



# INTERIM REPORT AND FINANCIAL STATEMENTS

31 OCTOBER 2013

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London EC4R 1EB

*Authorised and regulated by the  
Financial Conduct Authority No. 189302*

CITY FINANCIAL INVESTMENT FUNDS SERIES IV INTERIM REPORT – 31 OCTOBER 2013

## CityFinancial

## CITY FINANCIAL INVESTMENT FUNDS SERIES IV

Head Office: 62 Queen Street,  
London EC4R 1EB

### AUTHORISED CORPORATE DIRECTOR

City Financial Investment Company Limited  
(Authorised and regulated by the Financial Conduct Authority)

Head Office: 62 Queen Street,  
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### INVESTMENT MANAGERS

Octopus Investments Limited  
20 Old Bailey  
London EC4M 7AN  
(Authorised and regulated by the Financial Conduct Authority)

City Financial Investment Company Limited  
62 Queen Street,  
London EC4R 1EB  
(Authorised and regulated by the Financial Conduct Authority)

### DEPOSITARY

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

### DIRECTORS OF THE ACD

R.C. Hain  
A.N. Williams  
J.P. Hollihan  
D.R. Beatty  
M.L. Stein

### ADMINISTRATOR AND REGISTRARS

Capita Financial Administrators Limited  
Customer Service Centre:  
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Leeds LS12 6NT  
Tel: +44 (0) 845 300 2107 Fax: +44 (0) 113 224 6001  
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### INDEPENDENT AUDITOR

Ernst & Young LLP  
1 More Place  
London SE1 2AF  
(to 31 October 2013)

Grant Thornton UK LLP  
Chartered Accountants and Registered Auditor  
30 Finsbury Square  
London EC29 2YU  
(from 1 November 2013)

## CONTENTS

ACD's Report .....	3
Authorised Status .....	3
Director's Statement .....	3
AGGREGATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)	
Aggregated Statement of Total Return .....	4
Aggregated Statement of Change in Net Assets Attributable to Shareholders .....	4
Aggregated Balance Sheet .....	5
Notes to the Interim Financial Statements .....	6
CITY FINANCIAL UK EQUITY FUND	
ACD's Report .....	7
Investment Objective and Policy .....	7
Investment Manager's Report .....	7
Fund Information .....	9
Portfolio Statement .....	13
Summary of Material Portfolio Changes .....	19
INTERIM FINANCIAL STATEMENTS (UNAUDITED)	
Statement of Total Return .....	21
Statement of Change in Net Assets Attributable to Shareholders .....	21
Balance Sheet .....	22

CFIC OCTOPUS UK MICRO CAP GROWTH FUND

ACD's Report .....	23
Investment Objective and Policy .....	23
Investment Manager's Report .....	23
Fund Information .....	25
Portfolio Statement .....	28
Summary of Material Portfolio Changes .....	32
INTERIM FINANCIAL STATEMENTS (UNAUDITED)	
Statement of Total Return .....	34
Statement of Change in Net Assets Attributable to Shareholders .....	34
Balance Sheet .....	35
General Information .....	36

ACD'S REPORT  
FOR THE HALF YEAR ENDED 31 OCTOBER 2013

AUTHORISED STATUS

City Financial Investment Funds Series IV ('the Company') is an open-ended investment company ('OEIC') with variable capital incorporated under the OEIC Regulations. The Company is a Non-UCITS Retail Scheme ('NURS') as defined in the Collective Investment Schemes Sourcebook ('COLL') and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000534. The Company was authorised by an order made 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 31 May 2007.

Shareholders are not liable for the debts of the Company.

The base currency for the Company is pounds sterling.

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

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.

R.C. HAIN

A.N. WILLIAMS

CITY FINANCIAL INVESTMENT COMPANY LIMITED  
ACD of City Financial Investment Funds Series IV  
19 December 2013

# AGGREGATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AGGREGATED STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 OCTOBER 2013

	31.10.13	31.10.12
£	£	£
Income:		
Net capital gains	8,681,160	6,292,310
Revenue	650,796	762,775
Expenses	(1,988,596)	(435,177)
Finance costs: Interest	(99,545)	(91,403)
Net (expense)/revenue before taxation	(1,437,345)	236,195
Taxation	(12,802)	(2,864)
Net (expense)/revenue after taxation	(1,450,147)	233,331
<b>Total return before distributions</b>	7,231,013	6,525,641
Finance costs: Distributions	–	(255,776)
<b>Change in net assets attributable to shareholders from investment activities</b>	7,231,013	6,269,865

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

	31.10.13	31.10.12
£	£	£
<b>Opening net assets attributable to shareholders</b>	47,502,677	60,285,200
Amounts receivable on issue of shares	8,211,271	955,336
Amounts payable on cancellation of shares	(3,791,198)	(13,529,311)
	4,420,073	(12,573,975)
Dilution levy charged	37,385	21,643
Stamp duty reserve tax	(12,577)	(1,929)
Change in net assets attributable to shareholders from investment activities	7,231,013	6,269,865
Retained distribution on Accumulation shares	–	204,277
<b>Closing net assets attributable to shareholders</b>	59,178,571	54,205,081

The above statement shows the comparative closing net assets at 31 October 2012 whereas the current accounting period commenced 1 May 2013.

AGGREGATED BALANCE SHEET  
AS AT 31 OCTOBER 2013

	31.10.13	30.04.13
£	£	£
<b>ASSETS</b>		
<b>Investment assets</b>	53,388,897	41,363,485
<b>Other assets</b>		
Debtors	1,712,817	1,122,462
Cash and bank balances	9,715,938	10,878,731
<b>Total other assets</b>	11,428,755	12,001,193
<b>Total assets</b>	64,817,652	53,364,678
<b>LIABILITIES</b>		
<b>Investment liabilities</b>	(571,261)	(738,559)
<b>Other liabilities</b>		
Creditors	(1,489,634)	(1,350,768)
Bank overdrafts	(3,578,186)	(3,772,674)
<b>Total other liabilities</b>	(5,067,820)	(5,123,442)
<b>Total liabilities</b>	(5,639,081)	(5,862,001)
<b>Net assets attributable to shareholders</b>	59,178,571	47,502,677

## 1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2013 and are described in those annual financial statements.

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.

## CITY FINANCIAL UK EQUITY FUND ACD'S REPORT FOR THE HALF YEAR ENDED 31 OCTOBER 2013

### INVESTMENT OBJECTIVE AND POLICY

The City Financial UK Equity Fund ('the Fund') aims to achieve a positive absolute return for investors through investment in UK equities. The Fund is managed against a cash benchmark rather than any UK equity index, reflecting the aim to deliver a positive return in all stock market conditions.

The Fund invests primarily in a portfolio of equities and equity related securities of companies with a UK listing (including through derivatives and units in collective investment schemes), although from time to time, cash, near cash and non UK securities may be held. The Fund may also invest in other transferable securities, money market instruments, deposits and units in collective investment schemes.

In order to achieve the investment objective, the Fund will employ a variety of investment strategies and invest in various instruments. It intends to take advantage of the ability to invest in derivatives providing both long (bought) and synthetic short (sold) positions principally through the use of contracts for difference. Therefore, the Fund could be referred to as a 'long/short' Fund. At times, the Fund will also use index futures (long or short) in order to achieve an overall level of market exposure.

The Investment Manager seeks to invest in company shares that, after analysis, are deemed to be mispriced by the stock market. This creates opportunities to buy (long) underpriced stocks and to sell (short) overpriced stocks. The Investment Manager looks for a catalyst that will see the mispricing being corrected. The Investment Manager also aims to ascertain over what time-period the correction will take place. This will result in positions being held for various time horizons. The Investment Manager believes that this higher turnover allows for better risk adjusted returns for the Fund.

### INVESTMENT MANAGER'S REPORT

#### REVIEW

The Fund returned +13.59%\* over the period, with significant positive contributions to the overall return from both the long book and the short book. Significantly, the net exposure of the Fund was balanced and thus overall directional market exposure was maintained at a low level. This is pleasing, as it demonstrates that the Fund return was generated by news and forecasts from companies within the portfolio, and independent from market movements, to a significant degree.

#### ACTIVITY

The main theme was our continued long exposure in selected smaller companies, which could best be described as special situations. In larger companies, we look to be long of companies that we believe are better businesses than perceived by the market. We tend to favour companies that have a high and sustainable return on equity; examples are Unilever, PayPoint, Ultra Electronics and Fidessa. We look to short companies that, in our opinion, are lower quality than perceived by the market.

A key theme in the portfolio is our negative stance on the commodity sector. Equities are by nature very long duration instruments. A simple way to look at this is to take a stock with a dividend yield of 2.5%. In the absence of dividend growth, it would take 40 years to get back

\* Source: Morningstar Direct mid-to-mid based on 'B' Accumulation share class  
01/05/2013-31/10/2013.

## CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

### ACTIVITY (continued)

the initial money invested. Thus, what profits the company earns in 20 years' time or even 40 years' time is critical to the overall return one will make from an investment. Yet the market as a whole spends more time looking at the results of the company in the next few quarters than it does considering where the business will be in the future. Our aim is to be a long term business analyst, hopefully profiting from the (often) myopic nature of the investment industry.

In line with the above, a long term competitive advantage, or a company operating in a relatively predictable industry, at a reasonable price, should be attractive. Contrast that with a business that produces a product identical to its peers, sells the majority of its product to one customer, is hostage to technological changes that may reduce the demand for its product and has revenue that will disappear over the next 10-15 years? I have described the mining industry. They may find new resources to replace their depleting assets, but this will come at a cost, and although their one main customer is really a country (China), the point is still valid. On the other hand, we believe a company such as Unilever has strong market positions and thus we feel it is highly likely that Unilever in some shape or form will be around in 20-30 years and its profits will have at least kept pace with inflation.

We typically sell or close positions for a few reasons: firstly, if our thesis has been borne out and they are now recognised and valued more fairly by the market; and secondly, if we think our thesis was incorrect or is no longer valid. The portfolio activity was confined to these scenarios and also where we have opened new positions.

### OUTLOOK

It seems likely that the effect of persistent easy monetary policy has boosted all asset prices, thus creating a risk of price falls if this policy is removed. I suspect there will be no change to monetary policy unless they are forced to do so by the markets. We continue to run the Fund on a prudent basis, where we will not pay more for a stock simply because it looks cheap against bonds or cash. We look for long ideas in businesses with what we perceive to have a decent long term future and where we can buy on a free cash flow yield to equity of >6-7%. We look for shorts in companies where we see potential issues and where the investor is not being paid for that risk. Currently, we struggle to find many long ideas outside of the smaller company space, but we are finding a good number of short ideas.

CITY FINANCIAL INVESTMENT COMPANY LIMITED

Authorised Corporate Director

19 December 2013

## FUND INFORMATION

### PERFORMANCE RECORD

#### 'A' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008#	132.77	99.39	1.1625
2009	192.06	112.07	0.4740
2010	177.77	139.68	–
2011	168.36	144.23	1.0060
2012	171.84	140.61	0.7278
2013*	210.39	168.79	–

#### 'A' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008#	133.08	99.40	1.4784
2009	196.07	123.58	0.5605
2010	182.19	143.48	–
2011	174.41	148.23	1.0351
2012	179.92	145.47	0.7535
2013*	221.20	176.61	–

#### 'B' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008#	132.47	99.40	1.6623
2009	193.50	125.02	1.6077
2010	181.00	143.42	0.1820
2011	172.21	148.67	2.2544
2012	174.90	145.14	1.3538
2013*	215.23	171.70	–

## CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

Fund Information (continued)

### PERFORMANCE RECORD (continued)

'B' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008#	133.69	99.39	1.9521
2009	199.78	125.39	1.4598
2010	185.49	147.10	0.2229
2011	180.10	153.02	2.3230
2012	186.88	151.00	1.4931
2013*	230.90	183.53	—

# From 10 March 2008.

\* To 31 October 2013.

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.04.11	'A' Income	3,578,557	2,380,177	150.35
	'A' Accumulation	50,526,605	32,699,049	154.52
	'B' Income	5,415,478	3,501,136	154.68
	'B' Accumulation	12,264,192	7,704,198	159.19
30.04.12	'A' Income	2,281,182	1,622,528	140.59
	'A' Accumulation	33,199,091	22,823,867	145.46
	'B' Income	216,111	148,909	145.13
	'B' Accumulation	6,890,252	4,563,190	151.00
30.04.13	'A' Income	1,962,069	1,074,129	182.67
	'A' Accumulation	27,391,321	14,291,434	191.66
	'B' Income	107,713	57,998	185.72
	'B' Accumulation	4,115,042	2,063,834	199.39
31.10.13	'A' Income	1,896,532	904,677	209.64
	'A' Accumulation	32,541,943	14,764,520	220.41
	'B' Income	871,069	406,172	214.46
	'B' Accumulation	5,432,513	2,361,222	230.07

### ONGOING CHARGES FIGURE

Expense Type	31.10.13		30.04.13	
	% 'A'	% 'B'	% 'A'	% 'B'
ACD's periodic charge	1.50	0.75	1.50	0.75
Other expenses	0.28	0.28	0.27	0.27
Ongoing charges figure	1.78	1.03	1.77	1.02

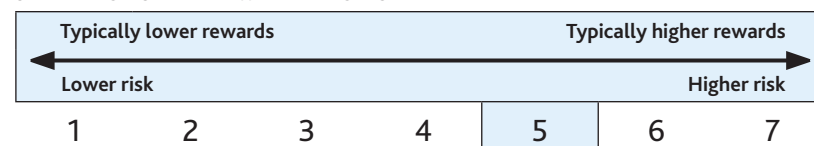
The Ongoing Charges Figure represents the total operating expenses of the Fund expressed as a percentage of the average net assets over a 12 month period.

A performance fee of 20% of out-performance of 3 month GBP LIBOR of £1,084,507 was paid in the current period (30.04.13 : £1,122,648).

A High Water Mark was introduced effective from 30 April 2013.

This Fund is a KII-Compliant Non-UCITS Retail Scheme and in accordance with the requirements of the Collective Investment Schemes Sourcebook, as modified by the Financial Conduct Authority, this report presents the OCF.

### SYNTHETIC RISK AND REWARD INDICATOR



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the share class have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower category.

The risk reward category shown is not guaranteed to remain unchanged and may shift over time.

The lowest risk category does not equal a risk free investment.

The Fund is in risk category 5 as its prices have experienced significant rises and falls historically.

Derivatives (complex instruments) are used for investment purposes and the net asset value of the Fund may therefore, at times, be highly volatile.

Short selling can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no absolute guarantee that securities necessary to cover a short position will be available for purchase.



# CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)  
Fund Information (continued)

## DISTRIBUTIONS

There were no distributions made in the period.

## FUND PERFORMANCE TO 31 OCTOBER 2013 (%)

	6 months	1 year	3 years	5 years
City Financial UK Equity Fund	13.59	29.05	47.30	88.99

Source: Morningstar Direct mid-to-mid based on 'B' Accumulation share class which includes reinvested income.

## PORTFOLIO STATEMENT AS AT 31 OCTOBER 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	DEBT SECURITIES	—	—	1.92
	ALTERNATIVE INVESTMENT MARKET			
	OIL & GAS			
	<i>OIL &amp; GAS PRODUCERS</i>			
2,559,310	Borders & Southern Petroleum	358,303	0.88	
1,110,797	Independent Oil & Gas	344,347	0.85	
1,235,000	Lekoil	700,862	1.72	
69,878	Petroceltic International	98,528	0.24	
10,000,000	San Leon Energy	389,000	0.95	
		1,891,040	4.64	—
	<i>OIL, EQUIPMENT, SERVICES &amp; DISTRIBUTION</i>			
852,275	Enteq Upstream	528,411	1.30	
310,000	KBC Advanced Technologies	282,100	0.69	
		810,511	1.99	2.04
	<i>ALTERNATIVE ENERGY</i>			
3,150,000	PV Crystalox Solar	393,750	0.97	0.65
	TOTAL OIL & GAS	3,095,301	7.60	2.69
	BASIC MATERIALS			
	<i>CHEMICALS</i>			
200,000	Plastics Capital	214,000	0.52	
142,000	Zotefoams	251,340	0.62	
		465,340	1.14	0.55
	<i>INDUSTRIAL METALS &amp; MINING</i>			
1,971,542	International Ferro Metals	172,707	0.43	0.32

# CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	<i>MINING</i>			
1,000,000	Fox Marble Holdings	180,000	0.44	
3,430,000	Sable Mining Africa	330,995	0.81	
8,485,924	Savannah Resources	297,007	0.73	
		808,002	1.98	2.50
	<b>TOTAL BASIC MATERIALS</b>	1,446,049	3.55	3.37
	<i>INDUSTRIALS</i>			
	<i>CONSTRUCTION &amp; MATERIALS</i>			
820,000	Superglass Holdings	278,800	0.68	–
	<i>GENERAL INDUSTRIALS</i>			
104,500	Robinson	182,875	0.45	0.45
	<i>ELECTRONIC &amp; ELECTRICAL EQUIPMENT</i>			
875,000	Stadium Group	437,500	1.08	
175,000	Volex	217,000	0.53	
		654,500	1.61	1.51
	<i>INDUSTRIAL ENGINEERING</i>			
300,000	Avingtrans	462,000	1.13	
165,000	MS International	283,800	0.70	
335,150	Somero Enterprises	325,095	0.80	
		1,070,895	2.63	1.45
	<i>INDUSTRIAL TRANSPORTATION</i>			
75,000	Avation	85,500	0.21	–
	<i>SUPPORT SERVICES</i>			
785,000	Begbies Traynor Group	290,450	0.71	
500,000	Empresaria Group	175,000	0.43	
275,000	Hydrogen Group	308,000	0.76	
740,000	Networkers International	366,300	0.90	
49,039	PayPoint	510,496	1.25	
250,000	Restore	382,500	0.94	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	<i>SUPPORT SERVICES (continued)</i>			
90,000	Staffline Group	558,000	1.37	
450,000	Vianet Group	387,000	0.95	
930,000	WYG	1,013,700	2.49	
		3,991,446	9.80	6.75
	<b>TOTAL INDUSTRIALS</b>	6,264,016	15.38	10.16
	<i>HEALTH CARE</i>			
	<i>HEALTH CARE EQUIPMENT &amp; SERVICES</i>			
1,000,000	EKF Diagnostics Holdings	315,000	0.78	
1,800,000	Healthcare Investment Opportunities	216,000	0.53	
3,791,503	LiDCO Group	587,683	1.44	
666,666	Scientific Digital Imaging	146,667	0.36	
469,000	Sphere Medical Holding	131,320	0.32	
1,004,999	Venn Life Sciences Holdings	221,100	0.54	
		1,617,770	3.97	4.13
	<i>PHARMACEUTICALS &amp; BIOTECHNOLOGY</i>			
100,000	Anpario	230,000	0.56	
1,093,750	e-Therapeutics	317,188	0.78	
180,000	Eco Animal Health Group	381,600	0.94	
		928,788	2.28	1.65
	<b>TOTAL HEALTH CARE</b>	2,546,558	6.25	5.78
	<i>CONSUMER GOODS</i>			
	<i>FOOD PRODUCERS</i>			
575,000	Finsbury Food Group	379,500	0.93	–
	<i>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</i>			
1,050,000	International Greetings	567,000	1.39	–

# CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
9,350,000	PERSONAL GOODS			
	Pittards	233,750	0.58	0.42
	TOTAL CONSUMER GOODS	1,180,250	2.90	0.42
	CONSUMER SERVICES			
275,000	MEDIA			
	Creston	273,625	0.67	
	STV Group	2,535,300	6.22	
		2,808,925	6.89	–
179,031	TRAVEL & LEISURE			
	Dart Group	418,485	1.03	1.55
	TOTAL CONSUMER SERVICES	3,227,410	7.92	1.55
	FINANCIALS			
10,000	LIFE INSURANCE			
	St. James's Place	67,500	0.16	–
	REAL ESTATE INVESTMENT & SERVICES	–	–	0.27
1,250,000	REAL ESTATE INVESTMENT TRUSTS			
	Itacare Capital	280,094	0.69	1.00
	FINANCIAL SERVICES			
16,500,000	EW Group	198,000	0.49	
2,407,883	F&C Asset Management	2,444,001	6.00	
620,000	Fairpoint Group	775,000	1.90	
675,000	Fusion IP	452,250	1.11	
200,000	Palace Capital	430,000	1.05	
5,101	Sherborne Investors	10,202	0.03	
850,000	Walker Crips Group	382,500	0.94	
		4,691,953	11.52	13.02
838,956	EQUITY INVESTMENT INSTRUMENTS			
	Brookwell	457,902	1.12	1.32
	TOTAL FINANCIALS	5,497,449	13.49	15.61

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	TECHNOLOGY			
2,000,000	SOFTWARE & COMPUTER SERVICES			
	Accumuli	420,000	1.03	
	Brady	276,000	0.68	
140,000	Craneware	637,000	1.56	
285,000	Dillistone Group	347,700	0.85	
747,826	IDOX	284,174	0.70	
1,000,000	Progility	80,000	0.20	
720,000	Redcentric	597,600	1.47	
7,200,000	Redstone	61,200	0.15	
327,272	Sanderson Group	216,000	0.53	
500,000	SimiGon	152,500	0.37	
102,500	SQS Software Quality Systems	444,850	1.09	
125,000	TRACSiS	230,000	0.57	
4,000,000	ViaLog warrants	–	–	
		3,747,024	9.20	10.02
8,571,429	TECHNOLOGY HARDWARE & EQUIPMENT			
	Pure Wafer	664,286	1.63	
	Telit Communications	225,500	0.55	
205,000	Trakm8 Holdings	211,364	0.52	
		1,101,150	2.70	0.96
	TOTAL TECHNOLOGY	4,848,174	11.90	10.98
	TOTAL ALTERNATIVE INVESTMENT MARKET	28,105,207	68.99	50.56
75,000	UNITED KINGDOM			
	Energy Assets Group	246,000	0.60	4.87
	CANADA			
24,000,000	ConjuChem Biotechnologies#	–	–	0.27
	UNITED STATES			
1,000	Apple	325,126	0.80	
65,000	Cisco Systems	910,708	2.24	
50,000	General Motors Co	1,150,251	2.82	

# CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Notional Value £	Market Value £	Total Net Assets 30.06.13 %	31.12.12 %
UNITED STATES (continued)					
180,000	Genworth Financial		1,627,903	4.00	
35,000	Tesoro Corporation		1,064,635	2.61	
50,000	Wells Fargo & Co		1,328,888	3.26	
			<u>6,407,511</u>	<u>15.73</u>	23.95
SWAPS					
1	Merrill Lynch Swap Basket AUD	(680,858)	(27,142)	(0.07)	
1	Merrill Lynch Swap Basket DKK	(340,577)	(6,269)	(0.01)	
1	Merrill Lynch Swap Basket EUR	(1,265,338)	(87,896)	(0.22)	
1	Merrill Lynch Swap Basket EUR	1,661,903	32,206	0.08	
1	Merrill Lynch Swap Basket GBP	2,074,113	560,007	1.38	
1	Merrill Lynch Swap Basket GBP	(5,422,160)	(145,856)	(0.36)	
1	Merrill Lynch Swap Basket PLN	(577,423)	101,453	0.25	
1	Merrill Lynch Swap Basket SEK	(595,204)	32,312	0.08	
1	Merrill Lynch Swap Basket USD	(18,998,313)	(304,098)	(0.75)	
1	Merrill Lynch Swap Basket USD	813,642	33,065	0.08	
		<u>(23,330,215)</u>	<u>187,782</u>	<u>0.46</u>	(1.68)
	Portfolio of investments*		34,946,500	85.78	79.89
	Net other assets		5,795,557	14.22	20.11
	Net assets		<u>40,742,057</u>	<u>100.00</u>	100.00

All the investments are ordinary shares listed on a regulated market unless stated otherwise.

# Illiquid security.

\* Includes derivative liabilities.

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

Total purchases for the half year	£18,719,193
Major purchases	Cost £
Genworth Financial	1,396,901
STV Group	1,194,861
Cisco Systems	1,026,785
Lekoil	529,523
PayPoint	485,240
Finsbury Food Group	470,543
San Leon Energy	407,030
Borders & Southern Petroleum	406,197
Palace Capital	400,000
Superglass Holdings	398,719
Plus500	393,083
Hydrogen Group	367,556
Daisy Group	351,802
PV Crystalox Solar	346,864
Restore	329,797
Networkers International	327,342
Sable Mining Africa	325,850
IBEX Global	323,415
International Greetings	317,209
Accumuli	304,417

## CITY FINANCIAL UK EQUITY FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

**Total sales for the half year** **£17,764,918**

Major sales	Proceeds £
Cigna Corporation	1,936,165
Forbidden Technologies	1,121,436
Marvell Technology Group	1,110,040
Herbalife	1,028,581
Aberdeen Asset Management 7.9% perpetual	659,260
WYG	658,679
Hiscox	634,439
CareTech Holdings	589,025
Jelf Group	534,166
Hydrogen Group	447,851
Plus500	431,463
IBEX Global	404,707
Energy Assets Group	400,197
Tesoro Corporation	393,630
Landore Resources	391,770
Greenlight Capital	385,183
Sprue Aegis	347,704
GETECH Group	318,614
ReNeuron Group	294,360
Goals Soccer Centres	291,098

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

## INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 OCTOBER 2013

	31.10.13 £	31.10.12 £
Income:		
Net capital gains	5,878,228	6,275,458
Revenue	545,072	647,202
Expenses	(1,372,172)	(346,882)
Finance costs: Interest	(99,545)	(91,403)
Net (expense)/revenue before taxation	(926,645)	208,917
Taxation	(11,518)	(2,864)
Net (expense)/revenue after taxation	(938,163)	206,053
<b>Total return before distributions</b>	<b>4,940,065</b>	<b>6,481,511</b>
Finance costs: Distributions	–	(222,290)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>4,940,065</b>	<b>6,259,221</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 OCTOBER 2013

	31.10.13 £	31.10.12 £
<b>Opening net assets attributable to shareholders</b>	<b>33,576,145</b>	<b>42,586,636</b>
Amounts receivable on issue of shares	5,382,934	785,099
Amounts payable on cancellation of shares	(3,183,807)	(11,761,558)
	2,199,127	(10,976,459)
Dilution levy charged	37,385	21,643
Stamp duty reserve tax	(10,665)	(956)
Change in net assets attributable to shareholders from investment activities	4,940,065	6,259,221
Retained distribution on Accumulation shares	–	172,943
<b>Closing net assets attributable to shareholders</b>	<b>40,742,057</b>	<b>38,063,028</b>

The above statement shows the comparative closing net assets at 31 October 2012 whereas the current accounting period commenced 1 May 2013.

**CITY FINANCIAL UK EQUITY FUND**  
*Interim Financial Statements (unaudited) (continued)*  
**BALANCE SHEET**  
AS AT 31 OCTOBER 2013

	31.10.13	30.04.13
	£	£
<b>ASSETS</b>		
<b>Investment assets</b>	35,517,761	27,549,178
<b>Other assets</b>		
Debtors	1,631,912	1,063,600
Cash and bank balances	8,451,537	10,730,062
<b>Total other assets</b>	10,083,449	11,793,662
<b>Total assets</b>	<u>45,601,210</u>	<u>39,342,840</u>
<b>LIABILITIES</b>		
<b>Investment liabilities</b>	(571,261)	(738,559)
<b>Other liabilities</b>		
Creditors	(709,706)	(1,264,717)
Bank overdrafts	(3,578,186)	(3,763,419)
<b>Total other liabilities</b>	(4,287,892)	(5,028,136)
<b>Total liabilities</b>	<u>(4,859,153)</u>	<u>(5,766,695)</u>
<b>Net assets attributable to shareholders</b>	<u>40,742,057</u>	<u>33,576,145</u>

**CFIC OCTOPUS UK MICRO CAP GROWTH FUND**  
**ACD'S REPORT**  
FOR THE HALF YEAR ENDED 31 OCTOBER 2013

**INVESTMENT OBJECTIVE AND POLICY**

The investment objective of the CFIC Octopus UK Micro Cap Growth Fund ('the Fund') is to achieve capital growth by focusing on areas of the UK market where the Investment Manager identifies capital growth opportunities.

The Fund will invest predominantly in small cap equities (including through collective investment schemes). It is expected that opportunities will be focused on smaller companies with a full market listing, AIM listing or listed on PLUS Markets. The Investment Manager may utilise other asset classes as permitted by the Prospectus and has the flexibility to hold derivatives in order to provide a positive return in all market conditions.

The Fund will not invest directly in gold or real property. It is not intended that the Fund will have an interest in any immovable property or tangible movable property. The ACD shall ensure that, taking into account the investment objective and policy of the Fund, the property of the Fund aims to provide a prudent spread of risk.

From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the Fund property in money market instruments and/or cash deposits.

**INVESTMENT MANAGER'S REPORT**

**BACKGROUND TO THE FUND**

The CF Octopus Opportunities Fund was launched on 12 July 2007 with £3.56 million raised from seed investors. The Fund subsequently changed its name to CFIC Octopus UK Micro Cap Growth Fund, in order to better describe the underlying investment strategy. The value of the Fund was £18.59 million as at 31 October 2013.

Over 80% of quoted UK companies have a market value of less than £100 million. The smaller end of the market has become increasingly inefficient, compounded by limited broker coverage and a lack of institutional awareness.

The Manager expects to achieve capital growth by investing in a portfolio of 40-60 UK smaller companies quoted on the official list of the London Stock Exchange, Alternative Investment Market ('AIM') and Plus Markets.

**INVESTMENT REVIEW**

Investor risk appetite has continued to improve over the period under review as the recovery in the UK economy gathers pace.

The September reporting season went well and we expect further upgrades to earnings towards the end of the year, as many management teams are reporting that levels of business are higher than any time since the financial crisis. Fund raising activity has also increased substantially over recent months, with significantly more companies looking to Initial Public Offering ('IPO') on AIM.

The Fund was up 15.78%\* during the six month period under review.

As at 31 October 2013, the Fund had 55 investments in quoted companies (42 at the end of April 2013). At the period end, the cash position of the Fund was 3.0% (from 0.8%).

\* Source: Morningstar Direct mid-to-mid based on 'S' Accumulation share class 01/05/2013-31/10/2013.

## INVESTMENT REVIEW (continued)

The main contributors to performance over the period were: blur Group, which operates an online business services exchange. The share price was up 193.4% during the six month period under review as the market reacted to the growth in transactions on the exchange. WANdisco, a provider of global collaboration software to the software development industry, has continued to perform well with the shares up a further 45.6% during the period. On-line identity specialist GB Group continued to report good progress and the shares were up a further 36.8%. Domestically based companies performed well, as confidence in the UK economic recovery improved over the summer, and the share prices of Cohort, Staffline Group and Renew Holdings were all up over 50% as a result. The Fund has also benefitted from a number of new investments which made a strong early contribution to performance, including APC Technology Group (+81.7%), Plus500 (+70.6%), Top Level Domain Holdings (+97.9%), Clean Air Power (+29.2%) and Caretech Holdings (+28.1%).

The two biggest fallers during the first half were: Silverdell, which suspended its shares when one of its subsidiary companies was placed into administration; the shares remain suspended while they conclude discussions with the bank, so we marked the value of the holding down to reflect the ongoing uncertainty. The share price of 3D software developer DDD Group fell by 60.2% during the period due to two profit downgrades, triggered by a slowdown in the PC market.

## OUTLOOK

Investor appetite for micro cap stocks seems to have improved in recent months, which should continue to provide momentum for the Fund. In addition, small companies are benefitting from a marked improvement in trading as we appear to be moving into the up cycle of the economy. We believe this will provide a favourable environment for small growth companies over the next few years, so we look forward to the future with confidence.

CITY FINANCIAL INVESTMENT COMPANY LIMITED

Authorised Corporate Director

19 December 2013

## FUND INFORMATION

## PERFORMANCE RECORD

## 'P' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	100.81	61.20	1.6384
2009	91.92	56.23	0.9213
2010	95.48	78.66	0.8883
2011	109.71	94.98	1.0526
2012	114.61	100.03	0.4327
2013*	142.34	115.26	–

## 'A' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	100.21	60.41	0.7154
2009	90.18	55.40	0.3894
2010	92.79	76.65	0.2497
2011	106.86	92.04	0.2938
2012	109.69	96.46	–
2013*	135.90	110.30	–

## 'S' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	100.88	61.32	1.9721
2009	92.29	56.38	1.0946
2010	96.16	79.15	1.1033
2011	110.43	95.67	1.3349
2012	116.12	101.10	0.6811
2013*	144.43	116.78	0.0712

\* To 31 October 2013.

## CFIC OCTOPUS UK MICRO CAP GROWTH FUND

ACD's Report (continued)

Fund Information (continued)

### NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.04.11	'P' Accumulation	9,475,295	9,348,643	101.35
	'A' Accumulation	3,219,747	3,270,479	98.45
	'S' Accumulation	7,367,212	7,222,512	102.00
30.04.12	'P' Accumulation	8,136,247	7,597,806	107.09
	'A' Accumulation	3,343,599	3,245,841	103.01
	'S' Accumulation	6,218,718	5,741,365	108.31
30.04.13	'P' Accumulation	4,383,565	3,630,130	120.76
	'A' Accumulation	3,202,423	2,777,888	115.28
	'S' Accumulation	6,340,544	5,178,014	122.45
31.10.13	'P' Accumulation	6,094,998	4,364,974	139.63
	'A' Accumulation	3,793,280	2,845,320	133.32
	'S' Accumulation	8,548,236	6,033,190	141.69

### ONGOING CHARGES FIGURE

Expense Type	31.10.13 %			30.04.13 %		
	'P'	'A'	'S'	'P'	'A'	'S'
ACD's periodic charge	0.75	1.50	0.50	0.75	1.50	0.50
Other expenses	0.28	0.28	0.28	0.26	0.26	0.26
Ongoing charges figure	1.03	1.78	0.78	1.01	1.76	0.76

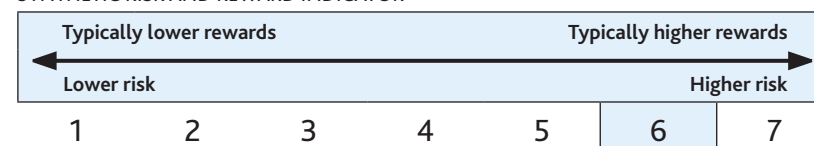
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund expressed as a percentage of the average net assets over a 12 month period.

A performance fee of 20% of out-performance of 12 month GBP LIBOR of £534,642 was accrued in the current period. The performance fee was waived in the prior year.

A High Water Mark was introduced effective from 30 April 2013.

This Fund is a KII-Compliant Non-UCITS Retail Scheme and in accordance with the requirements of the Collective Investment Schemes Sourcebook, as modified by the Financial Conduct Authority, this report presents the OCF.

### SYNTHETIC RISK AND REWARD INDICATOR



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the share class have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.

The risk reward category shown is not guaranteed to remain unchanged and may shift over time.

The lowest risk category does not equal a risk free investment.

The Fund is in risk category 6 as its price has experienced very significant rises and falls historically.

Smaller company funds are higher risk funds that can invest in larger company sizes. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to buy or sell securities.

### DISTRIBUTIONS

There were no distributions made in the period.

### FUND PERFORMANCE TO 31 OCTOBER 2013 (%)

	6 months	1 year	3 years	5 years
CFIC Octopus UK Micro Cap Growth Fund	15.78	29.29	60.04	118.20
IMA UK Smaller Companies	17.92	33.40	58.08	176.65

Source: Morningstar Direct mid-to-mid based on 'S' Accumulation share class which includes reinvested income.



**CFIC OCTOPUS UK MICRO CAP GROWTH FUND**
*ACD's Report (continued)*
**PORTFOLIO STATEMENT**
**AS AT 31 OCTOBER 2013**

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	EQUITIES			
	ALTERNATIVE INVESTMENT MARKET			
	OIL & GAS			
	<i>OIL EQUIPMENT, SERVICES &amp; DISTRIBUTION</i>			
500,000	Enteq Upstream	310,000	1.68	
490,000	Getech Group	421,400	2.29	
188,095	MyCelx Technologies Corporation	940,475	5.10	
		<u>1,671,875</u>	<u>9.07</u>	<u>11.72</u>
	<i>ALTERNATIVE ENERGY</i>			
151,786	Graphene NanoChem	<u>107,009</u>	<u>0.58</u>	<u>2.00</u>
	TOTAL OIL & GAS	<u>1,778,884</u>	<u>9.65</u>	<u>13.72</u>
	BASIC MATERIALS			
	<i>CHEMICALS</i>			
750,000	HaloSource	195,000	1.06	
200,000	Velocys	270,000	1.46	
		<u>465,000</u>	<u>2.52</u>	<u>4.90</u>
	<i>MINING</i>			
909,090	Fox Marble Holdings	<u>163,636</u>	<u>0.89</u>	<u>–</u>
	TOTAL BASIC MATERIALS	<u>628,636</u>	<u>3.41</u>	<u>4.90</u>
	INDUSTRIALS			
	<i>CONSTRUCTION &amp; MATERIALS</i>			
529,174	Renew Holdings	<u>772,594</u>	<u>4.19</u>	<u>4.91</u>
	<i>AEROSPACE &amp; DEFENCE</i>			
265,000	Cohort	<u>553,850</u>	<u>3.00</u>	<u>2.67</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	<i>INDUSTRIAL ENGINEERING</i>			
700,000	APC Technology Group	399,000	2.17	
350,000	Avingtrans	539,000	2.92	
3,450,000	Clean Air Power	396,750	2.15	
247,000	Somero Enterprises	239,590	1.30	
		<u>1,574,340</u>	<u>8.54</u>	<u>3.92</u>
	<i>SUPPORT SERVICES</i>			
800,000	Augean	320,000	1.73	
315,000	Driver Group	387,450	2.10	
30,000	Hargreaves Services	261,300	1.42	
250,000	Hydrogen Group	280,000	1.52	
1,625,000	Inspired Energy	142,187	0.77	
44,660	Matchtech Group	245,630	1.34	
486,080	Redhall Group	252,762	1.37	
470,000	Restore	719,100	3.90	
2,349,741	Silverdell*	–	–	
90,000	Staffline Group	558,000	3.03	
48,000	Synectics	240,000	1.30	
3,350,000	Tangent Communications	234,500	1.27	
		<u>3,640,929</u>	<u>19.75</u>	<u>19.39</u>
	TOTAL INDUSTRIALS	<u>6,541,713</u>	<u>35.48</u>	<u>30.89</u>
	HEALTH CARE			
	<i>HEALTH CARE EQUIPMENT &amp; SERVICES</i>			
500,000	Advanced Medical Solution Group	486,250	2.63	
139,270	Caretech Holdings	317,536	1.73	
1,200,000	EKF Diagnostics Holdings	378,000	2.05	
67,000	Immundiagnostic Systems Holdings	322,940	1.75	
2,000,000	LiDCO Group	310,000	1.68	
		<u>1,814,726</u>	<u>9.84</u>	<u>7.86</u>
	<i>PHARMECEUTICALS &amp; BIOTECHNOLOGY</i>			
600,000	Futura Medical	<u>369,000</u>	<u>2.00</u>	<u>3.12</u>
	TOTAL HEALTH CARE	<u>2,183,726</u>	<u>11.84</u>	<u>10.98</u>

**CFIC OCTOPUS UK MICRO CAP GROWTH FUND**
*ACD's Report (continued)*
*Portfolio Statement (continued)*

Holding	Portfolio of Investments	Value £	Total Net Assets 31.10.13 %	30.04.13 %
CONSUMER SERVICES				
AUTOMOBILES & PARTS				
1,333,332	Transense Technologies	86,667	0.47	–
FOOD & DRUG RETAILERS				
45,000	Clinegen Group	214,087	1.16	–
GENERAL RETAILERS				
70,000	Majestic Wine	378,350	2.05	2.06
MEDIA				
289,802	Hasgrove^	159,391	0.87	
250,000	Motivcom	367,500	1.99	
1,400,000	Top Level Domain Holdings	157,500	0.85	
		684,391	3.71	8.91
TRAVEL & LEISURE				
200,000	Prezzo	250,000	1.36	
168,000	Tasty	194,880	1.06	
		444,880	2.42	1.20
TOTAL CONSUMER SERVICES		1,808,375	9.81	12.17
FINANCIALS				
FINANCIAL SERVICES				
165,012	Nektan	199,999	1.08	
201,652	Plus500	391,205	2.12	
		591,204	3.20	–
TECHNOLOGY				
SOFTWARE & COMPUTER SERVICES				
500,000	Advanced Computer Software Group	458,750	2.49	
10,000,000	Arcontech Group	13,000	0.07	
100,000	blur Group	462,000	2.51	
3,730,960	DDD Group	233,185	1.27	
1,000,000	Earthport	200,000	1.08	
24,038	EMIS Group	150,959	0.82	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.10.13 %	30.04.13 %
	SOFTWARE & COMPUTER SERVICES (continued)			
524,303	GB Group	697,323	3.78	
949,088	Ideagen	213,545	1.16	
800,000	Idox Group	304,000	1.65	
112,466,667	Imaginatik	95,597	0.52	
130,000	iomart Group	337,025	1.83	
226,250	NetScientific	298,650	1.62	
41,835	SQS Software Quality Systems	181,564	0.98	
60,000	WANdisco	693,000	3.76	
		4,338,598	23.54	22.27
	TECHNOLOGY HARDWARE & EQUIPMENT			
		–	–	2.65
	TOTAL TECHNOLOGY	4,338,598	23.54	24.92
	TOTAL ALTERNATIVE INVESTMENT MARKET	18,020,932	96.93	97.58
	UNITED KINGDOM			
		–	–	1.61
	Portfolio of investments	17,871,136	96.93	99.19
	Net other assets	565,378	3.07	0.81
	Net assets	18,436,514	100.00	100.00

All investments are ordinary shares unless stated otherwise.

\* Suspended.

^ Delisted.

# CFIC OCTOPUS UK MICRO CAP GROWTH FUND

ACD's Report (continued)

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

**Total purchases for the half year** **£5,179,200**

Major purchases	Cost £
Caretech Holdings	390,103
NetScientific	340,952
iomart Group	324,786
Clean Air Power	315,935
Idox Group	270,851
Hargreaves Services	252,962
APC Technology Group	250,000
Plus500	237,681
Prezzo	231,613
Somero Enterprises	225,984
Synectics	215,868
Nektan	199,999
Clinegen Group	186,187
Matchtech Group	180,873
Tasty	168,000
Fox Marble Holdings	150,000
EMIS Group	147,834
SQS Software Quality Systems	147,594
DDD Group	127,746
Transense Technologies	100,000

**Total sales for the half year** **£3,926,388**

Major sales	Proceeds £
Hasgrove	438,862
dotDigital Group	371,239
Next Fifteen Communications Group	253,345
MyCelx Technologies Corporation	251,746
blur Group	238,879
WANDisco	218,351
Source BioScience	217,844
Michelmersh Brick Holdings	212,692
IQE	202,769
CareTech Holdings	175,166
Avingtrans	165,835
Oxford Catalysts Group	153,925
Motivcom	138,246
Staffline Group	132,315
Cyan Holdings	123,318
1Spatial	101,880
Snoozebox Holdings	93,294
Corero Network Security	87,897
Tungsten Corporation	86,811
APC Technology Group	66,665

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

CFIC OCTOPUS UK MICRO CAP GROWTH FUND  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 OCTOBER 2013

	31.10.13		31.10.12
£	£	£	£
Income:			
Net capital gains	2,802,932		16,852
Revenue	105,724	115,573	
Expenses	(616,424)	(88,295)	
Finance costs: Interest	—	—	
Net (expense)/revenue before taxation	(510,700)	27,278	
Taxation	(1,284)	—	
Net (expense)/revenue after taxation	(511,984)	27,278	
<b>Total return before distributions</b>	2,290,948	44,130	
Finance costs: Distributions	—	(33,486)	
<b>Change in net assets attributable to shareholders from investment activities</b>	2,290,948	10,644	

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

	31.10.13		31.10.12
£	£	£	£
<b>Opening net assets attributable to shareholders</b>	13,926,532	17,698,564	
Amounts receivable on issue of shares	2,828,337	170,237	
Amounts payable on cancellation of shares	(607,391)	(1,767,753)	
	2,220,946	(1,597,516)	
Stamp duty reserve tax	(1,912)	(973)	
Change in net assets attributable to shareholders from investment activities	2,290,948	10,644	
Retained distribution on Accumulation shares	—	31,334	
<b>Closing net assets attributable to shareholders</b>	18,436,514	16,142,053	

The above statement shows the comparative closing net assets at 31 October 2012 whereas the current accounting period commenced 1 May 2013.

BALANCE SHEET  
AS AT 31 OCTOBER 2013

	31.10.13		30.04.13
£	£	£	£
<b>ASSETS</b>			
<b>Investment assets</b>	17,871,136	13,814,307	
<b>Other assets</b>			
Debtors	80,905	58,862	
Cash and bank balances	1,264,401	148,669	
<b>Total other assets</b>	1,345,306	207,531	
<b>Total assets</b>	19,216,442	14,021,838	
<b>LIABILITIES</b>			
<b>Other liabilities</b>			
Creditors	(779,928)	(86,051)	
Bank overdrafts	—	(9,255)	
<b>Total other liabilities</b>	(779,928)	(95,306)	
<b>Total liabilities</b>	(779,928)	(95,306)	
<b>Net assets attributable to shareholders</b>	18,436,514	13,926,532	

## GENERAL INFORMATION

### STRUCTURE OF THE COMPANY

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

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

City Financial UK Equity Fund  
CFIC Octopus UK Micro Cap Growth Fund

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

### CLASSES OF SHARES

The Company can issue different classes of shares in respect of any sub-fund.

Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

### VALUATION POINT

The valuation point of the Company is 7.00am and 10.00am each business day for City Financial UK Equity Fund and CFIC Octopus UK Micro Cap Growth Fund respectively. 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 300 2107. 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 buying and selling prices of shares are available on the website of the Investment Management Association at [www.fundlistings.com](http://www.fundlistings.com). The City Financial UK Equity Fund and the CFIC Octopus UK Micro Cap Growth Fund are published in the *Financial Times* under the heading City Financial Investment Company.

### 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 of the Company.

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

### DATA PROTECTION ACT

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

### RISK WARNING

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



