Holding 'B'	654,515	1.14
152,325 Let's Gowex	1,308,651	2.28
36,500 Repsol	568,990	0.99
15,750 Tecnicas Reunidas	520,032	0.90
14,700 Viscofan	485,486	0.84
	8,126,357	14.11
Sweden 0.79% (0.99%)		
60,000 Nordea Bank	454,566	0.79
Switzerland 9.53% (15.53%)		
28,600 ABB	447,790	0.78
16,400 Arysza	749,201	1.30
8,700 Dufry Group	905,425	1.58
5,110 Geberit	935,510	1.63
4,000 Roche	687,850	1.19
1,820 Swatch	701,659	1.22
4,333 Syngenta	1,053,669	1.83
	5,481,104	9.53
Turkey 7.06% (5.85%)		
200,000 Alarko Holding	368,563	0.64
73,800 Bizim Toptan Satis Magazalar	501,942	0.88
90,947 Cimsa	357,950	0.62

CAVENDISH EUROPEAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Turkey (continued)		
129,900 Dogus Otomotiv Servis ve Ticaret	347,975	0.60
2,095,560 Sinpas Gayrimenkul Yatirim Ortakligi	671,327	1.17
180,400 Teknosa Ic Ve Dis Ticaret	729,284	1.27
658,234 Trakya Cam Sanayii	488,013	0.85
125,320 Turkiye Halk Bankasi	588,824	1.03
	4,053,878	7.06
Portfolio of Investments 91.65% (98.65%)	52,753,274	91.65
Net other assets	4,809,188	8.35
Net assets	57,562,462	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH EUROPEAN FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

	Notes	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Income					
Net capital gains	2		12,103		2,986
Revenue	3	1,206		898	
Expenses	4	(373)		(289)	
Finance costs: Interest	6	(9)		(1)	
Net revenue before taxation		824		608	
Taxation	5	(133)		(110)	
Net revenue after taxation			691		498
Total return before distributions			12,794		3,484
Finance costs: Distributions	6		(691)		(498)
Change in net assets attributable to shareholders from investment activities			12,103		2,986

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Opening net assets attributable to shareholders		33,077		30,396
Amounts receivable on issue of shares	12,840		2,007	
Amounts payable on cancellation of shares	(458)		(2,312)	
		12,382		(305)
Change in net assets attributable to shareholders from investment activities (see above)		12,103		2,986
Closing net assets attributable to shareholders		57,562		33,077

CAVENDISH EUROPEAN FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			52,753		32,630
Debtors	8	1,409		549	
Cash and bank balances		<u>5,816</u>		<u>1,243</u>	
Total other assets			<u>7,225</u>		<u>1,792</u>
Total assets			<u>59,978</u>		<u>34,422</u>
LIABILITIES					
Creditors	9	(1,539)		(27)	
Bank overdrafts		-		(826)	
Distribution payable on income shares		<u>(877)</u>		<u>(492)</u>	
Total liabilities			<u>(2,416)</u>		<u>(1,345)</u>
Net assets attributable to shareholders			<u>57,562</u>		<u>33,077</u>

CAVENDISH EUROPEAN FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	12,152	3,036
Forward currency contracts	-	(1)
Currency losses	(45)	(47)
Security transaction charges	(4)	(2)
Net capital gains	12,103	2,986

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Bank interest	1	1
Overseas dividends	1,205	897
	1,206	898

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	323	243

Payable to the Depositary or associates of the Depositary:

Depositary's fees	20	16
Safe custody charges	20	19
	40	35

Other expenses:

Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	3	4
	10	11
Total expenses	373	289

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Overseas withholding tax	133	110
Current tax charge (note 5b)	<u>133</u>	<u>110</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>824</u>	<u>608</u>
Corporation tax at 20% (2012: 20%)	165	121
Effects of:		
Double taxation relief	(3)	(1)
Overseas withholding tax	133	110
Excess Management expenses not utilised	50	50
Excess Non trade loan deficits not utilised	1	-
Overseas dividends not taxable	<u>(213)</u>	<u>(170)</u>
Current tax charge for the year (note 5a)	<u><u>133</u></u>	<u><u>110</u></u>

At the year end there was an unrecognised deferred tax asset of £201,723 (2012: £151,883) in relation to unutilised management expenses £1,008,617 (2012: £759,417). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	-	-
Class B Income Shares	877	492
	<u>877</u>	<u>492</u>
Add: Revenue deducted on cancellation of shares	7	38
Deduct: Revenue received on issue of shares	(193)	(32)
	<u>691</u>	<u>498</u>
Finance costs: Distributions		
Interest	9	1
Total finance costs	<u>700</u>	<u>499</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	691	498
	<u>691</u>	<u>498</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	6	4
Amounts receivable for issue of shares	1,246	-
Overseas tax recoverable	149	113
Prepaid expense	2	2
Sales awaiting settlement	6	430
	<u>1,409</u>	<u>549</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	34	27
Purchases awaiting settlement	1,505	-
	<u>1,539</u>	<u>27</u>

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish asset Management Limited as at 15th November 2013 held 641,122 shares in Cavendish European Fund

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £17,699 (2012: £10,472).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary	Non		
	Assets/Liabilities	Monetary	Total	%
	£'000	Assets	£'000	
	(802)	£'000	(7)	(0.01)
Danish Krone	(802)	795	(7)	(0.01)
Euro	4,862	34,076	38,938	67.65
Norwegian Krone	-	4,513	4,513	7.84
Polish Zloty	-	616	616	1.07
Russian Ruble	3	1,266	1,269	2.20
Sterling	1,063	-	1,063	1.85
Swedish Krona	12	902	914	1.59
Swiss Franc	75	5,412	5,487	9.53
Turkish Lira	(404)	4,054	3,650	6.34
US Dollar	-	1,119	1,119	1.94
	4,809	52,753	57,562	100.00

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Foreign currency risk (continued)*

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities	Monetary Assets	Non Monetary Assets	Total	%
	£'000	£'000	£'000	£'000	
Euro	(758)	20,487	19,729	59.64	
Norwegian Krone	-	2,492	2,492	7.53	
Polish Zloty	-	479	479	1.45	
Russian Ruble	4	1,662	1,666	5.04	
Sterling	492	-	492	1.49	
Swedish Krona	177	651	828	2.50	
Swiss Franc	460	4,306	4,766	14.41	
Turkish Lira	71	1,936	2,007	6.07	
US Dollar	1	617	618	1.87	
	447	32,630	33,077	100.00	

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in in equities, which do not pay interest.] Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets	Financial Fixed Rate Assets	Assets not carrying Interest	Total
	£'000	£'000	£'000	£'000
Danish Krone	-	-	795	795
Euro	4,782	-	34,156	38,938
Norwegian Krone	-	-	4,513	4,513
Polish Zloty	-	-	616	616
Russian Ruble	201	-	1,269	1,470
Sterling	697	-	1,277	1,974
Swedish Krona	12	-	902	914
Swiss Franc	26	-	5,461	5,487
Turkish Lira	98	-	4,054	4,152
US Dollar	-	-	1,119	1,119
	5,816	-	54,162	59,978

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Danish Krone	-	-	803	803
Russian Ruble	-	-	201	201
Sterling	-	-	910	910
Turkish Lira	-	-	502	502
	-	-	2,416	2,416

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Euro	-	-	20,554	20,554
Norwegian Krone	-	-	2,492	2,492
Polish Zloty	-	-	479	479
Russian Ruble	-	-	1,667	1,667
Sterling	579	-	432	1,011
Swedish Krona	177	-	651	828
Swiss Franc	415	-	4,351	4,766
Turkish Lira	71	-	1,936	2,007
US Dollar	1	-	617	618
	1,243	-	33,179	34,422

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Euro	826	-	-	826
Sterling	-	-	519	519
	826	-	519	1,345

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 111. The distribution per share class is given in the distribution tables on page 128. All classes have the same rights on winding up.

CAVENDISH EUROPEAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	22,485	7,577
Commissions	56	22
Taxes	13	4
Total purchase costs	<u>69</u>	<u>26</u>
Gross purchases total	<u>22,553</u>	<u>7,603</u>
Analysis of total sale costs:		
Gross sales before transaction costs	14,620	7,637
Commissions	(38)	(22)
Taxes	(1)	-
Total sale costs	<u>(39)</u>	<u>(22)</u>
Total sales net of transaction costs	<u>14,581</u>	<u>7,615</u>

CAVENDISH EUROPEAN FUND**DISTRIBUTION TABLES**

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class A Income Shares			14/03/14	15/03/13
Group 1	1.2049	-	1.2049	0.8082
Group 2	1.1833	0.0216	1.2049	0.8082

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class B Income Shares			14/03/14	15/03/13
Group 1	2.2073	-	2.2073	1.5954
Group 2	0.1076	2.0997	2.2073	1.5954

CAVENDISH JAPAN FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12-month period under review, the Class 'A' and Class 'B' share classes returned 38.9% and 39.8% respectively. This compared to a benchmark return of 36.6% for the TOPIX index in sterling terms.

After five years of extremely challenging market conditions, 2012 appears to have marked a bottom in Japanese stocks. Japanese companies that were struggling in the aftermath the "Lehman Shock" and the Euro crisis, were further hindered by an uncompetitive currency, by unexpected "Acts of God" (earthquake & tsunami in Japan and floods in Thailand) and even political issues (anti-Japan rhetoric in China over the Senkaku/Diaoyu islands). Companies did not stand still during these challenging times and while they were steadily improving their break-even points by exiting un-profitable businesses and moving production offshore – the market continued to de-rate with a conspicuous lack of buyers. The market was cheap in 2012, but there appeared to be no catalyst to send the market higher.

That all seemed to change following the return to power of the Liberal Democratic Party under the leadership of second-time Prime Minister Shinzo Abe. Under his self-proclaimed "Abenomics" banner – Mr Abe unleashed his so-called "three arrows" into the economy. Deflation has been a long-standing problem in Japan – so for his first arrow, Mr Abe appointed a new Governor to the Bank of Japan – Mr Kuroda, with a mandate to set a 2% inflation target to be achieved through a large scale programme of quantitative easing (QE). For his second arrow Abe announced a ten trillion yen stimulus package with positive outcomes for employment and construction. The third arrow was always going to be rather less specific but over a longer period of time should see more structural reforms, lower corporate taxes, greater female participation in the labour force and Japan's entry into the Trans-Pacific Trade Partnership. The effect of Abe's victory was felt straight away with the Japanese yen falling substantially which fed straight into the profits of the exporting companies. And with investors expecting an end to deflation – some of the best sectors in the stockmarket included real estate & house-builders, financials and exporters. The Cavendish Japan Fund was overweight these sectors and several individual holdings performed extremely well from November to April.

Following a large surge of foreign money into the market, many stocks reached a peak in May before rising again towards the end of the period. While Japanese institutional investors continued doing what they have been doing for many years – that is selling down their holdings – there was a resurgence of interest from Japanese individual investors in the market, and there was certainly anecdotal evidence of higher spending on luxury items in the department stores during the summer.

MARKET OUTLOOK

We can hopefully look back in the future to say that 2012 marked a turn in the fortunes for Japan. Plenty of challenges lie ahead – the rest of the Developed Market is still working through high levels of debt and unemployment that is holding back growth. Emerging markets too are seeing growth levels and currencies come under pressure. Japan has to work its way through a consumption tax rise (from 5% to 8%) in March and is likely to see a substantial dip in GDP after a strong first half rise. But overall, corporate balance sheets are in very good shape and for the first time in a very long while, Japanese workers should start to see an increase in their monthly pay packets which should help domestic consumption. With the award of the 2020 Olympics to Tokyo, the Japanese nation has a target to work towards which will lift the spirit of the whole nation. Corporate earnings in 2014 should once again be very strong, helped by a more competitive yen and a pick-up in the US economy while the sale of Japanese products in China appears to have picked up again after the islands dispute. And with the majority of Japanese household financial assets locked up in safe, but low-return banking deposits, the Government has introduced a Japanese ISA product – and this should see a gradual movement of money away from bank deposits into the stockmarket.

The Cavendish Japan Fund will continue to seek out attractive investment opportunities across the market cap spectrum and will be diversified across a wide range of companies that can benefit from improving domestic and overseas conditions.

CAVENDISH JAPAN FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT (continued)

as at 15th November 2013

MARKET OUTLOOK (continued)

Top 5 purchases during the year

Yamada Denki
SBI Sony
Tokai Tokyo
Nissha Printing
Canon

Top 5 sales during the year

ACOM
Aeon Financial Services
IHI
H.I.S
NEC Mobiling

Cavendish Asset Management Limited
28th February 2014

CAVENDISH JAPAN FUND PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	13,184,352
2012	13,613,857
2013*	24,298,812

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	106.01	32,837
2012	107.70	36,245
2013*	149.63	56,354

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	106.32	12,367,493
2012	108.00	12,569,661
2013*	150.14	16,128,072

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	113.20	94.79
2010	127.30	105.90
2011	129.80	104.50
2012	116.66	103.72
2013*	160.70	114.10

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	113.50	94.85
2010	127.90	106.20
2011	130.50	105.00
2012	116.46	103.62
2013*	161.70	114.60

* to 15th November 2013

** the Cavendish Japan Fund launched on 15th May 2009.

CAVENDISH JAPAN FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2009*	0.1421
2010	0.0002
2011	0.5169
2012	0.4992
2013**	-

Class B Income Shares

Calendar year	Pence per Share (net)
2009*	0.1426
2010	0.7113
2011	1.3316
2012	1.3437
2013**	1.0289

* the Cavendish Japan Fund launched on 15th May 2009.

** to 15th November 2013

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.67
15/11/2013	1.64

Class B Income Shares

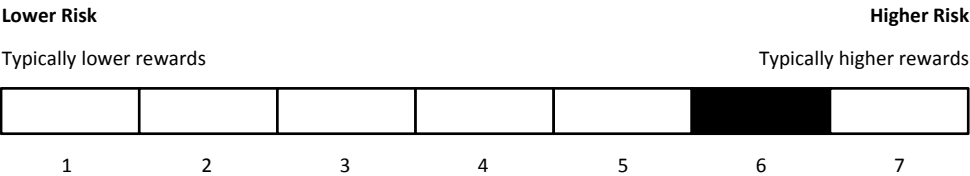
As at	%
15/11/2012	0.92
15/11/2013	0.89

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH JAPAN FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH JAPAN FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding		Bid- Market Value £	Percentage of total net assets %
Automobiles & Components 3.60% (3.16%)			
17,400	Bridgestone	386,525	1.59
19,300	Honda Motor	488,528	2.01
		875,053	3.60
Banks 7.18% (5.24%)			
85,000	Chiba Bank	390,807	1.61
114,000	Mitsubishi UFJ Financial	464,805	1.91
135,000	Sumitomo Mitsui	419,930	1.73
14,900	Sumitomo Mitsui Financial	469,018	1.93
		1,744,560	7.18
Beverages 0.99% (0.00%)			
9,000	DyDo Drinco	240,637	0.99
Capital Goods 1.51% (1.22%)			
42,000	Mitsui & Co	366,170	1.51
Chemicals 4.92% (5.20%)			
81,000	Asahi Kasei	393,496	1.62
79,000	JX Holdings	255,038	1.05
118,000	Tokuyama	299,051	1.23
34,000	Zeon	246,914	1.02
		1,194,499	4.92
Commercial Services & Supplies 1.71% (0.00%)			
32,000	Sato	414,415	1.71
Construction 6.74% (1.66%)			
75,620	IIDA	967,133	3.98
19,000	JGC	445,026	1.83
8,000	Sho-Bond Holdings	226,788	0.93
		1,638,947	6.74
Consumer Durables & Apparel 1.04% (1.35%)			
34,000	Sekisui Chemical	253,235	1.04
Electric Appliances 17.18% (11.10%)			
68,000	Alps Electric	428,518	1.76
48,500	Anritsu	359,729	1.48

CAVENDISH JAPAN FUND
PORTFOLIO STATEMENT (continued)
as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Electric Appliances (continued)		
17,000 Canon	339,191	1.40
22,000 Denyo	173,400	0.71
40,000 Edion	138,304	0.57
6,000 Nidec	343,900	1.42
17,600 Nihon Kohden	426,957	1.76
37,000 Nissha Printing	352,383	1.45
18,300 Omron	450,742	1.85
35,700 Sony	407,914	1.68
180,000 Sparx	252,070	1.04
159,000 Yamada Denki	318,229	1.31
77,000 Zojirushi	182,261	0.75
	4,173,598	17.18
Electric Power & Gas 1.31% (2.04%)		
78,000 Shizuoka Gas	317,541	1.31
Finance 6.47% (6.51%)		
170,000 A.C.O.M.	397,127	1.63
24,000 Ichiyoshi Securities	220,542	0.91
47,500 Orix	515,370	2.12
81,000 Tokai Tokyo	440,676	1.81
	1,573,715	6.47
Glass & Ceramic Products 3.92% (4.82%)		
96,000 Nichias	399,742	1.65
100,000 Nippon Electric Glass	338,943	1.39
100,000 Tokai Carbon	214,396	0.88
	953,081	3.92
Information & Communication 1.56% (4.55%)		
15,000 Avex	222,792	0.92
40,000 Net One Systems	156,149	0.64
	378,941	1.56
Insurance 2.88% (1.56%)		
32,000 Sony Financials	370,000	1.52
15,800 Tokio Marine	330,913	1.36
	700,913	2.88

CAVENDISH JAPAN FUND
PORTFOLIO STATEMENT (continued)
as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Iron & Steel 2.48% (1.05%)		
26,900 JFE	394,539	1.62
13,500 Maruichi Steel Tube	208,794	0.86
	603,333	2.48
Machinery 4.84% (11.93%)		
60,000 Mitsubishi Heavy Industries	234,224	0.96
18,000 Nabtesco	261,216	1.08
43,000 Nippon Thompson	139,617	0.57
25,600 Oiles	340,416	1.40
110,000 Toyo Kanetsu	201,073	0.83
	1,176,546	4.84
Manufacturing 1.40% (3.16%)		
42,000 Nikkiso	339,625	1.40
Materials 1.22% (1.30%)		
8,100 Shin-Etsu Chemical	297,632	1.22
Media 1.58% (0.00%)		
29,300 Fuji Media	383,080	1.58
Metal Products 1.84% (2.72%)		
19,800 Lixil Group	306,599	1.26
9,800 Tsutsumi Jewellery	141,367	0.58
	447,966	1.84
Mining 1.05% (1.84%)		
35,200 Inpex	254,756	1.05
Nonferrous Metals 0.00% (2.27%)		
Pharmaceutical, Biotechnology & Life Sciences 2.72% (1.76%)		
33,000 Mitsubishi Tanabe	286,683	1.18
39,000 Rohto	374,573	1.54
	661,256	2.72
Real Estate 2.22% (5.96%)		
240,000 Arealink	179,944	0.74

CAVENDISH JAPAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Real Estate (continued)		
150,000 Takara Leben	359,701	1.48
	539,645	2.22
Retail trade 1.24% (1.47%)		
13,000 Seven & I	301,672	1.24
Services 8.96% (10.08%)		
9,000 Benesse	210,244	0.88
41,000 Bit-isle	212,134	0.87
7,500 Cookpad	147,784	0.61
18,000 CyberAgent	372,528	1.53
272 EPS Healthcare	192,475	0.79
6,300 Nihon M&A Center	293,561	1.21
38,000 Rakuten	323,762	1.33
50,000 SBI Sony	423,524	1.74
	2,176,012	8.96
Software & Services 0.00% (1.25%)		
Technology, Hardware & Equipment 0.00% (1.57%)		
Textiles & Apparels 0.91% (1.11%)		
40,000 Nisshinbo	218,857	0.91
Transportation Equipment 4.90% (2.70%)		
13,000 Aisin Seiki	320,602	1.32
46,000 Nissan Motor	263,087	1.08
9,400 Toyota Motor	370,446	1.52
22,000 Unipres	236,517	0.98
	1,190,652	4.90
Transportation Services 2.45% (0.00%)		
25,000 Hitachi Transport	248,787	1.02
10,200 Japan Airlines	347,618	1.43
	596,405	2.45
Wholesale Trade 0.00% (1.09%)		

CAVENDISH JAPAN FUND
PORTFOLIO STATEMENT (continued)
as at 15th November 2013

	Bid- Market Value £	Percentage of total net assets %
Portfolio of Investments 98.82% (99.67%)	24,012,742	98.82
Net other assets	286,070	1.18
Net assets	24,298,812	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.
Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH JAPAN FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

	Notes	15/11/13 £'000	15/11/12 £'000
Income			
Net capital gains	2	5,457	200
Revenue	3	320	318
Expenses	4	(163)	(128)
Finance costs: Interest	6	-	-
Net revenue before taxation		157	190
Taxation	5	(23)	(22)
Net revenue after taxation		134	168
Total return before distributions		5,591	368
Finance costs: Distributions		(134)	(168)
Change in net assets attributable to shareholders from investment activities		5,457	200

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders	13,614	13,184
Amounts receivable on issue of shares	5,878	712
Amounts payable on cancellation of shares	(650)	(482)
	5,228	230
Change in net assets attributable to shareholders from investment activities (see above)	5,457	200
Closing net assets attributable to shareholders	24,299	13,614

CAVENDISH JAPAN FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			24,013		13,569
Debtors	8	812		110	
Cash and bank balances		217		117	
Total other assets			1,029		227
Total assets			25,042		13,796
LIABILITIES					
Creditors	9	(577)		(13)	
Distribution payable on income shares		(166)		(169)	
Total liabilities			(743)		(182)
Net assets attributable to shareholders			24,299		13,614

CAVENDISH JAPAN FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	5,489	218
Currency losses	(28)	(17)
Forward currency contracts	(3)	-
Security transaction charges	(1)	(1)
Net capital gains	5,457	200

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	320	318
	320	318

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	139	105
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	10	10
Safe custody charges	3	2
	13	12
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	4	4
	11	11
Total expenses	163	128

CAVENDISH JAPAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Overseas withholding tax	23	22
Current tax charge (note 5b)	<u>23</u>	<u>22</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>157</u>	<u>190</u>
Corporation tax at 20% (2012: 20%)	31	38
Effects of:		
Overseas withholding tax	23	22
Current period expenses not utilised	33	26
Overseas dividends not taxable	(60)	(66)
Tax payable in different periods	<u>(4)</u>	<u>2</u>
Current tax charge for the year (note 5a)	<u>23</u>	<u>22</u>

At the year end there was an unrecognised deferred tax asset of £107,459 (2012: £74,847) in relation to unutilised management expenses of £537,294 (2012: £374,234). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH JAPAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	-	-
Class B Income Shares	166	169
	<u>166</u>	<u>169</u>
Add: Revenue deducted on cancellation of shares	2	3
Deduct: Revenue received on issue of shares	(34)	(4)
	<u>134</u>	<u>168</u>
Finance costs: Distributions		
Interest	-	-
Total finance costs	<u>134</u>	<u>168</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	134	168
	<u>134</u>	<u>168</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	127	108
Amounts receivable for issue of shares	429	-
Prepaid expense	2	2
Currency deals awaiting settlement	254	-
	<u>812</u>	<u>110</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	17	13
Purchases awaiting settlement	304	-
Currency deals awaiting settlement	256	-
	<u>577</u>	<u>13</u>

CAVENDISH JAPAN FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. Cavendish Asset Management Limited, a related party, acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish Asset Management Limited as at 15th November 2013 held 143,163 shares in Cavendish Japan Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's service charge are disclosed in note 4. The balance due at the year end was £7,324 (2012: £4,286).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH JAPAN FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary Assets/Liabilities £'000	Non Monetary Assets £'000	Total £'000	%
Japanese yen	151	24,013	24,164	99.44
Sterling	135	-	135	0.56
	286	24,013	24,299	100.00

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities £'000	Non Monetary Assets £'000	Total £'000	%
Japanese yen	137	13,569	13,706	100.68
Sterling	(92)	-	(92)	(0.68)
	45	13,569	13,614	100.00

CAVENDISH JAPAN FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in equities, which do not pay interest.] Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Japanese yen	151	-	24,013	24,164
Sterling	66	-	812	878
	217	-	24,825	25,042

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	743	743
	-	-	743	743

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Japanese yen	29	-	13,677	13,706
Sterling	88	-	2	90
	117	-	13,679	13,796

CAVENDISH JAPAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Financial Liabilities £'000	Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	182	182
	-	-	182	182

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the Fund significantly.

CAVENDISH JAPAN FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 131. The distribution per share class is given in the distribution tables on page 148. All classes have the same rights on winding up.

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	13,060	4,720
Commissions	25	10
Total purchase costs	25	10
Gross purchases total	13,085	4,730
Analysis of total sale costs:		
Gross sales before transaction costs	8,147	4,482
Commissions	(17)	(9)
Total sale costs	(17)	(9)
Total sales net of transaction costs	8,130	4,473

CAVENDISH JAPAN FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class A Income Shares			14/03/14	15/03/13
Group 1	-	-	-	0.4992
Group 2	-	-	-	0.4992

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class B Income Shares			14/03/14	15/03/13
Group 1	1.0289	-	1.0289	1.3437
Group 2	0.1202	0.9087	1.0289	1.3437

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Class 'A' and Class 'B' units returned 25.7% and 26.6% respectively. This compared to a benchmark return of 34.00% for the S&P 500 in total return Sterling terms. In local currency terms the S&P 500 index rose 32.9% in what was by all accounts a very good year for US equities as a whole.

The period began with low ebb in the S&P which had just dipped after a rather disappointing set of third quarter corporate earnings. At the time, there were serious concerns about the direction of the US economy and in particular whether it would be undermined by the political impasse on Capitol Hill over the US budget and debt situation. Whereas previously, it was fear of financial collapse in Europe that most troubled investors, those fears migrated to the prospect of self-inflicted wounds by the US on itself. The general trend of economic data continued to be positive, buyers of shares returned, pushing equities higher by the end of 2012. Progress was again halted, this time by the US debt ceiling row, which was only resolved in the new year at the 11th hour with a temporary deal that averted the notorious 'Fiscal Cliff' but did impose the widely disliked 'Sequester'. This consisted of a set of automated spending cuts that would reduce government spending but in a broad brush manner that was disagreeable to both Republican and Democrat alike. Although this was in itself a threat to the economy, with the bulk of the tax rises that comprised the cliff negotiated away, it was a manageable threat. The level of the debt ceiling was extended but remains amentally unresolved.

With these issues parked, US equities resumed their ascent as the economy continued to grow in spite of the threatened government cuts. The cuts were in fact a genuine issue with some companies, especially technology companies, blaming weak government orders for poor earnings. Meanwhile headline unemployment continued to fall as other indicators economic strengthened. This gave rise to the second great domestic theme of 2013, the 'Taper on, Taper off' trade. With the economy relentless improving, the stock market rising and Ben Bernanke shortly retiring, this raised the question of when the Federal Reserve might commence winding down its policy of Quantitative Easing (QE). QE has arguably inflated asset prices including equities, so theoretically the cessation of QE could bring share prices down again. This gave rise to the somewhat perverse situation where good economic data caused share prices to wobble as it hastened the likelihood of QE being slowly reduced or tapered. Ultimately these patches of weakness were typically bought by investors, driving the S&P higher as the year progressed. Towards the end of the period trouble flared on Capitol Hill again, this time over the failure to agree the US Federal budget. This stalemate led to a 'Government Shut Down' on October 1st for 17 days. Although not quite as dramatic as it sounds, this was potentially very damaging to GDP and indeed some company earnings. But again, once the crisis was resolved with yet another limited deal, investors simply shrugged off the situation leading to a strong finish for the S&P in November.

The Cavendish North American Fund itself saw reasonable good performance for most of the first half but not the second. Given the sub-fund's approach of pure stock selection has been a difficult strategy to successfully execute in the market conditions of the last two years, the decision was taken to substantially increase the sub-funds exposure to the large cap index stocks in order to better balance the portfolio. The transition was successfully completed in July. This proved to be something of a drag on performance in the first instance as some of the largest names in the DOW index had a poor summer compared to the S&P as a whole. In terms of the individual investments, the worst performers of the year by far were NII and Verifone which fell 45% and 40% respectively. The sub-fund did have some very notable successes with Deckers, Boeing, Alere and Spirit Airlines up 99%, 98%, 79% and 68% respectively.

CAVENDISH NORTH AMERICAN FUND
AUTHORISED CORPORATE DIRECTOR’S REPORT (continued)
as at 15th November 2013

MARKET OUTLOOK

As we have already alluded, the overriding investment theme for the US is likely to be the tension between the deflating effect of the QE taper and the underlying strength or otherwise of the US economy. A few weeks after the sub-funds year end, the Federal Reserve announced to the surprise of some that QE would be reduced by \$10bn a month subject to on-going review. If the US economy experiences further GDP growth and falling unemployment, QE will probably be tapered further. Ultimately that probably doesn’t matter if it is not seen to be impacting earnings. A sudden stall would be a major problem but in that instance there would be no more taper. The real crunch will be when US interest rates are raised. Ben Bernanke’s successor as Federal Reserve Chairman, Janet Yellen, is already known to be very dovish on this issue, so even though unemployment is steadily falling towards the target level of 6.5%, it is unlikely to become a problem until 2015.

With a reasonably clear year ahead bar more debt ceiling rows, that leaves the question of equity valuation. The S&P 500 is on a PE multiple of just over 17 times. That is higher end of the range but not excessive. A similar multiple of yearend earnings 2014 would support an S&P of 2000 or more which is a decent double digit return.

Top 5 purchases during the year

Chevron
Visa Inc-Class A Shares
United Technologies
Goldman Sachs Group
3M

Top 5 sales during the year

Lockheed Martin
Kraft Foods Group
NII
Quanta Services
Royal Caribbean

Cavendish Asset Management Limited
28th February 2014

CAVENDISH NORTH AMERICAN FUND

PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	44,910,054
2012	46,265,002
2013*	67,536,061

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	124.00	12,220
2012	125.47	36,361
2013*	157.64	29,443

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	126.38	35,522,606
2012	128.16	36,063,584
2013*	161.35	41,829,260

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	120.20	92.53
2010	143.20	112.70
2011	148.00	111.50
2012	137.90	123.30
2013*	161.70	132.60

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	121.20	93.04
2010	145.20	114.20
2011	150.20	113.60
2012	140.90	125.80
2013*	166.00	135.60

* to 15th November 2013

** the Cavendish North American Fund launched on 15th May 2009

CAVENDISH NORTH AMERICAN FUND

PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

Calendar year	Pence per Share (net)
2009*	0.0114
2010	-
2011	-
2012	-
2013**	-

Class B Income Shares

Calendar year	Pence per Share (net)
2009*	0.0115
2010	0.3105
2011	0.2022
2012	0.6516
2013**	0.9051

* The Cavendish North American Fund launched on 15th May 2009

** to 15th November 2013

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.58
15/11/2013	1.58

Class B Income Shares

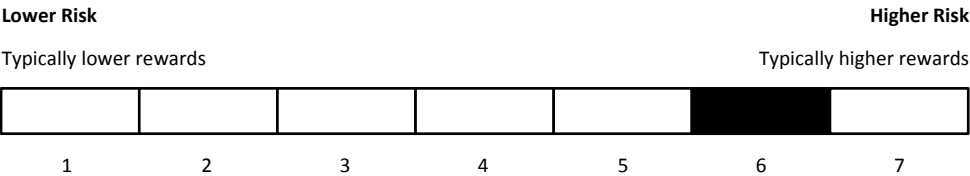
As at	%
15/11/2012	0.83
15/11/2013	0.83

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH NORTH AMERICAN FUND
PERFORMANCE RECORD (continued)
 as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the Fund's ranking on the risk and reward indicator.

CAVENDISH NORTH AMERICAN FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding		Bid- Market Value £	Percentage of total net assets %
Aerospace & Defence 7.47% (4.45%)			
9,041	BE Aerospace	475,543	0.70
23,241	Boeing	1,952,929	2.89
8,925	Lockheed Martin	767,562	1.14
27,320	United Technologies	1,847,051	2.74
		5,043,085	7.47
Biotechnology 1.51% (0.00%)			
23,809	Gilead Sciences	1,021,285	1.51
Chemicals 2.00% (0.00%)			
18,178	El DU Pont De Nemours	698,558	1.03
17,824	Scotts Miracle - Gro 'A'	653,689	0.97
		1,352,247	2.00
Commercial Banks 7.84% (8.94%)			
160,944	Bank of America	1,480,647	2.19
47,630	Citigroup	1,486,984	2.20
37,315	JPMorgan Chase	1,262,441	1.87
14,873	Northern Trust	529,087	0.78
29,766	Zions Bancorporation	538,978	0.80
		5,298,137	7.84
Communication Services 0.00% (1.27%)			
Computers & Peripherals 2.84% (8.00%)			
4,446	Apple	1,460,641	2.16
40,132	Aruba Networks	458,323	0.68
		1,918,964	2.84
Construction & Engineering 6.55% (9.75%)			
21,130	Beacon Roofing Supply	462,254	0.68
22,369	Caterpillar	1,165,445	1.73
35,684	D.R. Horton	434,827	0.64
28,267	Home Depot	1,387,987	2.06
51,933	Quanta Services	970,725	1.44
		4,421,238	6.55
Consumer Finance 4.90% (2.13%)			
27,454	American Express	1,398,273	2.07

CAVENDISH NORTH AMERICAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Consumer Finance (continued)		
15,347 Visa Inc-Class A Shares	1,910,487	2.83
	3,308,760	4.90
Diversified Financial Services 3.54% (0.00%)		
11,901 CME Group	583,557	0.86
17,849 Goldman Sachs Group	1,811,935	2.68
	2,395,492	3.54
Diversified Telecommunication 3.15% (4.32%)		
35,746 AT&T	781,558	1.16
15,965 Cisco Systems	212,317	0.31
124,980 NII	223,116	0.33
29,063 Verizon Communications	908,416	1.35
	2,125,407	3.15
Electrical Components 0.63% (1.24%)		
23,799 General Cable	427,084	0.63
Energy 1.30% (3.13%)		
15,170 Schlumberger	880,297	1.30
Engineering 1.93% (1.20%)		
23,079 Allegheny Technologies	481,348	0.71
16,951 General Electric	284,476	0.42
22,600 General Motors	541,225	0.80
	1,307,049	1.93
Food & Staples Retailing 2.28% (2.27%)		
20,831 Fresh Market	658,107	0.97
26,790 Kraft Foods Group	883,529	1.31
	1,541,636	2.28
Food, Beverage & Tobacco 1.53% (5.69%)		
41,266 Coca-Cola	1,032,131	1.53
Health Care 3.27% (0.00%)		
21,423 3M	1,729,404	2.56
16,904 HCA	481,890	0.71
	2,211,294	3.27

CAVENDISH NORTH AMERICAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Hotels and Motels 6.55% (6.96%)		
14,883 Las Vegas Sands	660,808	0.98
31,156 McDonald's	1,890,503	2.80
23,810 Royal Caribbean	648,105	0.96
28,077 Walt Disney	1,222,698	1.81
	4,422,114	6.55
Industrial Goods 0.00% (3.85%)		
Insurance 4.01% (4.99%)		
28,139 Travelers	1,544,306	2.29
26,130 UnitedHealth Group	1,160,990	1.72
	2,705,296	4.01
Mining 0.55% (1.08%)		
77,239 Alpha Natural Resources	371,866	0.55
Oil Equipment & Services 2.84% (3.62%)		
33,025 Exxon Mobil	1,914,758	2.84
Oil & Gas 6.38% (3.73%)		
29,766 Cabot Oil & Gas Corp	613,965	0.91
27,406 Chevron	2,037,998	3.02
8,926 Concho Resources	617,127	0.91
12,678 Halliburton	443,590	0.66
56,539 Weatherford International	597,165	0.88
	4,309,845	6.38
Pharmaceuticals 6.54% (5.39%)		
40,177 Alere	842,451	1.25
36,881 Johnson & Johnson	2,154,154	3.19
28,914 Merck	859,875	1.27
28,045 Pfizer	558,057	0.83
	4,414,537	6.54
Retail 8.22% (4.02%)		
3,685 Amazon.com	841,798	1.25
14,883 Deckers Outdoor	714,040	1.06
21,511 Nike	1,052,235	1.56
28,714 Procter & Gamble	1,505,849	2.23

CAVENDISH NORTH AMERICAN FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Retail (continued)		
29,063 Wal-Mart Stores	1,429,784	2.12
	5,543,706	8.22
Sand and Gravel 0.70% (0.00%)		
22,760 US Silica	471,297	0.70
Software & Programming 0.00% (1.68%)		
Technology 6.64% (5.94%)		
1,356 Google	872,929	1.29
26,123 Intel	396,155	0.59
20,759 International Business Machines	2,352,812	3.48
36,491 Microsoft	862,991	1.28
	4,484,887	6.64
Transportation 2.91% (1.56%)		
14,898 Harley Davidson	610,970	0.90
25,235 Spirit Airlines	703,846	1.05
47,629 Swift Transportation	650,597	0.96
	1,965,413	2.91
Portfolio of Investments 96.08% (95.21%)	64,887,825	96.08
Net other assets	2,648,236	3.92
Net assets	67,536,061	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH NORTH AMERICAN FUND

STATEMENT OF TOTAL RETURN

for the year ended 15th November 2013

	Notes	15/11/13 £'000	15/11/12 £'000
Income			
Net capital gains	2	12,290	584
Revenue	3	924	730
Expenses	4	(459)	(393)
Finance costs: Interest	6	-	-
Net revenue before taxation		465	337
Taxation	5	(130)	(100)
Net revenue after taxation		335	237
Total return before distributions		12,625	821
Finance costs: Distributions	6	(335)	(235)
Change in net assets attributable to shareholders from investment activities		12,290	586

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 15th November 2013

	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders	46,265	44,910
Amounts receivable on issue of shares	10,431	4,266
Amounts payable on cancellation of shares	(1,450)	(3,497)
	8,981	769
Dilution levy	-	-
Change in net assets attributable to shareholders from investment activities (see above)	12,290	586
Closing net assets attributable to shareholders	67,536	46,265

CAVENDISH NORTH AMERICAN FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			64,888		44,049
Debtors	8	1,323		144	
Cash and bank balances		2,215		2,935	
Total other assets			3,538		3,079
Total assets			68,426		47,128
LIABILITIES					
Creditors	9	(511)		(628)	
Distribution payable on income shares		(379)		(235)	
Total liabilities			(890)		(863)
Net assets attributable to shareholders			67,536		46,265

CAVENDISH NORTH AMERICAN FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	12,136	533
Forward currency contracts	2	-
Currency gains	155	53
Security transaction charges	(3)	(2)
Net capital gains	12,290	584

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	924	730
	924	730

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	420	358
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	25	23
Safe custody charges	3	2
	28	25
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	4	3
	11	10
Total expenses	459	393

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Overseas withholding tax	130	100
Current tax charge (note 5b)	<u>130</u>	<u>100</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>465</u>	<u>337</u>
Corporation tax at 20% (2012: 20%)	93	67
Effects of:		
Overseas withholding tax	130	100
Current period expenses not utilised	92	79
Overseas dividends not taxable	(176)	(146)
Tax payable in different periods	<u>(9)</u>	<u>-</u>
Current tax charge for the year (note 5a)	<u>130</u>	<u>100</u>

At the year end there was an unrecognised deferred tax asset of £330,927 (2012: £239,203) in relation to unutilised management expenses £165,464 (2012: £119,602). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	-	-
Class B Income Shares	379	235
	<u>379</u>	<u>235</u>
Add: Revenue deducted on cancellation of shares	5	11
Deduct: Revenue received on issue of shares	(49)	(11)
	<u>335</u>	<u>235</u>
Finance costs: Distributions		
Interest	-	-
Total finance costs	<u>335</u>	<u>235</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	335	237
	<u>335</u>	<u>237</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	74	36
Amounts receivable for issue of shares	1,247	2
Prepaid expense	2	106
	<u>1,323</u>	<u>144</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	31	24
Purchases awaiting settlement	480	604
	<u>511</u>	<u>628</u>

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish Asset Management Limited as at 15th November 2013 held 625,909 shares in Cavendish North American Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's service charge are disclosed in note 4. The balance due at the year end was £20,349 (2012: £14,630).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 7 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary Assets/Liabilities £'000	Non Monetary Assets £'000	Total £'000	%
Sterling	326	840	1,166	1.73
US dollar	1,889	64,481	66,370	98.27
	2,215	65,321	67,536	100.00

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities £'000	Non Monetary Assets £'000	Total £'000	%
Sterling	267	(861)	(594)	(1.28)
US dollar	2,668	44,191	46,859	101.28
	2,935	43,330	46,265	100.00

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in equities, which do not pay interest. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Sterling	326	-	1,249	1,575
US dollar	1,889	-	64,962	66,851
	2,215	-	66,211	68,426

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	409	409
US dollar	-	-	481	481
	-	-	890	890

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Sterling	267	-	2	269
US dollar	2,668	-	44,191	46,859
	2,935	-	44,193	47,128

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Financial Liabilities £'000	Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	604	604
	-	-	604	604

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

CAVENDISH NORTH AMERICAN FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 150. The distribution per share class is given in the distribution tables on page 167. All classes have the same rights on winding up.

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	55,111	47,508
Commissions	105	119
Total purchase costs	<u>105</u>	<u>119</u>
Gross purchases total	<u><u>55,216</u></u>	<u><u>47,627</u></u>
Analysis of total sale costs:		
Gross sales before transaction costs	46,610	45,762
Commissions	(94)	(114)
Taxes	(3)	(1)
Total sale costs	<u>(97)</u>	<u>(115)</u>
Total sales net of transaction costs	<u><u>46,513</u></u>	<u><u>45,647</u></u>

CAVENDISH NORTH AMERICAN FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net Income	Equalisation (note 11)	Distribution Payable 14/03/14	Distribution Paid 15/03/13
Class A Income Shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

	Net Income	Equalisation (note 11)	Distribution Payable 14/03/14	Distribution Paid 15/03/13
Class B Income Shares				
Group 1	0.9051	-	0.9051	0.6516
Group 2	0.1944	0.7107	0.9051	0.6516

CAVENDISH TECHNOLOGY FUND
AUTHORISED CORPORATE DIRECTOR’S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

Over the 12 months ending November 15th 2013, the Cavendish Technology Fund B (formerly Institutional) and A (formerly Retail) shares returned 23% and 22.1% respectively. This compares to a return of 27.4% in the FTSE All World Technology Index in Sterling terms. During the period, the benchmark for the sub-fund was changed from the NASDAQ Composite as we believe the FTSE All World Technology Index is more representative of the sub-fund’s global technology investment strategy.

The period began in the aftermath of a disappointing set of third quarter reports from the sector. The US economy continued to weigh upon markets; a late deal in the New Year averted the fiscal cliff, but introduced the sequestration which is a set of automatic spending cuts to reduce Government spending. The debt ceiling was also increased, but this issue has yet to be properly resolved. Despite these problems, the markets still rallied throughout most of the period. October 2013 was again a difficult time for the technology sector as the month began with the US Government shutdown in which all non-exempt government services were halted after Congress failed to agree on the Federal Budget. With many technology companies having exposure to the Federal Government, the shutdown lead to uncertainty within the sector. The situation was resolved with yet another deal and markets were able to recover from this and rallied into November.

The sub-fund itself performed well for most of the year, but poor performance in October and November meant that it underperformed the Index over the period as a whole. Most of this was as a result of the earnings reports for the third quarter of 2013 as the federal budget uncertainty and Asia-Pacific weakness weighed on the sector. Weakness in Mellanox and Teradata was a drag on the sub-fund, but Let’s Gowex and Google performed well.

MARKET OUTLOOK

Despite the uncertainties that existed in the period, the FTSE All World Technology Index reached a new 12 year high. Going into 2014, the first half of the year is traditionally a seasonally weaker time of year for the sector, therefore some volatility may be seen.

However, our longer term view remains more constructive. The sub-fund currently holds a mixture of small, mid and large cap companies weighted towards the US, which should position the sub-fund well to benefit from any increase in share prices.

Going forward, key themes in the technology space for 2014 are the Internet of Things (IoT), big data, cyber security, and the Cloud.

Top 5 purchases during the year

Apple
International Business Machines
Google
Teradata
Samsung Electronics

Top 5 sales during the year

Sourcefire
Equinix
ARM Holdings
ExactTarget
Rackspace Hosting

Cavendish Asset Management Limited
28th February 2014

CAVENDISH TECHNOLOGY FUND

PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	18,666,084
2012	18,614,214
2013*	23,864,228

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	173.89	547,374
2012	171.62	563,677
2013*	209.35	354,213

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	177.85	9,960,447
2012	176.86	9,978,095
2013*	217.19	10,646,341

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	139.50	97.63
2010	180.40	129.10
2011	196.50	146.50
2012	196.60	169.70
2013*	215.00	183.10

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2009**	140.80	98.08
2010	183.30	130.40
2011	199.90	149.60
2012	201.80	173.80
2013*	222.80	188.90

* to 15th November 2013

** the Cavendish Technology Fund launched on 15th May 2009

CAVENDISH TECHNOLOGY FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

	Pence per Share (net)
Calendar year	
2009**	-
2010	-
2011	-
2012	-
2013*	-

Class B Income Shares

	Pence per Share (net)
Calendar year	
2009**	-
2010	-
2011	-
2012	-
2013*	0.1895

* to 15th November 2013

** the Cavendish Technology Fund launched on 15th May 2009

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.62
15/11/2013	1.62

Class B Income Shares

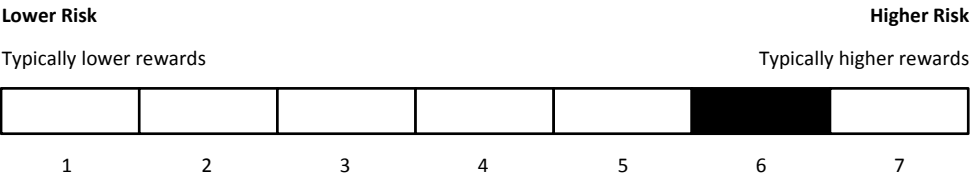
As at	%
15/11/2012	0.87
15/11/2013	0.87

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH TECHNOLOGY FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH TECHNOLOGY FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding		Bid- Market Value £	Percentage of total net assets %
China 2.33% (0.00%)			
4,500	NetEase ADR	185,721	0.78
11,000	Tencent	369,927	1.55
		555,648	2.33
Israel 1.84% (5.64%)			
41,000	Ceragon Networks	68,603	0.29
26,100	Given Imaging	370,155	1.55
		438,758	1.84
Korea 2.59% (1.02%)			
18,000	Duksan Hi-Metal	226,888	0.95
458	Samsung Electronics	391,388	1.64
		618,276	2.59
New Zealand 0.00% (0.79%)			
Spain 3.60% (0.00%)			
100,000	Let'S Gowex	859,118	3.60
Sweden 1.51% (1.35%)			
46,250	Ericsson	360,554	1.51
Taiwan 1.97% (0.46%)			
150,000	CHIPBOND Technology	176,108	0.74
27,000	ChipMOS Technologies	293,235	1.23
		469,343	1.97
United Kingdom 15.19% (12.92%)			
68,500	ARM Holdings	643,558	2.70
354,445	Atelis*	-	-
90,000	CSR	446,760	1.87
1,200,000	Dotdigital	261,000	1.09
38,000	EMIS	229,900	0.96
1,206,896	OMG	322,845	1.35
250,000	Keywords Studios	287,500	1.20
470,589	Kromek	320,001	1.34
1,535,000	Monitise	786,688	3.30
93,728	Sage	328,799	1.38
		3,627,051	15.19

CAVENDISH TECHNOLOGY FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
United States 68.01% (70.64%)		
34,650 Activision Blizzard	381,492	1.60
14,000 Adobe Systems	497,770	2.09
16,500 Altera	333,254	1.40
2,000 Amazon.com	456,878	1.91
5,750 Apple	1,889,043	7.91
19,500 Broadcom	326,648	1.37
17,300 CA	351,563	1.47
16,300 Century Link	322,826	1.35
56,000 Cisco Systems	744,739	3.12
8,000 Citrix System	273,492	1.15
18,500 Constant Contact	321,404	1.35
18,500 Diodes	232,796	0.98
4,500 eBay	147,989	0.62
26,500 Electronic Arts	427,752	1.79
37,300 EMC	550,573	2.31
4,200 Equinix	423,853	1.78
7,000 F5 Networks	365,751	1.53
4,700 Facebook 'A'	143,194	0.60
14,000 FLIR Systems	256,897	1.08
2,500 Google	1,609,383	6.73
11,957 Imperva	300,329	1.26
4,700 International Business Machines	532,695	2.23
61,700 LSI Corporation	314,708	1.32
27,000 Microsemi	389,133	1.63
15,000 Microsoft	354,741	1.49
25,300 Nuance Communications	251,796	1.06
42,500 ON Semiconductor	190,604	0.80
15,000 Oracle	320,685	1.34
15,000 Qlik Technologies	239,698	1.00
15,500 Qualcomm	686,371	2.88
10,000 Rackspace Hosting	259,012	1.09
4,500 Salesforce.com	159,522	0.67
15,000 Servicenow	490,872	2.06
24,600 Skyworks Solutions	398,766	1.67
4,000 Splunk	155,531	0.65
25,000 Take-Two Interactive Software	279,756	1.17
10,000 Teradata	278,792	1.17
15,000 Xilinx	401,207	1.68
4,000 Yelp	167,300	0.70
	16,228,815	68.01

CAVENDISH TECHNOLOGY FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

	Bid- Market Value £	Percentage of total net assets %
Portfolio of Investments 97.04% (92.82%)	23,157,563	97.04
Net other assets	706,665	2.96
Net assets	23,864,228	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

* Temporary Suspended Security

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH TECHNOLOGY FUND

STATEMENT OF TOTAL RETURN

for the year ended 15th November 2013

	Notes	15/11/13 £'000	15/11/12 £'000
Income			
Net capital gains/(losses)	2	4,170	(66)
Revenue	3	232	141
Expenses	4	(188)	(178)
Finance costs: Interest	6	(7)	-
Net revenue/(expense) before taxation		37	(37)
Taxation	5	(24)	(16)
Net revenue/(expense) after taxation		13	(53)
Total return before distributions		4,183	(119)
Finance costs: Distributions	6	(18)	-
Change in net assets attributable to shareholders from investment activities		4,165	(119)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 15th November 2013

	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders	18,614	18,666
Amounts receivable on issue of shares	3,273	2,088
Amounts payable on cancellation of shares	(2,188)	(2,021)
	1,085	67
Change in net assets attributable to shareholders from investment activities (see above)	4,165	(119)
Closing net assets attributable to shareholders	23,864	18,614

CAVENDISH TECHNOLOGY FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			23,158		17,279
Debtors	8	518		31	
Cash and bank balances		255		1,374	
Total other assets			773		1,405
Total assets			23,931		18,684
LIABILITIES					
Creditors	9	(47)		(22)	
Bank overdrafts		-		(48)	
Distribution payable on income shares		(20)		-	
Total liabilities			(67)		(70)
Net assets attributable to shareholders			23,864		18,614

CAVENDISH TECHNOLOGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	4,168	(61)
Currency gains/(losses)	1	(4)
Forward currency contracts	2	-
Security transaction charges	(1)	(1)
Net capital gains/(losses)	4,170	(66)

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	204	117
UK dividends	28	24
	232	141

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	165	156
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	10	10
Safe custody charges	2	1
	12	11
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	4	4
	11	11
Total expenses	188	178

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Overseas withholding tax	24	16
Current tax charge (note 5b)	<u>24</u>	<u>16</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>37</u>	<u>(37)</u>
Corporation tax at 20% (2012: 20%)	7	(7)
Effects of:		
UK dividends	(5)	(5)
Overseas withholding tax	24	16
Current period expenses not utilised	38	36
Overseas dividends not taxable	(41)	(24)
Excess Non trade loan deficits not utilised	<u>1</u>	<u>-</u>
Current tax charge for the year (note 5a)	<u>24</u>	<u>16</u>

At the year end there was an unrecognised deferred tax asset of £131,630 (2012: £94,011) in relation to unutilised management expenses of £658,152 (2012: £470,056). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Final		
Class A Income Shares	-	-
Class B Income Shares	20	-
	<u>20</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	(2)	-
	<u>18</u>	<u>-</u>
Finance costs: Distributions		
Interest	7	-
Total finance costs	<u>25</u>	<u>-</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	13	(53)
Add: Deficit transferred to capital	5	53
	<u>18</u>	<u>-</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	6	8
Amounts receivable for issue of shares	510	21
Prepaid expense	2	2
	<u>518</u>	<u>31</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	16	15
Amounts payable for cancellation of shares	31	7
	<u>47</u>	<u>22</u>

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish Asset Management Limited as at 15th November 2013 held 387,598 share in Cavendish Technology Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £7,485 (2012: £6,123).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 8 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary	Non Monetary		
	Assets/Liabilities	Assets	Total	
	£'000	£'000	£'000	%
Euro	-	859	859	3.60
Hong Kong dollar	-	370	370	1.55
South-Korean won	-	618	618	2.59
Sterling	704	3,627	4,331	18.15
Swedish krona	-	361	361	1.51
Taiwan dollar	2	176	178	0.75
US dollar	-	17,147	17,147	71.85
	706	23,158	23,864	100.00

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Foreign currency risk (continued)*

Currency exposure as at 15th November 2012

	Monetary Assets/Liabilities £'000	Non Monetary Assets £'000	Total £'000	%
South-Korean won	-	190	190	1.02
Sterling	104	2,332	2,436	13.05
Swedish krona	-	252	252	1.35
Taiwan dollar	20	306	326	1.75
US dollar	1,211	14,199	15,410	82.83
	1,335	17,279	18,614	100.00

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in equities, which do not pay interest.) Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Financial Fixed Rate Assets £'000	Assets not carrying Interest £'000	Total £'000
Euro	-	-	859	859
Hong Kong dollar	-	-	370	370
South-Korean won	-	-	618	618
Sterling	253	-	4,145	4,398
Swedish krona	-	-	361	361
Taiwan dollar	2	-	176	178
US dollar	-	-	17,147	17,147
	255	-	23,676	23,931

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	67	67
	-	-	67	67

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Financial Fixed Rate Assets £'000	Assets not carrying Interest £'000	Total £'000
South-Korean won	-	-	190	190
Sterling	143	-	2,363	2,506
Swedish krona	-	-	252	252
Taiwan dollar	20	-	306	326
US dollar	1,211	-	14,199	15,410
	<u>1,374</u>	<u>-</u>	<u>17,310</u>	<u>18,684</u>

	Floating Rate Financial Liabilities £'000	Financial Fixed Rate Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	48	-	22	70
	<u>48</u>	<u>-</u>	<u>22</u>	<u>70</u>

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 170. The distribution per share class is given in the distribution tables on page 186. All classes have the same rights on winding up.

CAVENDISH TECHNOLOGY FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13	15/11/12
	£'000	£'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	8,591	3,096
Commissions	20	7
Taxes	2	2
Total purchase costs	<u>22</u>	<u>9</u>
Gross purchases total	<u>8,613</u>	<u>3,105</u>
Analysis of total sale costs:		
Gross sales before transaction costs	6,919	3,328
Commissions	(16)	(5)
Taxes	(1)	-
Total sale costs	<u>(17)</u>	<u>(5)</u>
Total sales net of transaction costs	<u>6,902</u>	<u>3,323</u>

CAVENDISH TECHNOLOGY FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class A Income Shares			15/03/14	15/03/13
Group 1	-	-	-	-
Group 2	-	-	-	-

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class B Income Shares			15/03/14	15/03/13
Group 1	0.1895	-	0.1895	-
Group 2	0.0578	0.1317	0.1895	-

CAVENDISH UK BALANCED INCOME FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Class 'A' and Class 'B' units returned 21.9% and 22.7% respectively. This compared to a benchmark return of 24.2% in the FTSE All-Share Index.

The Cavendish UK Balanced Income Fund comprises a mix of equities and fixed interest stocks, in the UK and overseas.

In order to comply with investment management association (IMA) guidelines, the UK Balanced Income Fund should comprise no less than 20% of its holdings by value in fixed interest stocks and should produce a dividend yield after expenses of at least 120% of that available from the FTSE All-Share Index. To produce this income yield, investments are held in corporate bonds and in equities with relatively high dividend yields.

The 12 month period to mid-November 2013 saw a significant rise in the UK equity market. This was helped by increasing evidence that economic activity in the UK was beginning to improve, and that economic growth was resuming. Business and investor confidence improved throughout the period. The result was increasing investor appetite for equities, with corresponding re-ratings of company shares. As a result, the market as a whole saw considerable growth in capital values.

Although company profits continue to improve over the period, the increase in profits, and hence dividends paid to investors, has not kept pace with the increase in share values. As a result, dividend yields fell over the period.

Additionally, the financial crisis of 2008 left many investors risk-averse and as a result many shares, with good, solid, dividend yields, were depressed. Over the past year of so many of these stocks have recovered strongly and as a result no longer offer yields attractive enough for the balanced Fund. We believe that those equities that still offer attractive dividend yields have lower-than-average growth prospects and accordingly, going forwards we would expect to see only moderate capital appreciation in the balanced Fund.

We have flagged for some time that interest rates are at a cyclical low, and that this cannot be good for the bond market. We continue to hold bonds in the portfolio for income/yield purposes, but maintain weightings towards the lower end of that permitted, and with bond durations that average less than 5 years across the portfolio. Although the outlook for interest rates is flat to negative, improving credit conditions have helped the bond portfolio through narrowing of the yield premium.

MARKET OUTLOOK

Although we believe that the Balanced Fund portfolio is well-based, we expect to see markets trade broadly sideways for the next few months. We expect to see upwards pressure on interest rates towards the end of 2014 and although we have faith in the economic recovery, we believe that markets will require more tangible evidence that the recovery is broad and strong before they move substantially upwards.

Top 5 purchases during the year

Esure Group
Henderson Group
Rio Tinto
L&G Group
Barclays

Top 5 sales during the year

GKN
Rathbone
Halfords
Hill (William)
British Airways 8.75% 23/08/2016

Cavendish Asset Management Limited
28th February 2014

CAVENDISH UK BALANCED INCOME FUND PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	21,550,029
2012	25,718,706
2013*	32,645,578

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	99.51	10,000
2012	111.33	42,061
2013*	130.18	236,008

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	100.73	21,385,013
2012	113.79	22,560,353
2013*	133.83	24,163,546

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2010**	108.70	96.54
2011	111.70	95.09
2012	116.20	95.74
2013*	133.50	116.90

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2010**	109.50	97.16
2011	112.70	96.36
2012	118.80	97.35
2013*	137.50	119.60

* to 15th November 2013

** the Cavendish UK Balanced Income Fund launched on 15th May 2010

CAVENDISH UK BALANCED INCOME FUND PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

	Pence per Share (net)
Calendar year	
2010**	1.6509
2011	5.0355
2012	5.1955
2013*	5.5818

Class B Income Shares

	Pence per Share (net)
Calendar year	
2010**	1.9695
2011	5.0355
2012	5.1955
2013*	5.5818

* to 15th November 2013

** the Cavendish UK Balanced Income Fund launched on 15th May 2010

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.37
15/11/2013	1.36

Class B Income Shares

As at	%
15/11/2012	0.62
15/11/2013	0.61

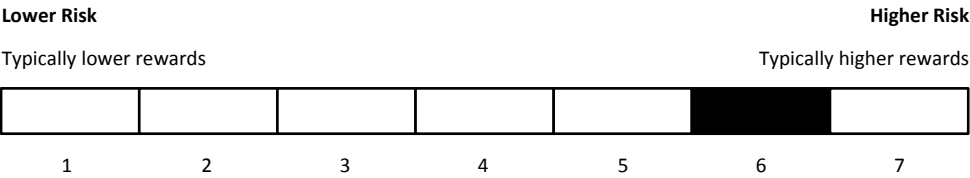
The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH UK BALANCED INCOME FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of loosing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH UK BALANCED INCOME FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
EQUITIES 76.10% (71.81%)		
UNITED KINGDOM 65.98% (62.45%)		
Aerospace & Defence 1.97% (1.70%)		
143,000 BAE Systems	642,642	1.97
Automobiles & Parts 0.68% (1.60%)		
28,300 Ford Otomotiv Sanayi	221,040	0.68
Banks 3.12% (1.23%)		
187,500 Barclays	470,250	1.44
80,000 HSBC Holdings	548,240	1.68
	1,018,490	3.12
Beverages 2.36% (3.01%)		
130,000 Britvic	768,950	2.36
Construction Services 4.78% (3.54%)		
135,000 Carillion	408,375	1.25
35,000 Galliford Try	376,250	1.15
45,000 Kier	776,250	2.38
	1,560,875	4.78
Electrical Components 2.77% (1.50%)		
135,000 Laird	337,635	1.03
27,500 Scottish & Southern Energy	382,800	1.17
100,000 Zytronic	187,000	0.57
	907,435	2.77
Financial 3.80% (2.97%)		
38,600 Close Brothers	474,780	1.45
350,000 Henderson Group	767,900	2.35
	1,242,680	3.80
Food Producers 5.78% (6.41%)		
79,000 Dairy Crest	408,825	1.25
60,000 Tate & Lyle	483,300	1.48
135,000 Tesco	477,563	1.46
21,100 Unilever	519,482	1.59
	1,889,170	5.78

CAVENDISH UK BALANCED INCOME FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
General Retail 4.78% (7.78%)		
1,080,000 Bosideng International Holdings	132,562	0.41
109,000 Brown (N)	574,430	1.76
90,000 Rexam	453,600	1.39
150,000 WM Morrison Supermarkets	397,950	1.22
	1,558,542	4.78
Healthcare 1.09% (1.13%)		
40,000 Consort Medical	354,400	1.09
Life Insurance 7.82% (4.39%)		
140,000 Aviva	608,160	1.86
211,794 Esure Group	481,408	1.47
335,000 L&G Group	711,205	2.18
222,000 Standard Life	755,688	2.31
	2,556,461	7.82
Mining 1.82% (0.00%)		
18,250 Rio Tinto	592,943	1.82
Oil Equipment & Services 4.72% (4.40%)		
140,000 BP	681,380	2.09
92,500 Centrica	312,558	0.96
25,000 Royal Dutch Shell 'B'	544,500	1.67
	1,538,438	4.72
Pharmaceuticals & Biotechnology 1.97% (2.80%)		
5,600 AstraZeneca	184,772	0.57
28,400 GlaxoSmithKline	456,672	1.40
	641,444	1.97
Real Estate Operations 3.61% (3.28%)		
70,000 British Land	431,200	1.32
475,000 Safestore	748,124	2.29
	1,179,324	3.61
Support Services 3.65% (3.11%)		
625,000 Begbies Traynor Group	243,750	0.75
80,000 Hargreaves	945,599	2.90
	1,189,349	3.65

CAVENDISH UK BALANCED INCOME FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Telecommunication 2.61% (2.28%)		
365,000 Vodafone	852,823	2.61
Tobacco 3.65% (4.49%)		
16,701 British American Tobacco	565,412	1.73
26,000 Imperial Tobacco	627,380	1.92
	1,192,792	3.65
Travel & Leisure 5.00% (6.83%)		
140,000 Cineworld	506,100	1.55
456,000 Marston's	681,264	2.09
80,000 Restaurant	445,200	1.36
	1,632,564	5.00
Brazil 1.34% (1.27%)		
28,900 AES	156,693	0.48
65,000 Banco Pine Preference	179,968	0.55
8,300 Telefonica Brazil	99,820	0.31
	436,481	1.34
Cayman Islands 0.87% (0.00%)		
335,000 Pacific Textiles Holdings	283,799	0.87
China 0.70% (0.00%)		
800,000 Bank of China 'H'	229,760	0.70
Hong Kong 1.06% (1.27%)		
610,000 Giordano International	347,449	1.06
Italy 0.74% (0.88%)		
16,135 ENI	242,819	0.74
Singapore 3.19% (2.73%)		
219,828 Ascendas Real Estate Investment Trust	250,957	0.77
165,000 Ascott Residence	100,352	0.31
33,000 Ascott Residence Rights	3,619	0.01
644,965 Fortune Real Estate	322,349	0.99
560,000 QUE Hospitality	244,274	0.75
7,500 XP Power	118,200	0.36
	1,039,751	3.19

CAVENDISH UK BALANCED INCOME FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Switzerland 1.00% (1.01%)		
5,910 Swiss Reinsurance	326,553	1.00
Turkey 1.22% (2.20%)		
69,650 Cimsa	274,129	0.84
64,000 Turk Telekomunikasi	124,970	0.38
	399,099	1.22
Bonds 22.65% (25.19%)		
Brazilian Real Denominated Bonds 1.19% (0.97%)		
1,500,000 Morgan Stanley 10.09% 03/05/2017	387,586	1.19
US Dollar Denominated Bonds 3.67% (2.04%)		
385,000 Agile Property 9.875% 20/03/2017	261,268	0.81
680,000 China Automation 7.75% 20/04/2016	423,155	1.30
400,000 LA Mondiale 7.62% 23/04/2019	262,512	0.80
400,000 Noble Group 8.50% 01/11/2049	247,451	0.76
	1,194,386	3.67
Sterling Denominated Bonds 17.79% (22.18%)		
480,000 Beazley 7.25% 17/10/2026	486,000	1.49
270,000 Bupa Finance 6.125% 31/12/2049	283,838	0.87
210,000 Cable & Wireless 8.625% 25/03/2019	237,235	0.73
535,000 Co-operative Bank 9.25% 28/04/2021	415,294	1.27
600,000 Country Garden Holdings 7.50% 10/01/2023	361,484	1.11
200,000 Dexia Credit Local 01/04/2014	200,100	0.61
298,000 Enterprise Inns 6.5% 06/12/2018	308,609	0.95
218,000 F&C Asset 9% 20/12/2016	239,556	0.73
620,000 HBOS 6.461% 12/12/2049	621,860	1.90
569,000 Investec Finance FRN 6.48% 01/03/2016	534,860	1.64
285,000 Jaguar Land Rover 8.125% 15/05/2018	309,368	0.95
440,000 LBG Capital 7.8673% 17/12/2019	459,976	1.41
379,000 Old Mutual 6.376% 31/01/2049	363,806	1.11
250,000 SVG Capital 8.25% 05/06/2016	272,363	0.83
350,000 Tullett Prebon 7.04% 06/07/2016	371,361	1.14
330,000 Workspace Group 6.00% 09/10/2019	343,365	1.05
	5,809,075	17.79

CAVENDISH UK BALANCED INCOME FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

	Bid- Market Value £	Percentage of total net assets %
Portfolio of Investments 98.75% (97.00%)	32,237,120	98.75
Net other assets	408,458	1.25
Net assets	32,645,578	100.00

Note: Securities shown in the portfolio are ordinary shares and bonds unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH UK BALANCED INCOME FUND

STATEMENT OF TOTAL RETURN

for the year ended 15th November 2013

	Notes	15/11/13 £'000	15/11/12 £'000
Income			
Net capital gains	2	4,616	2,900
Revenue	3	1,572	1,370
Expenses	4	(180)	(143)
Finance costs: Interest	6	-	-
Net revenue before taxation		1,392	1,227
Taxation	5	(88)	(84)
Net revenue after taxation		1,304	1,143
Total return before distributions		5,920	4,043
Finance costs: Distributions	6	(1,304)	(1,143)
Change in net assets attributable to shareholders from investment activities		4,616	2,900

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 15th November 2013

	15/11/13 £'000	15/11/12 £'000
Opening net assets attributable to shareholders	25,719	21,550
Amounts receivable on issue of shares	4,287	2,317
Amounts payable on cancellation of shares	(1,972)	(1,048)
	2,315	1,269
Stamp duty reserve tax	(4)	-
Change in net assets attributable to shareholders from investment activities (see above)	4,616	2,900
Closing net assets attributable to shareholders	32,646	25,719

CAVENDISH UK BALANCED INCOME FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			32,237		24,948
Debtors	8	551		1,071	
Cash and bank balances		276		886	
Total other assets			827		1,957
Total assets			33,064		26,905
LIABILITIES					
Creditors	9	(95)		(928)	
Distribution payable on income shares		(323)		(258)	
Total liabilities			(418)		(1,186)
Net assets attributable to shareholders			32,646		25,719

CAVENDISH UK BALANCED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS

The net capital gains on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	4,611	2,880
Currency gains	7	21
Forward currency contracts	-	1
Security transaction charges	(2)	(2)
Net capital gains	4,616	2,900

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Bank interest	-	1
Interest on debt securities	529	474
Overseas dividends	214	163
UK dividends	784	714
Net franked REIT revenue	26	2
Unfranked REIT revenue	19	16
	1,572	1,370

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	150	118
Payable to the Depositary or associates of the Depositary:		
Depositary's fees	14	11
Safe custody charges	5	4
	19	15
Other expenses:		
Audit fees	6	6
VAT on audit fees	1	1
Legal fees	1	-
Price publication fees	3	3
	11	10
Total expenses	180	143

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13	15/11/12
	£'000	£'000
a) Analysis of charge in year:		
Corporation tax	78	71
Overseas withholding tax	10	13
Current tax charge (note 5b)	<u>88</u>	<u>84</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	<u>1,392</u>	<u>1,227</u>
Corporation tax at 20% (2012: 20%)	278	245
Effects of:		
UK dividends	-	(143)
Double taxation relief	-	(2)
Overseas withholding tax	10	13
Overseas dividends not taxable	(38)	(28)
Tax payable in different periods	-	(1)
Tax on franked dividend	<u>(162)</u>	<u>-</u>
Current tax charge for the year (note 5a)	<u>88</u>	<u>84</u>

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

6 FINANCE COSTS

Distributions

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

	15/11/13 £'000	15/11/12 £'000
Interim		
Retail shares	-	-
Institutional shares	998	892
Final		
Retail shares	-	-
Institutional shares	323	258
	<u>1,321</u>	<u>1,150</u>
Add: Revenue deducted on cancellation of shares	11	11
Deduct: Revenue received on issue of shares	(28)	(18)
	<u>1,304</u>	<u>1,143</u>
Finance costs: Distributions		
Interest	-	-
Total finance costs	<u>1,304</u>	<u>1,143</u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	1,304	1,143
	<u>1,304</u>	<u>1,143</u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	289	273
Amounts receivable for issue of shares	259	-
Overseas tax recoverable	1	1
Prepaid expense	2	2
Sales awaiting settlement	-	795
	<u>551</u>	<u>1,071</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	17	15
Corporation tax provision	78	71
Purchases awaiting settlement	-	842
	<u>95</u>	<u>928</u>

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis and Michael Rosehill Directors of Cavendish Asset Management Limited as at 15th November held 654,380 and 74,962 shares in Cavendish UK Balanced Income sub-fund respectively.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £6,668 (2012: £5,381).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 8 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2011: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

Currency exposure as at 15th November 2013

	Monetary Assets £'000	Non Monetary Assets £'000	Total £'000	%
Brazilian Real	388	436	824	2.52
Euro	-	243	243	0.74
Hong Kong dollar	-	1,316	1,316	4.03
Israeli shekel	1	-	1	-
Singapore dollar	1	599	600	1.84
Sterling	5,812	21,305	27,117	83.07
Swiss Franc	42	327	369	1.13
Turkish Lira	-	620	620	1.90
US Dollar	1,556	-	1,556	4.77
	7,800	24,846	32,646	100

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Foreign currency risk (continued)*
Currency exposure as at 15th November 2012

	Monetary Assets £'000	Non Monetary Assets £'000	Total £'000	%
Brazilian Real	259	327	586	2.28
Euro	281	226	507	1.97
Hong Kong dollar	-	661	661	2.57
Israeli shekel	119	1	120	0.47
Singapore dollar	5	369	374	1.45
Sterling	5,685	16,059	21,744	84.54
Swiss Franc	23	261	284	1.10
Turkish Lira	-	568	568	2.21
US Dollar	875	-	875	3.40
	7,247	18,472	25,719	100.00

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund invests in fixed rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Adviser being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Brazilian Real	-	388	436	824
Euro	-	-	243	243
Hong Kong dollar	-	-	1,316	1,316
Israeli shekel	-	-	1	1
Singapore dollar	1	-	599	600
Sterling	596	5,084	21,855	27,535
Swiss Franc	42	-	327	369
Turkish Lira	-	-	620	620
US Dollar	247	1,309	-	1,556
	886	6,781	25,397	33,064

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	418	418
	-	-	418	418

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Assets not carrying Interest £'000	Total £'000
Brazilian Real	-	250	336	586
Euro	281	-	226	507
Hong Kong dollar	-	-	661	661
Israeli New Shekel	119	-	1	120
Singapore dollar	-	-	374	374
Sterling	436	5,390	17,104	22,930
Swiss Franc	23	-	261	284
Turkish Lira	-	-	568	568
US Dollar	27	837	11	875
	886	6,477	19,542	26,905

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	1,186	1,186
	-	-	1,186	1,186

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes, Retail and Institutional. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 189. The distribution per share class is given in the distribution tables on page 207 and 208. All classes have the same rights on winding up.

CAVENDISH UK BALANCED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	9,609	6,223
Commissions	17	11
Taxes	19	16
Total purchase costs	<u>36</u>	<u>27</u>
Gross purchases total	<u>9,645</u>	<u>6,250</u>
Analysis of total sale costs:		
Gross sales before transaction costs	6,992	4,685
Commissions	(11)	(9)
Taxes	(1)	(1)
Total sale costs	<u>(12)</u>	<u>(10)</u>
Total sales net of transaction costs	<u>6,980</u>	<u>4,675</u>

CAVENDISH UK BALANCED INCOME FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

1st Interim Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net Income	Equalisation (note 11)	Distribution Payable 15/04/13	Distribution Paid 15/04/12
Retail shares				
Group 1	1.0418	-	1.0418	1.0845
Group 2	0.2313	0.8105	1.0418	1.0845

	Net Income	Equalisation (note 11)	Distribution Payable 15/04/13	Distribution Paid 15/04/12
Institutional shares				
Group 1	1.0418	-	1.0418	1.0845
Group 2	0.7827	0.2591	1.0418	1.0845

2nd Interim Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th February 2013

Group 2: Shares purchased on or after 16th February 2013

	Net Income	Equalisation (note 11)	Distribution Payable 15/07/13	Distribution Paid 15/07/12
Retail shares				
Group 1	1.8044	-	1.8044	1.0417
Group 2	1.3474	0.4570	1.8044	1.0417

	Net Income	Equalisation (note 11)	Distribution Payable 15/07/13	Distribution Paid 15/07/12
Institutional shares				
Group 1	1.8044	-	1.8044	1.0417
Group 2	1.3885	0.4159	1.8044	1.0417

CAVENDISH UK BALANCED INCOME FUND**DISTRIBUTION TABLES (continued)**

for the year ended 15th November 2013

3rd Interim Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th May 2013

Group 2: Shares purchased on or after 16th May 2013

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			15/10/13	15/10/12
Retail shares				
Group 1	1.4121	-	1.4121	1.5668
Group 2	0.5273	0.8848	1.4121	1.5668

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			15/10/13	15/10/12
Institutional shares				
Group 1	1.4121	-	1.4121	1.5668
Group 2	0.6619	0.7502	1.4121	1.5668

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th August 2013

Group 2: Shares purchased on or after 16th August 2013

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Retail shares				
Group 1	1.3235	-	1.3235	1.1425
Group 2	0.7669	1.0211	1.3235	1.1425

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
			14/03/14	15/03/13
Institutional shares				
Group 1	1.3235	-	1.3235	1.1425
Group 2	0.3024	0.5566	1.3235	1.1425

CAVENDISH UK SELECT FUND

AUTHORISED CORPORATE DIRECTOR'S REPORT

as at 15th November 2013

ECONOMIC BACKGROUND AND PERFORMANCE

During the 12 month period under review the Class 'A' and Class 'B' returned 30.9% and 31.8% respectively. This compared to a return of 24.2% in the FTSE All-Share Index.

Investor confidence improved as the year progressed and the many uncertainties such as sovereign debt in Euro-zone countries and the US fiscal-cliff problems receded into the background. Civil unrest continued in a number of Middle East countries and the Chinese growth slowed. A continuing feature was the number of fines being imposed on banks for past misdemeanours. While new uncertainty was created by talk of end to US tapering measures, which could herald a period of rising interest rates. Despite this investors were prepared to commit an increasing proportion of funds to equity shares

In the UK there were signs of an improving economy and a pick- up in the housing market. Back home UK economic growth has been slower than expected. Company profits have generally met or exceeded expectations helped by the low level of interest rates. There have been an increasing number of companies coming to the Stock Market to raise funds and the Royal Mail share offering sparked investor interest. Even though the UK Stock Market had a good rise it is still valued below its long term average rating and pension funds are also underweight in equities. As investors' become less risk averse further funds should be channelled into equity shares.

MARKET OUTLOOK

Stock markets tend to anticipate the future and we would expect the UK economy to improve further. There could well be some obstacles but the chances are that investors will be influenced by the yield attraction and prospects of capital gains. The UK Select sub-fund contains a wide spread of interests in companies which we feel offer attractive long term potential and is well positioned to take advantage of any further market rise.

Top 5 purchases during the year

Tullow Oil
Randgold Resources
Petrofac
Quintain Estates & Development
Esure Group

Top 5 sales during the year

Invensys
Legal and General
AstraZeneca
WM Morrison Supermarkets
Carillion

Cavendish Asset Management Limited
28th February 2014

CAVENDISH UK SELECT FUND PERFORMANCE RECORD

as at 15th November 2013

FUND SIZE

	Total Net Asset Value £
2011	36,186,170
2012	50,642,262
2013*	71,744,842

Class A Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	100.45	14,708
2012	119.57	10,000
2013*	154.13	24,389

Class B Income Shares

	Net Asset Value per Share (pence)	Number of Shares in Issue
2011	100.47	36,003,501
2012	119.62	42,324,473
2013*	154.20	46,503,634

SHARE PRICE RANGE

Class A Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2010**	115.40	93.80
2011	122.50	93.00
2012	128.40	101.30
2013*	159.20	130.30

Class B Income Shares

Calendar year	Highest (pence)	Lowest (pence)
2010**	115.50	93.89
2011	123.00	93.17
2012	128.60	101.40
2013*	159.80	130.50

* to 15th November 2013

** the Cavendish UK Select sub-fund launched on 15th May 2010

CAVENDISH UK SELECT FUND
PERFORMANCE RECORD (continued)

as at 15th November 2013

NET INCOME DISTRIBUTION

Class A Income Shares

	Pence per Share (net)
Calendar year	
2010**	0.2933
2011	1.4235
2012	1.8125
2013*	2.4091

Class B Income Shares

	Pence per Share (net)
Calendar year	
2010**	0.6855
2011	2.2703
2012	2.6508
2013*	3.4724

* to 15th November 2013

** the Cavendish UK Select sub-fund launched on 15th May 2010

ONGOING CHARGES FIGURE

Class A Income Shares

As at	%
15/11/2012	1.58
15/11/2013	1.57

Class B Income Shares

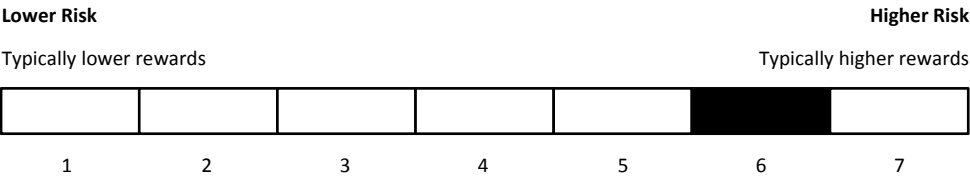
As at	%
15/11/2012	0.83
15/11/2013	0.82

The ongoing charges figure is based on the expenses for the year ending 15th November 2013 and may vary from year to year.

It excludes the costs of buying or selling assets for the sub-fund (unless these assets are shares of another fund).

CAVENDISH UK SELECT FUND
PERFORMANCE RECORD (continued)
as at 15th November 2013

SYNTHETIC RISK AND REWARD INDICATOR



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of loosing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

CAVENDISH UK SELECT FUND

PORTFOLIO STATEMENT

as at 15th November 2013

Holding	Bid-Market Value £	Percentage of total net assets %
UNITED KINGDOM 96.26% (98.87%)		
Aerospace & Defence 7.55% (6.02%)		
250,000 BAE Systems	1,123,500	1.57
440,500 Chemring	902,144	1.26
385,447 Cobham	1,061,136	1.48
250,000 Meggitt	1,276,250	1.78
58,863 Ultra Electronics	1,044,818	1.46
	5,407,848	7.55
Apparel 1.34% (2.35%)		
65,000 Burberry	958,750	1.34
Automobile & Parts 2.06% (1.63%)		
400,000 GKN	1,478,800	2.06
Banks 5.05% (6.55%)		
406,250 Barclays	1,018,875	1.42
2,000,000 Lloyds Banking	1,526,400	2.13
325,000 Royal Bank of Scotland	1,074,450	1.50
	3,619,725	5.05
Construction & Materials 1.34% (4.68%)		
55,551 Kier	958,255	1.34
Electronic & Electrical Equipment 8.43% (6.38%)		
165,000 Halma	943,800	1.32
529,215 Laird	1,323,567	1.84
375,000 Morgan Crucible	1,106,250	1.54
79,001 Renishaw	1,462,309	2.05
55,000 Weir	1,208,900	1.68
	6,044,826	8.43
Food & Drug Retailers 1.48% (1.89%)		
300,000 Tesco	1,061,250	1.48
General Retailers 3.63% (4.72%)		
1,250,000 Debenhams	1,263,750	1.76
268,200 Marks & Spencer	1,343,682	1.87
	2,607,432	3.63

CAVENDISH UK SELECT FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Health Care Equipment & Services 2.19% (3.15%)		
52,672 Smith & Nephew	424,273	0.59
80,000 Smiths Group	1,146,400	1.60
	1,570,673	2.19
Household Goods & Home Construction 5.65% (5.88%)		
175,000 Bovis Homes	1,309,000	1.82
125,000 Persimmon	1,457,500	2.03
1,211,936 Taylor Wimpey	1,288,288	1.80
	4,054,788	5.65
Industrial Engineering 1.98% (3.50%)		
500,000 Senior	1,418,000	1.98
Industrial Mining 7.11% (5.41%)		
125,000 Antofagasta	1,019,375	1.42
50,000 BHP Billiton	969,250	1.35
631,451 Medusa Mining	669,338	0.93
30,000 Randgold Resources	1,388,400	1.94
32,500 Rio Tinto	1,055,925	1.47
	5,102,288	7.11
Life Insurance 4.40% (4.34%)		
260,000 Aviva	1,129,440	1.57
444,000 Esure Group	1,009,212	1.41
300,000 Standard Life	1,021,200	1.42
	3,159,852	4.40
Oil & Gas Producers 8.46% (5.34%)		
100,000 Amec	1,165,000	1.62
475,000 Cairn Energy	1,284,400	1.79
800,000 Enquest	1,070,400	1.49
100,000 Petrofac	1,437,000	2.00
125,000 Tullow Oil	1,121,250	1.56
	6,078,050	8.46
Pharmaceuticals & Biotechnology 4.19% (5.90%)		
300,000 BTG	1,320,600	1.84
60,000 Shire	1,684,800	2.35
	3,005,400	4.19

CAVENDISH UK SELECT FUND
PORTFOLIO STATEMENT (continued)

as at 15th November 2013

Holding	Bid- Market Value £	Percentage of total net assets %
Real Estate 9.14% (6.31%)		
35,000 Daejan Holdings	1,398,250	1.95
950,000 Grainger	1,919,950	2.68
1,500,000 Quintain Estates & Development	1,368,750	1.91
550,000 St. Modwen Properties	1,868,900	2.60
	6,555,850	9.14
Restaurants 3.82% (4.03%)		
875,000 Marstonès	1,307,250	1.82
257,514 Restaurant	1,433,065	2.00
	2,740,315	3.82
Software & Computer Services 2.04% (5.31%)		
247,500 Computacenter	1,462,725	2.04
Support Services 11.31% (10.19%)		
87,630 Babcock International	1,148,829	1.60
80,000 BG Group	1,005,200	1.40
375,000 Brown (N)	1,976,250	2.75
120,000 De La Rue	999,000	1.39
180,000 Domino Printing Sciences	1,222,200	1.70
150,000 Hargreaves Lansdown	1,773,000	2.47
	8,124,479	11.31
Technology Hardware & Equipment 2.77% (2.72%)		
400,000 CSR	1,985,599	2.77
Travel & Leisure 2.32% (2.57%)		
238,618 Wetherspoon (JD)	1,665,554	2.32
Portfolio of Investments 96.26% (98.87%)		
	69,060,459	96.26
Net other assets	2,684,383	3.74
Net assets	71,744,842	100.00

Note: Securities shown in the portfolio are ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 15th November 2012.

CAVENDISH UK SELECT FUND
STATEMENT OF TOTAL RETURN
for the year ended 15th November 2013

	Notes	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Income					
Net capital gains	2		15,088		7,550
Revenue	3	2,042		1,435	
Expenses	4	(510)		(367)	
Finance costs: Interest	6	-		-	
Net revenue before taxation		1,532		1,068	
Taxation	5	-		(2)	
Net revenue after taxation			1,532		1,066
Total return before distributions			16,620		8,616
Finance costs: Distributions	6		(1,532)		(1,066)
Change in net assets attributable to shareholders from investment activities			15,088		7,550

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 15th November 2013

	£'000	15/11/13 £'000	£'000	15/11/12 £'000
Opening net assets attributable to shareholders		50,642		36,186
Amounts receivable on issue of shares	8,437		13,513	
Amounts payable on cancellation of shares	(2,414)		(6,607)	
		6,023		6,906
Stamp duty reserve tax		(8)		-
Change in net assets attributable to shareholders from investment activities (see above)		15,088		7,550
Closing net assets attributable to shareholders		71,745		50,642

CAVENDISH UK SELECT FUND**BALANCE SHEET**

as at 15th November 2013

			15/11/13		15/11/12
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			69,060		50,068
Debtors	8	2,113		191	
Cash and bank balances		1,473		934	
Total other assets			3,586		1,125
Total assets			72,646		51,193
LIABILITIES					
Creditors	9	(47)		(26)	
Distribution payable on income shares		(854)		(525)	
Total liabilities			(901)		(551)
Net assets attributable to shareholders			71,745		50,642

CAVENDISH UK SELECT FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15th November 2013

1 ACCOUNTING POLICIES

The accounting policies are provided on pages 16 and 17 of the aggregated report.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) on investments during the year comprise:

	15/11/13 £'000	15/11/12 £'000
Non-derivative securities	15,089	7,553
Security transaction charges	(1)	(3)
Net capital gains	<u>15,088</u>	<u>7,550</u>

3 REVENUE

	15/11/13 £'000	15/11/12 £'000
Overseas dividends	486	23
UK dividends	1,556	1,412
	<u>2,042</u>	<u>1,435</u>

4 EXPENSES

	15/11/13 £'000	15/11/12 £'000
Payable to the ACD or associates of the ACD:		
ACD service charge	<u>470</u>	<u>334</u>

Payable to the Depositary or associates of the Depositary:

Depositary's fees	27	21
Safe custody charges	<u>3</u>	<u>2</u>
	<u>30</u>	<u>23</u>

Other expenses:

Audit fees	6	6
VAT on audit fees	1	1
Price publication fees	<u>3</u>	<u>3</u>
	<u>10</u>	<u>10</u>
Total expenses	<u>510</u>	<u>367</u>

CAVENDISH UK SELECT FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

5 TAXATION

	15/11/13 £'000	15/11/12 £'000
a) Analysis of charge in year:		
Overseas withholding tax	-	2
Current tax charge (note 5b)	-	2
	<u>-</u>	<u>2</u>
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1532	1,068
Corporation tax at 20% (2012: 20%)	306	214
Effects of:		
UK dividends	(311)	(287)
Current period expenses not utilised	102	73
Overseas dividends not taxable	(97)	-
Overseas withholding tax	-	2
Current tax charge for the year (note 5a)	-	2
	<u>-</u>	<u>2</u>

At the year end there was an unrecognised deferred tax asset of £247,449 (2012: £145,306) in relation to unutilised management expenses of £1,237,247 (2012: £726,530). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise the amount and therefore, no deferred tax asset has been recognized in the current or prior period.

CAVENDISH UK SELECT FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 15th November 2013

6 FINANCE COSTS**Distributions**

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

	15/11/13 £'000	15/11/12 £'000
Interim		
Class A Income Shares	-	-
Class B Income Shares	716	563
Final		
Class A Income Shares	-	-
Class B Income Shares	854	525
	<u>1,570</u>	<u>1,088</u>
Add: Revenue deducted on cancellation of shares	10	31
Deduct: Revenue received on issue of shares	(48)	(53)
Finance costs: Distributions	<u>1,532</u>	<u>1,066</u>
Interest	-	-
Total finance costs	<u><u>1,532</u></u>	<u><u>1,066</u></u>

7 MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	15/11/13 £'000	15/11/12 £'000
Net revenue after taxation	<u>1,532</u>	<u>1,066</u>
	<u><u>1,532</u></u>	<u><u>1,066</u></u>

8 DEBTORS

	15/11/13 £'000	15/11/12 £'000
Accrued revenue	205	186
Amounts receivable for issue of shares	1,906	-
Overseas tax recoverable	-	2
Prepaid expenses	2	2
Recoverable PID tax	-	1
	<u>2,113</u>	<u>191</u>

9 CREDITORS

	15/11/13 £'000	15/11/12 £'000
Accrued expenses	32	26
Amounts payable for cancellation of shares	15	-
	<u>47</u>	<u>26</u>

CAVENDISH UK SELECT FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

10 RELATED PARTIES

Cavendish Asset Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the sub-fund. It acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from Cavendish Asset Management Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Julian Lewis a Director of Cavendish Asset Management Limited as at 15th November held 1,935,000 shares in Cavendish UK Select Fund.

Amounts paid to Cavendish Asset Management Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance due at the year end was £22,021 (2012: £16,127).

Cavendish Asset Management Limited did not enter into any other transactions with the sub-fund during the year.

11 EQUALISATION

Equalisation is accrued revenue included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end date (2012: £nil).

13 FINANCIAL INSTRUMENTS

In pursuing its investment objective set out on page 8 the sub-fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Realised and Unrealised gains/(losses) on forward foreign exchange transactions are taken to capital.

CAVENDISH UK SELECT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (2012: same).

- *Market risk* - is the risk that the value of the sub-fund's investment holdings 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 mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective and policy as set out in the Prospectus. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

- *Foreign currency risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

Sub-fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in GBP.

The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling at the exchange rate prevailing on the transaction date.

- *Interest rate risk* - is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund does not have any direct interest risk rate as majority of financial assets are in equities, which do not pay interest. Further, Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. However, this is considered to be a significant risk for the sub-fund.

The interest rate risk profile of financial assets and liabilities consists of the following:

Interest rate exposure as at 15th November 2013

	Floating Rate Financial Assets £'000	Financial Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	1,473	-	70,272	71,745
	1,473	-	70,272	71,745

CAVENDISH UK SELECT FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Interest rate risk (continued)*

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	901	901
	-	-	901	901

Interest rate exposure as at 15th November 2012

	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not carrying Interest £'000	Total £'000
Sterling	934	-	50,259	51,193
	934	-	50,259	51,193

	Floating Rate Financial Liabilities £'000	Fixed Rate Financial Liabilities £'000	Financial Liabilities not carrying Interest £'000	Total £'000
Sterling	-	-	551	551
	-	-	551	551

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

- *Liquidity risk* - is the risk that the sub-fund will encounter difficulty in meeting the obligation associated with its financial liabilities or other obligations that are settled by delivering cash or cash equivalents.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell and there is risk that the sub-fund may not be able to raise sufficient cash to meet this obligation in time. Generally, the sub-fund takes on minimal liquidity risk by investing primarily in companies listed on recognised stock exchanges, which is typically considered to have high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities consistent with the sub-fund's investment objective.

Most Holdings are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal basis by the respective managers' pricing committees.

CAVENDISH UK SELECT FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

14 RISKS OF FINANCIAL INSTRUMENTS (continued)

- *Credit risk* - is the risk that counterparties will be unable to meet a commitment that it has entered into with the sub-fund.

Certain transactions in securities that the sub-fund enters into and some financial assets expose it to the risk that the counterparty will not deliver the investment for a purchase, cash for a sale after the sub-fund has fulfilled its responsibilities or will be unable to honour its commitment in relation to the financial assets held by the sub-fund. The sub-fund's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the year end date in relation to each class of recognised financial assets, is the carrying amount of those assets in the balance sheet.

The sub-fund only buys and sells investments through brokers that have been approved by the Investment Adviser as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker/ bank that may exist at any time and changes in banks/ brokers' financial ratings are reviewed.

The main liability of the sub-fund is the cancellation of any shares that investors want to sell. To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-fund's assets consist of readily realisable investments.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

15 SHAREHOLDER FUNDS

The sub-fund currently has two share classes. The annual management charge of each share class is as follows:

Class A Income Shares:	1.50%
Class B Income Shares:	0.75%

The net asset value of each share class, the net asset value per share and the number of shares in issue for each class are given in the comparative tables on page 210. The distribution per share class is given in the distribution tables on page 225. All classes have the same rights on winding up.

CAVENDISH UK SELECT FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 15th November 2013

16 PORTFOLIO TRANSACTION COSTS

	15/11/13 £'000	15/11/12 £'000
Analysis of total purchase cost:		
Purchases in year before transaction costs	17,710	20,901
Commissions	48	64
Taxes	70	89
Total purchase costs	<u>118</u>	<u>153</u>
Gross purchases total	<u>17,828</u>	<u>21,054</u>
Analysis of total sale costs:		
Gross sales before transaction costs	13,961	13,364
Commissions	<u>(36)</u>	<u>(35)</u>
Total sale costs	<u>(36)</u>	<u>(35)</u>
Total sales net of transaction costs	<u>13,925</u>	<u>13,329</u>

CAVENDISH UK SELECT FUND

DISTRIBUTION TABLES

for the year ended 15th November 2013

Interim Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th November 2012

Group 2: Shares purchased on or after 16th November 2012

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Paid	Paid
Class A Income Shares			15/07/13	15/07/12
Group 1	1.1386	-	1.1386	1.0061
Group 2	1.1029	0.0357	1.1386	1.0061

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Paid	Paid
Class B Income Shares			15/07/13	15/07/12
Group 1	1.6356	-	1.6356	1.4108
Group 2	1.5950	0.0406	1.6356	1.4108

Final Distribution (in pence per Share)

Group 1: Shares purchased prior to 16th May 2013

Group 2: Shares purchased on or after 16th May 2013

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class A Income Shares			14/03/14	15/03/13
Group 1	1.2705	-	1.2705	0.8064
Group 2	0.3383	0.9322	1.2705	0.8064

	Net	Equalisation	Distribution	Distribution
	Income	(note 11)	Payable	Paid
Class B Income Shares			14/03/14	15/03/13
Group 1	1.8368	-	1.8368	1.2400
Group 2	0.3797	1.4571	1.8368	1.2400



Chelsea House, West Gate, London W5 1DR
Tel: 020 8810 8041 (information) 0870 870 7502 (dealing)
email: info@CavendishAM.co.uk