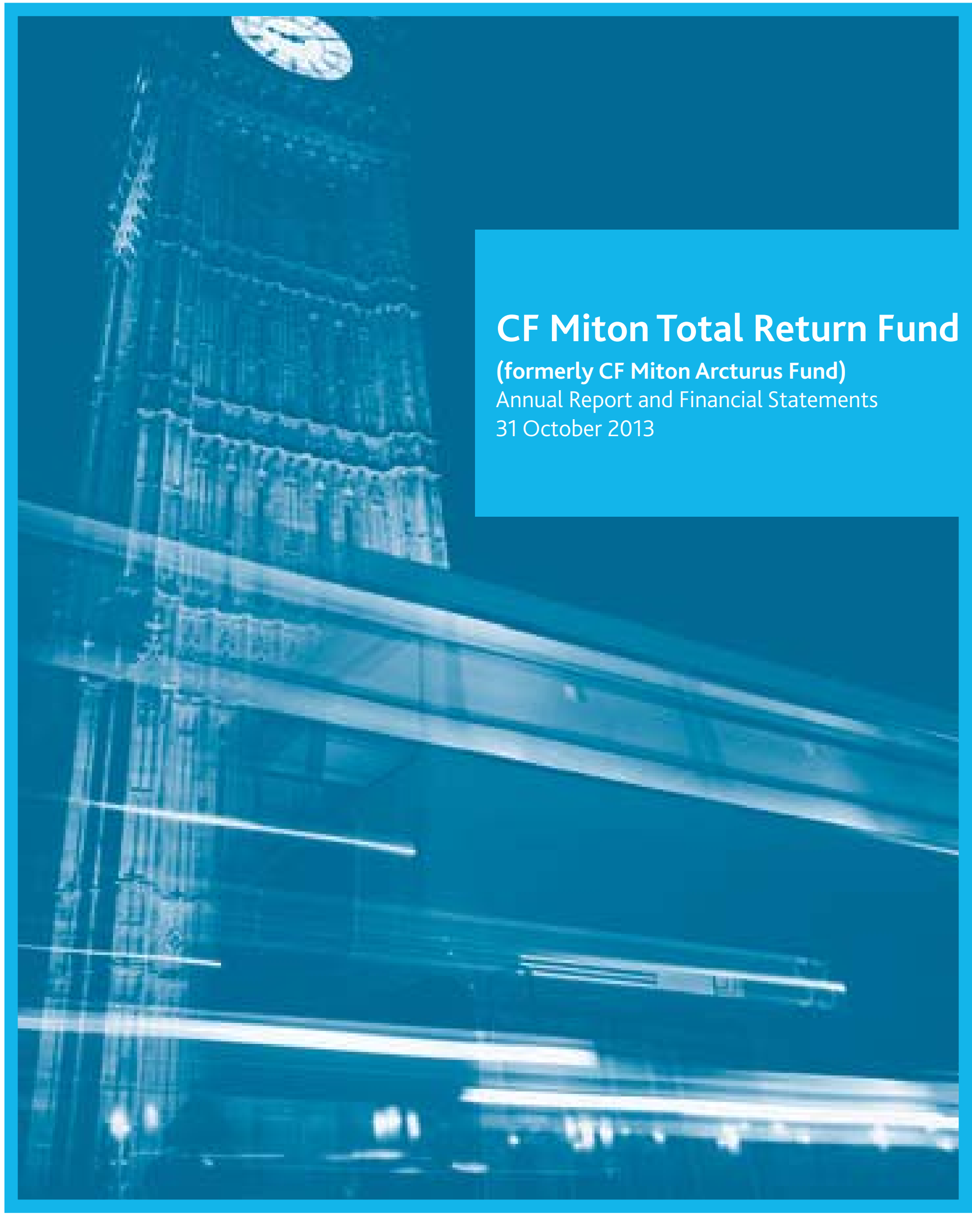
CAPITA



CF Miton Total Return Fund

(formerly CF Miton Arcturus Fund)

Annual Report and Financial Statements

31 October 2013

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AUTHORISED STATUS

CF Miton Total Return Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales under registered number IC000491 and authorised by the Financial Services Authority (note that the Financial Services Authority was replaced by the Financial Conduct Authority on 1 April 2013) with effect from 10 November 2006. The Fund has an unlimited duration.

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

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

INVESTMENT AND BORROWING POWERS

At 31 October 2013 the Fund held the following collective investment scheme which is not eligible under COLL 5.6.10:

- Belgravia European Logistics.

Liquidation of this holding is ongoing and a provision for compensation of the shortfall expected to arise has been made by referencing the purchase cost of the asset to the performance to date of appropriate publicised indices. This is reflected in the fair value of the holding as at 31 October 2013 shown in the Portfolio Statement.

IMPORTANT INFORMATION

Effective from 28 December 2012 the following changes have been made:

- The name of the Fund changed from CF Miton Arcturus to CF Miton Total Return Fund;
- The name of the Retail share class and the Institutional share class changed to 'A share class' and 'B share class' respectively;
- A new share class was launched, the 'N share class'. This share class is open for investment to new and existing shareholders;
- Clarification of the investment objective; and
- In specie redemption policy.

On 1 May 2013, a new share class, the 'I share class' was launched. This share class is open for investment to new and existing shareholders.

Effective 28 May 2013 the following changes have been made in respect of the 'N share class':

- The annual management charge (AMC) has been increased by 0.25%, the increased AMC is now 1%; and
- The performance fee payable to the Investment Adviser has been removed.

Capita Financial Managers Limited has updated the Prospectus to comply with new Financial Conduct Authority rules requiring added disclosures for funds which indicate an intention, in either their name or objectives, to deliver positive returns in all market conditions. The added disclosures in the investment objectives and policy of the Fund are intended to make it clear to investors that although the Fund will be managed with the aim of delivering positive returns in all market conditions, these returns are not guaranteed.

Full details of the changes can be found in the revised Prospectus dated 1 October 2013.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is to deliver total positive returns on an annual basis throughout all market conditions and cycles. The Fund offers no element of capital preservation and no guarantee of a positive return.

In order to achieve the investment objective, the Fund will invest in a broad spread of asset classes with the intention of providing investors with a diversified return with a relatively low risk. The Fund will invest predominantly in units and/or shares in collective investment schemes (including, but not restricted to, equity funds, bond funds and property funds). The Fund may also invest in hedge funds, and other asset classes including transferable securities, money market instruments, cash and near cash and deposits as permitted under COLL for Non-UCITS Retail Schemes.

The Fund may also invest in derivative instruments and forward transactions for the purposes of hedging only.

The benchmark for the Fund is LIBOR +3% over the medium term with a hurdle rate of 3 month LIBOR for the performance fee (A and B shares only).

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Miton Total Return Fund
30 January 2014

INVESTMENT ADVISER'S REPORT

PERFORMANCE REVIEW
Performance during the review period has been satisfactory.

The Fund achieved a gain of 4.25% over the 12 months under review, whilst 3 month LIBOR + 3% rose 3.51%*. The Fund achieved this level of performance with volatility of 2.51*. This brings the Fund performance since launch (21/11/2006) to 16.71%*.

The Fund's medium term objective is to outperform three month LIBOR over the 'investment cycle' by a rate of 3% per annum.

PORTFOLIO ACTIVITY
In the same report last year, we spoke about our decision to exit our position in Gold Bullion Securities, with a view to 'consider re-entering into a position should the price soften to more acceptable levels of risk versus reward'. Well, with the precious metal trading around $500 an ounce lower than our exit price, we have modestly reintroduced a position. This trade is not a call on a global recovery, but rather a hedge against a further collapse in general equity weakness and/or currency markets being debased out of sight – perhaps led by the eurozone, or the US political stalemate – a scenario when Gold Bullion Securities may well observe strength once again. The equities, which we also have slight exposure to via the BlackRock Gold & General fund, will carry far greater degrees of volatility of course, but ultimately being priced off Gold Bullion spot, albeit with varying degrees of correlation, should be buoyed. From a valuation perspective, they are currently far cheaper than the broader equity markets.

The first five months of calendar year 2013 were very strong for the Fund, although subsequently some of those early gains were given back as Japan experienced heightened volatility and the US dollar began to show signs of weakness versus sterling. It's never nice to give back paper gains, but we remain exposed to both themes, although our Japanese equity weighting has been eased back to keep a lid on the volatility and reduce the impact that Bank of Japan policy error would have on the Fund. We sold our position in the Baillie Gifford Japan closed-end fund, which is trading on a premium to Net Asset Value ('NAV'). However, at year end our remaining exposure to Japanese assets is currently 7.0% of NAV (4% equity plus 3% property exposure).

We have been running the portfolio with a significant weighting in cash or cash equivalents in recent times in order to protect our NAV against market weakness, and in recognition of the fact we see little shareholder value in the markets at present. We did support a 'C' Share issue in October 2013 in the NB Global Floating Rate Income fund – a bank loan fund investing at the senior end of the spectrum with an element of LIBOR linkage. Depending on how this stock trades in the near term, it may turn out to be a short term trade, we shall have to wait and see. Additionally we have been adding modestly to some of our Zero Dividend Preference shares; Taliesin Property, F&C Private Equity trust and JP Morgan Private Equity 2015 have all been added to.

We also sold out of, and subsequently crystallised some gains, F&C Property Trust and ICG Longbow Senior Secured UK Property Debt recently. The F&C Property Trust has been terrific, but now trades on a very substantial premium to NAV, so the downside risks cannot be overstated, despite the strong yield the trust displays. ICG Longbow is a secured credit fund we supported at 100p launch, but it never really got going unfortunately – the lead manager walked out of the team before any pipeline investments were made and the cash drag remained too heavy for too long. We sold our remaining position at a modest profit. It is important to recognise when an investment has been underwhelming and cut the position.

We are conscious with a significant percentage of the portfolio in cash not to over sweat the remaining invested positions as this would not be in keeping with our commitment to manage performance and volatility. However, we remain convinced we can achieve our 3 month LIBOR plus 3% target with our current conservative positioning.

We remain invested into US dollar and US dollar denominated assets. A trade that has been something of a rollercoaster for the period under review. At the start of the period GBP/USD was 1.613* before weakening to 1.605* by the end of the period. However, this doesn't tell the whole picture – we have witnessed increased levels of volatility in currency markets as loose monetary policy in most jurisdictions remains in place. The Federal Reserve's ('the Fed') accommodative monetary policy has clearly not aided our position versus sterling, but what remains perplexing is the strength of sterling at a time when the British economy is struggling to keep its head above recession. One would expect Mark Carney and the Bank of England ('BoE') to start fighting back aggressively with an ambition to de-base sterling from these elevated levels.

Of course, with all the printing of money that has taken place, we are not naïve enough to suggest historic fx trends will be repeated like for like, as we have witnessed a mass distortion of global currency markets since 2009. However, the USD (as is the same with the JPY) remains a 'safe haven' currency, and doesn't tend to perform well in bull market environments (whereas GBP typically does); USD comes in to its own as a defensive asset class when stress in the equity market is high, and volatility stirs once again – something we haven't witnessed enough of in recent times.

The number of positions throughout the year has been fairly constant, and we finished the period with 35 active positions. With the current size of the Fund, this is an appropriate number of positions to balance diversification with a sensible concentration of investment theme.

INVESTMENT REVIEW AND OUTLOOK
We remain convinced that equity markets are due for a significant breather. The market at present lacks critical support from the broader economy in all sorts of ways: unemployment remains significant in most developed economies, there remains an unsustainable quantum of national debt and despite Quantitative Easing ('QE'), credit remains expensive and restricted. Equity market valuation multiples have become over dependent on 'looser for longer' monetary policy from central banks, and expectation that this unchartered policy will be executed flawlessly. The consequence of a policy error is potentially disastrous for most asset markets, and the direct impact on businesses and households in developed economies could be significant. An inflationary scare brought about by copious amounts of QE could lead to premature normalisation of interest rates at a time in the economic cycle when debt servicing cost is the only saving grace for many small and mid-size companies and households.

A piece I have been quoting from the Financial Times in recent client meetings, which underpins our thinking, was 'Ahead of the second quarter earnings season, profit warnings outnumbered positive statements by the most since 2001. This quarter is slightly improved: warnings outnumber good news by only the second most since 2001….For the rally to move beyond reliance on the Fed, investors need companies to signal sales growth, at least'. (James Mackintosh, 8 October 2013). This sums up our thinking, and subsequently our positioning of the portfolio. We accept fully that not all equities are dependent on Gross Domestic Product ('GDP') growth, but it certainly aids the more cyclical end of the market. The dislocation between reality and equity market valuations we believe have never been so exaggerated since the dotcom bubble.

INVESTMENT REVIEW AND OUTLOOK *(continued)*
We are not wanting equities in our portfolio that are over reliant on GDP improving, as it is not something we expect to happen, which furthermore explains our rationale behind our modest short index positions which are paired against stocks (and collectives) that can continue to grow profits and improve rating multiples regardless of the rather moribund economic backdrop.

I was asked recently if we thought the 'financial crisis' was over. I suppose it depends on ones definition of a 'financial crisis'. It also depends if one excludes the aftermath impact of the 'financial crisis' and the debris it left behind.

One such consequence of the financial crisis was the economy falling into a deep and drawn-out recession, which had a far reaching impact on many of the 2.5 million businesses in the UK. Company Watch, a group that monitors financial health of business, published a report stating that one in ten companies in the UK are treading water, and have evolved into so called 'zombie' companies that at best are generating enough cash flow to service their debt. In such companies, liabilities outweigh assets, and significantly they employ collectively circa 500,000 people, yet have a combined negative net worth of about £70 billion. This perhaps reminds me of Japan 10 or 15 years ago, whereby good money stagnated in bad (unfortunate?) companies.

Companies in such distress often adopt 'suicide pricing' – heavily reducing the price they charge for their product or service, impacting upon competitor profits who try and compete with such pricing models. It is worth at this point bearing in mind the rapid rise we have witnessed in the stock market compared to a modest rise in the rate of earnings. Additionally, when and if the economy as a whole begins to improve, and pressure mounts on the BoE to adjust interest rates, the consequences will be grave for such companies and we would expect to see the insolvency rate increase considerably, along with the rate of unemployment. In a separate survey, it was expected that up to a third of 'zombie' companies would be driven into liquidation if we witness normalisation of interest rates. This also adds to our argument that domestic inflation will be hard to come by within the UK, despite the best intentions of the BoE monetary policy.

British banks in particular appear content in keeping these companies alive in order to avoid taking potentially large losses onto their balance sheets – remember 'a rolling loan gathers no loss' – which is perhaps restricting the issue of new credit growth on the other side, something we're told the politicians and bankers are keen to see. Of course this predicament is not going to significantly impact those companies with pricing power and a global reach – the ilk of company we tend to own in our portfolios.

We have avoided base metals as we continue to believe in a world of slow and/or negative growth, where capital expenditure is decreasing, the demand of infrastructure and base metals will decline. There are also fears the Chinese have stockpiled much of what they need, so the market may lack additional pricing pressure from here. We remain wary of the 'commodity super cycle' story that pushed many resource stocks (and spot prices) to new highs – perhaps on the back of QE, whereby liquidity raised many asset classes and sectors, in addition to creating a false inflationary environment – whereby investors wanted tangible assets such as commodity stock.

Many of the Emerging Market economies, but not all of course, are ultimately dependent on the success and failures of the developed markets as they remain supply led economies. And if not directly from a GDP perspective, their stock markets have also enjoyed the wave of liquidity that flowed their way post copious waves of QE. Until we see a repatriation of this liquidity back to the developed markets, which should support the USD, we are unlikely to be investing in many Emerging Market themes. We remain long term bulls of Asia, but wary of short term consensus.

As a result of continued macro uncertainty, the Fund remains cautiously positioned for what is likely to be a very volatile period for capital markets in the months ahead. We continue to look for themes where the risk reward is in our favour as a long term and cautiously minded investor, but at present such themes are hard to identify. For the time being we remain content, albeit frustrated, to keep a large amount of powder dry. One mustn't forget the optionality of cash in a portfolio when a market is falling.

* *Source of data: FE Analytics (Financial Express).*

MITON ASSET MANAGEMENT LIMITED
Investment Adviser
11 November 2013

PERFORMANCE RECORD

'A' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	107.27	91.02	–
2009	104.86	89.91	–
2010	108.39	102.19	–
2011	109.02	105.42	–
2012	112.71	108.71	–
2013*	119.67	112.57	–

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	107.98	92.20	–
2009	106.99	91.32	–
2010	111.54	104.80	0.2819
2011	112.64	108.90	0.7512
2012	117.58	112.54	0.5225
2013*	124.58	117.45	–

'N' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2012#	100.00	99.99	–
2013*	105.80	99.87	–

'I' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2013**	101.12	98.31	–

From 28 December 2012.
* To 31 October 2013.
** From 1 May 2013 to 31 October 2013.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.10.11	'A' Accumulation	17,845,056	16,553,278	107.80
	'B' Accumulation	1,618,652	1,452,026	111.48
31.10.12	'A' Accumulation	12,042,952	10,786,413	111.65
	'B' Accumulation	1,569,749	1,349,463	116.32
31.10.13	'A' Accumulation	11,816,793	10,136,725	116.57
	'B' Accumulation	2,650,150	2,170,375	122.11
	'N' Accumulation	258	250	103.13
	'I' Accumulation	324,774	328,978	98.72

On 28 December 2012 the name of the Retail share class and the Institutional share class changed to 'A share class' and 'B share class' respectively.

RISK WARNING

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

ONGOING CHARGES FIGURE

Expense Type	**31.10.13**			
	%			
	'A'	**'B'**	**'N'***	**'I'***
ACD's periodic charge	1.25	0.50	1.00	0.75
Other expenses	0.49	0.47	0.47	0.47
	1.74	0.97	1.47	1.22
Collective investment scheme costs	0.26	0.26	0.26	0.26
Ongoing charges figure	2.00	1.23	1.73	1.48

* The Ongoing Charges Figure ('OCF') shown here is an estimate of the charges. An estimate is being used rather than an *ex post* figure due to the ACD's periodic charge for the 'N' share class increasing from 0.75% to 1% on 28 May 2013 and the 'I' share class being launched on 1 May 2013.

Note: Effective 28 December 2012 the name of the Retail share class and the Institutional share class changed to 'A share class' and 'B share class' respectively.

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

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

The performance fee percentage applied for 'A' Accumulation shares and 'N' Accumulation shares is 10% of the outperformance of 3 month LIBOR subject to a high watermark and 15% for 'B' Accumulation shares. In the current period a performance fee of £3,448 was charged on 'B' Accumulation shares and in the period 28 December 2012 to 28 May 2013 a performance fee of £21 on 'N' Accumulation shares was charged, there were no performance fees charged in the prior year. There was no performance fee charged on 'A' Accumulation shares during the current or prior year. From 28 May 2013 a performance fee is no longer calculated or paid on the 'N' Accumulation shares.

The Fund is a KII-compliant NURS and in accordance with the requirements of the Collective Investment Schemes Sourcebook, as modified by the Financial Conduct Authority, this report represents the OCFs; the presentation of the Total Expenses Ratio has been discontinued.

SYNTHETIC RISK AND REWARD INDICATOR

Typically lower rewards						**Typically higher rewards**
Lower risk						**Higher risk**
1	2	3	4	5	6	7

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

The Fund has been classed as 3 because its volatility has been measured as medium to average.

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

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

FUND PERFORMANCE TO 31 OCTOBER 2013 (%)

	1 year	**3 years**	**5 years**
CF Miton Total Return Fund	4.25	10.38	27.83
3 month LIBOR +3%*	3.51	11.57	21.39

* *Source: Bloomberg.*

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Table on page 33.

PORTFOLIO STATEMENT
AS AT 31 OCTOBER 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.10.13 %	Total Net Assets 31.10.12 %
	DEBT SECURITIES			
200	Electra Private Equity 5% 2017 *Convertible*	241,000	1.63	5.77
	BOND FUNDS			
50,000	Aberdeen Global Asian Local Currency Short Duration Bond	323,346	2.19	
200,000	Cazenove Strategic Bond	293,500	1.98	
300,000	JPMorgan Global Convertibles Income*	319,500	2.16	
5,000	Muzinich Enhancedyield Short-Term	477,217	3.23	
200,000	NB Global Floating Rate Income*	201,500	1.36	
1,400	PIMCO Sterling Short Maturity Source	140,980	0.96	
5,250	PIMCO US Dollar Short Maturity Source	329,913	2.23	
4,000	Schroder Asian Local Currency Bond	304,468	2.06	
600,000	Smith & Williamson Short Dated Corporate Bond	606,000	4.10	
	TOTAL BOND FUNDS	2,996,424	20.27	17.65
	ALTERNATIVE INVESTMENTS			
7,500	BH Credit Catalysts*	91,125	0.62	
55,000	BH Global*	644,050	4.35	
200,000	BlueCrest AllBlue*	342,000	2.31	
	TOTAL ALTERNATIVE INVESTMENTS	1,077,175	7.28	16.18
	EQUITY FUNDS			
325,000	Absolute Insight UK Equity Market Neutral	390,357	2.64	
17,500	BlackRock Gold & General	143,868	0.97	
200,000	CF Morant Wright Japan^	490,180	3.31	
82,500	db x-trackers FTSE 100 Short UCITS ETF	477,468	3.23	
19,000	db x-trackers S&P 500 Inverse UCITS ETF	323,570	2.19	
150,000	Fidelity Japanese Values Trust*	107,250	0.73	
80,000	Invesco Perpetual UK Strategic Income	207,664	1.40	
900	Personal Assets Trust*	302,940	2.05	
125,000	Trojan Income^	283,138	1.91	
	TOTAL EQUITY FUNDS	2,726,435	18.43	22.10
	PROPERTY			
9,231	Belgravia European Logistics#	178,744	1.21	
12,247	Belgravia European Property#	20,409	0.14	
680,000	Japan Residential*	435,200	2.94	
	TOTAL PROPERTY	634,353	4.29	8.46
	COMMODITY			
2,500	Gold Bullion Securities	197,917	1.34	1.39
	ZERO DIVIDEND PREFERENCE SHARES			
360,000	Electra Private Equity *zdp*	505,800	3.42	
475,000	F&C Private Equity Trust* *zdp*	689,938	4.66	
650,000	JPMorgan Private Equity 2015* *zdp*	521,625	3.53	
140,000	JZ Capital Partners* *zdp*	462,000	3.12	
50,000	NB Private Equity Partners* *zdp*	72,625	0.49	
225,000	Taliesin Property *zdp*	238,500	1.61	
275,000	Utilico 2014 *zdp*	440,000	2.97	
	TOTAL ZERO DIVIDEND PREFERENCE SHARES	2,930,488	19.80	13.18
	CURRENCY	–	–	2.29
	MONEY MARKET			
35	Fidelity Institutional Liquidity '£'	714,926	4.83	
40	Fidelity Institutional Liquidity '$'	423,530	2.86	
	TOTAL MONEY MARKET	1,138,456	7.69	–
	Portfolio of investments	11,942,248	80.73	87.02
	Net other assets	2,849,727	19.27	12.98
	Net assets	14,791,975	100.00	100.00

The investments have been valued in accordance with note 1(h) of the Notes to the Financial Statements and are collective investment schemes unless stated otherwise.

* Investment company.
\# Unlisted security.
^ Related party holding (see note 9).

Definition:
zdp – zero dividend preference share.

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

Total purchases for the year (note 13) £7,584,399

Major purchases	**Cost £**
Fidelity Institutional Liquidity '£'	713,119
Fidelity Institutional Liquidity '$'	538,426
F&C Private Equity Trust *zdp*	464,163
JZ Capital Partners *zdp*	455,263
db x-trackers S&P 500 Inverse UCITS ETF	397,567
Utilico 2014 *zdp*	354,833
JPMorgan Global Convertibles Income	350,000
PIMCO US Dollar Short Maturity Source	338,035
Aberdeen Global Asian Local Currency Short Duration Bond	329,772
Personal Assets Trust	305,616
Electra Private Equity *zdp*	290,728
ICG-Longbow Senior Secured UK Property Debt	250,000
Fidelity Japanese Values Trust	241,683
Taliesin Property *zdp*	226,366
Invesco Perpetual UK Strategic Income	226,335
TwentyFour Income	225,000
BlackRock Gold & General	203,000
NB Global Floating Rate Income	200,000
Gold Bullion Securities	198,878
Juridica	180,362

Total sales for the year (note 13) £7,902,700

Major sales	**Proceeds £**
JPMorgan Private Equity 2013 *zdp*	911,963
Invesco Perpetual UK Strategic Income	550,327
iShares MSCI Japan UCITS ETF	438,930
TR Property Trust ordinary shares	405,368
Edinburgh Dragon Trust 3.5% 2018 CULS	391,279
Smith & Williamson Short Dated Corporate Bond	362,520
Dexion Absolute	310,750
ETFS Short AUD Long GBP	295,578
Absolute Return preference shares	289,890
ICG-Longbow Senior Secured UK Property Debt	259,947
Muzinich Enhancedyield Short-Term	244,456
TwentyFour Income	235,216
CF Morant Wright Japan	234,073
BlueCrest AllBlue	223,871
Juridica	222,125
BACIT	210,574
ETFS Short Silver	199,552
Japan Residential	190,826
NB Distressed Debt	190,004
Electra Private Equity 5% 2017 Convertible	186,248

The summary of material portfolio changes represents the 20 largest purchases and sales during the year.

DIRECTOR'S STATEMENT

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

N. BOYLING

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Miton Total Return Fund
30 January 2014

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

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

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

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

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

In so far as the ACD is aware:

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

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safekeeping of all of the property of the Fund (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 Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended (the 'OEIC Regulations'), the Fund's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Fund; the application of revenue of the Fund; and the investment and borrowing powers applicable to the Fund.

REPORT OF THE DEPOSITARY

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's shares and the application of the Fund's revenue in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Fund; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Fund.

BNY MELLON TRUST & DEPOSITARY (UK) LIMITED
Depositary of CF Miton Total Return Fund
30 January 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CF MITON TOTAL RETURN FUND

We have audited the financial statements of CF Miton Total Return Fund ('the Fund') for the year ended 31 October 2013 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, the related notes 1 to 13 and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Fund'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 Fund'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 Fund and the Fund'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 16, 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 Fund'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 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 Fund as at 31 October 2013 and of the net expense and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

OPINION ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY (FORMERLY THE 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 the 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
30 January 2014

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 OCTOBER 2013

	Notes	£	31.10.13 £	£	31.10.12 £
Income:					
Net capital gains	2		665,016		676,947
Revenue	3	144,211		207,829	
Expenses	4	(215,793)		(245,232)	
Finance costs: Interest	6	(89)		(90)	
Net expense before taxation		(71,671)		(37,493)	
Taxation	5	–		–	
Net expense after taxation			(71,671)		(37,493)
Total return before distributions			593,345		639,454
Finance costs: Distributions	6		–		(7,254)
Change in net assets attributable to shareholders from investment activities			593,345		632,200

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

	Note	£	31.10.13 £	£	31.10.12 £
Opening net assets attributable to shareholders			13,612,701		19,463,708
Amounts receivable on issue of shares		4,020,785		482,939	
Amounts payable on cancellation of shares		(3,431,488)		(6,971,811)	
			589,297		(6,488,872)
Stamp duty reserve tax	1(f)		(3,368)		(1,386)
Change in net assets attributable to shareholders from investment activities			593,345		632,200
Retained distribution on Accumulation shares			–		7,051
Closing net assets attributable to shareholders			14,791,975		13,612,701

BALANCE SHEET
AS AT 31 OCTOBER 2013

	Notes	£	31.10.13 £	£	31.10.12 £
ASSETS					
Investment assets			11,942,248		11,845,198
Other assets					
Debtors	7	63,836		122,943	
Cash and bank balances		2,968,516		1,905,498	
Total other assets			3,032,352		2,028,441
Total assets			14,974,600		13,873,639
LIABILITIES					
Other liabilities					
Creditors	8	(124,719)		(225,689)	
Bank overdrafts		(57,906)		(35,249)	
Total other liabilities			(182,625)		(260,938)
Total liabilities			(182,625)		(260,938)
Net assets attributable to shareholders			14,791,975		13,612,701

1. ACCOUNTING POLICIES

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

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

(b) Recognition of revenue
Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

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

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

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

Revenue on debt securities is accounted for on an effective yield basis.

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

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

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

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

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

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

The Fund is subject to a performance fee. This is calculated as a percentage of the amount by which the closing Net Asset Value ('NAV') price per share of the relevant Calculation Period (each successive period of three months commencing on 1 January 2007) exceeds the highest Target Price.

- Target Price 'A' = the closing NAV price per share attributable to the Fund on the last day of the last Calculation period where a performance fee was last paid.

1. ACCOUNTING POLICIES *(continued)*

(d) Treatment of expenses (continued)
- Target Price 'B' = the closing NAV price per share attributable to the Fund on the last day of the previous Calculation Period increased by the Hurdle rate for each of the subsequent Calculation Periods.

The percentage applied for 'A' and 'N' shares will be 10% of the outperformance and 15% for 'B' shares.

Effective 28 May 2013 the performance fee payable to the Investment Adviser on the 'N' share class has been removed.

Further details on the calculation method are available within the Fund's Prospectus and on request to the ACD.

(e) Allocation of revenue and expenses to multiple share classes
Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

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

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

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

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

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

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

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

1. ACCOUNTING POLICIES *(continued)*

(h) Basis of valuation of investments (continued)

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

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

(i) Exchange rates

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

(j) Dilution levy

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

	31.10.13 £	**31.10.12** £
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	673,181	680,543
Transaction charges	(1,826)	(1,128)
Currency losses	(6,339)	(2,468)
Net capital gains	665,016	676,947
3. REVENUE		
Non-taxable dividends	70,662	86,939
Taxable dividends	–	320
Unfranked interest	71,085	117,477
AMC rebates from underlying investments	–	2,176
Bank interest	2,436	917
Other interest	28	–
Total revenue	144,211	207,829

	31.10.13 £	**31.10.12** £
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	150,276	191,906
Legal and professional fees	7,256	–
Printing costs	6,618	5,322
Performance fees	3,469	–
Registration fees	22,143	21,485
	189,762	218,713
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6,287	7,832
Safe custody and other bank charges	3,217	2,803
	9,504	10,635
Other expenses:		
FCA fee	71	59
Fees paid to auditor – audit	10,800	10,800
– tax services	3,000	2,938
Publication costs	2,523	1,682
Postage and distribution costs	133	405
	16,527	15,884
Total expenses	215,793	245,232
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge (note 5b)	–	–
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	–	–

5. TAXATION *(continued)*

b) Factors affecting current tax charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.12 : 20%). The difference is explained below.

	31.10.13 £	31.10.12 £
Net expense before taxation	(71,671)	(37,493)
Corporation tax at 20%	(14,334)	(7,499)
Effects of:		
Non-taxable dividends	(14,132)	(17,388)
Unutilised excess management expenses	28,466	24,887
Current tax charge (note 5a)	–	–

c) Deferred tax
At the year end there is a potential deferred tax asset of £53,353 (31.10.12 : £24,887) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

6. FINANCE COSTS

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

	31.10.13 £	31.10.12 £
Final	–	7,051
Add: Revenue deducted on cancellation of shares	–	208
Deduct: Revenue received on issue of shares	–	(5)
Net distributions for the year	–	7,254
Interest	89	90
Total finance costs	89	7,344

Details of the distributions per share are set out in the table on page 33.

6. FINANCE COSTS *(continued)*

	31.10.13 £	31.10.12 £
Distributions represented by:		
Net expense after taxation	(71,671)	(37,493)
Allocations to capital:		
Revenue deficit	71,636	44,748
Yield uplift on conversions*	69	–
Balance brought forward	1	–
Balance carried forward	(35)	(1)
Net distributions for the year	–	7,254

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

7. DEBTORS

	31.10.13 £	31.10.12 £
Amounts receivable for issue of shares	50,369	224
Sales awaiting settlement	–	92,475
Accrued revenue:		
Non-taxable dividends	3,636	11,621
Unfranked interest	4,876	8,810
Bank interest	319	196
	8,831	20,627
Prepaid expenses	1,253	978
Taxation recoverable:		
Income tax	3,383	8,639
Total debtors	63,836	122,943

	31.10.13 £	31.10.12 £
8. CREDITORS		
Amounts payable for cancellation of shares	88,714	97,249
Purchases awaiting settlement	–	92,851
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	13,336	13,708
Legal and professional fees	800	–
Printing costs	3,423	3,096
Registration fees	2,488	1,545
	20,047	18,349
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	573	565
Transaction charges	205	712
Safe custody and other bank charges	954	1,863
Interest payable	–	56
	1,732	3,196
Other expenses	13,920	13,980
Taxation payable:		
Stamp duty reserve tax	306	64
Total creditors	124,719	225,689

9. RELATED PARTY TRANSACTIONS

Management and legal and professional fees payable to Capita Financial Managers Limited ('the ACD'), registration fees payable to Capita Financial Administrators Limited and printing costs payable to Capita Sinclair Henderson Limited (both companies are associates of the ACD) are disclosed in note 4 and amounts due at the year end are disclosed in note 8.

Performance fees payable to Miton Asset Management Limited ('the Investment Adviser') are disclosed in note 4.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 20 and amounts due at the year end are disclosed in notes 7 and 8.

Capita Financial Managers Limited and its associates (including other authorised investment funds managed by Capita Financial Managers) had the following shareholdings in the Fund:

	Held at 31.10.13	Change in year	Held at 31.10.12
'A' Accumulation shares	873,612	(231,745)	1,105,357

9. RELATED PARTY TRANSACTIONS *(continued)*

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Investment Adviser of for which Capita Financial Managers Limited is also the ACD. At the balance sheet date the value of the holdings were as follows:

	31.10.13 £	31.10.12 £
ACD in common	773,318	941,080

10. SHAREHOLDER FUNDS

The Fund has four share classes: 'A', 'B', 'N' and 'I'. The annual management charge on those shares is 1.25%, 0.50%, 1% and 0.75% respectively.

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

11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.10.12 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

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

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

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

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

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS *(continued)*

i. Credit risk (continued)

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

The bond investment held is exposed to credit risk which reflects the ability of the issuer to meet its obligations.

ii. Interest rate risk

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

Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates. These risks are not actively managed.

The table below shows the direct interest rate risk profile:

	31.10.13 £	31.10.12 £
Floating rate assets:		
US dollars	1,858,474	1,252,115
Pounds sterling	5,244,922	3,055,035
	7,103,396	4,307,150
Floating rate liabilities:		
US dollars	(33)	–
Pounds sterling	(57,873)	(35,249)
	(57,906)	(35,249)
Fixed rate assets:		
Pounds sterling	241,000	785,500
Assets on which interest is not paid:		
US dollars	197,917	750,243
Pounds sterling	7,432,287	8,030,746
	7,630,204	8,780,989
Liabilities on which interest is not paid:		
Pounds sterling	(124,719)	(225,689)
Net assets	14,791,975	13,612,701

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS *(continued)*

ii. Interest rate risk (continued)

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

Fixed rate financial assets have a weighted average yield of 5% (31.10.12 : 4.30%) and a weighted average period for which income is fixed of 4.13 years (31.10.12 : 5.19 years).

There are no material amounts of non-interest bearing financial assets and liabilities other than investment companies and collective investment schemes, which do not have maturity dates.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates. These risks are not actively managed.

The table below shows the direct foreign currency risk profile:

	31.10.13 £	31.10.12 £
Currency:		
US dollars	2,056,358	2,002,358
Pounds sterling	12,735,617	11,610,343
Net assets	14,791,975	13,612,701

iv. Liquidity risk

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

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

v. Market price risk

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

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS *(continued)*

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

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

vii. Derivatives
There were no derivatives held in the Fund during the current or prior year.

	31.10.13 £	31.10.12 £
13. PORTFOLIO TRANSACTION COSTS		
Analysis of total purchase costs		
Purchases in year before transaction costs	7,569,415	5,694,359
Transaction costs:		
Commissions	6,801	6,399
Stamp duty and other charges	8,183	5,738
	14,984	12,137
Gross purchases total	7,584,399	5,706,496
Analysis of total sale costs		
Gross sales before transaction costs	7,911,072	12,703,630
Transaction costs:		
Commissions	(7,498)	(8,859)
Other charges	(874)	(24)
	(8,372)	(8,883)
Total sales net of transaction costs	7,902,700	12,694,747

DISTRIBUTION TABLE
FOR THE YEAR ENDED 31 OCTOBER 2013 – IN PENCE PER SHARE

Annual
There were no final distributions for 'A' Accumulation shares, 'N' Accumulation shares and 'I' Accumulation shares during the current or prior year.

Group 1 – Shares purchased prior to 1 November 2012
Group 2 – Shares purchased on or after 1 November 2012 and on or before 31 October 2013

'B' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.12.13	Allocated 31.12.12
Group 1	0.0000	–	0.0000	0.5225
Group 2	0.0000	0.0000	0.0000	0.5225

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

GENERAL INFORMATION

VALUATION POINT

The valuation point of the Fund is 12.00 noon on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 600 2821. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of shares are available on the website of the Investment Management Association at www.fundlistings.com under the heading Miton, by calling 0845 922 0044 during the ACD's normal business hours or can be found on our website, www.capitafinancial.com, by following the link 'Fund Information'.

OTHER INFORMATION

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

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

DATA PROTECTION ACT

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