CAPITA
FINANCIAL GROUP

CF Midas Investment Funds

Interim Unaudited Report and Financial Statements
15 July 2011

CF Midas Balanced Growth Fund
CF Midas Balanced Income Fund

midascapital
Midas Capital Partners Limited

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AUTHORISED STATUS

CF Midas Investment Funds ('the Company') is an open-ended investment company with variable capital incorporated in England and Wales under registration number IC342 and authorised by the Financial Services Authority with effect from 5 October 2004.

The Company is a 'UCITS Scheme' and the currency of the Company is pounds sterling.

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

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 Services Authority.

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Midas Investment Funds
2 September 2011

AGGREGATED INTERIM FINANCIAL STATEMENTS

AGGREGATED STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 15 JULY 2011

	15.07.11		15.07.10	
	£	£	£	£
Income:				
Net capital gains/(losses)		1,934,814		(16,729,993)
Revenue	12,318,994		15,437,996	
Expenses	(4,194,009)		(5,044,004)	
Finance costs: Interest	(1,808)		(524)	
Net revenue before taxation	8,123,177		10,393,468	
Taxation	(585,562)		(401,948)	
Net revenue after taxation		7,537,615		9,991,520
Total return before distributions		9,472,429		(6,738,473)
Finance costs: Distributions		(8,911,601)		(12,024,363)
Change in net assets attributable to shareholders from investment activities		560,828		(18,762,836)

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 15 JULY 2011

	15.07.11		15.07.10	
	£	£	£	£
Opening net assets attributable to shareholders		618,316,925		726,489,048
Amounts receivable on issue of shares	3,534,149		5,417,471	
Amounts payable on cancellation of shares	(86,066,592)		(64,413,565)	
		(82,532,443)		(58,996,094)
Dilution levy		292,299		244,826
Stamp duty reserve tax		15,469		(75,147)
Change in net assets attributable to shareholders from investment activities		560,828		(18,762,836)
Retained distribution on Accumulation shares		1,477,430		3,006,236
Unclaimed distributions		209		941
Closing net assets attributable to shareholders		538,130,717		651,906,974

The above statement shows the comparative closing net assets at 15 July 2010 whereas the current accounting period commenced 16 January 2011.

AGGREGATED BALANCE SHEET
AS AT 15 JULY 2011

	15.07.11		15.01.11	
	£	£	£	£
ASSETS				
Investment assets		535,731,533		621,017,824
Other assets				
Debtors	7,332,070		5,330,876	
Cash and bank balances	4,299,310		4,584,473	
Total other assets		11,631,380		9,915,349
Total assets		547,362,913		630,933,173
LIABILITIES				
Other liabilities				
Creditors	(3,143,226)		(8,578,140)	
Bank overdrafts	(2,632,218)		–	
Distribution payable on Income shares	(3,456,752)		(4,038,108)	
Total other liabilities		(9,232,196)		(12,616,248)
Total liabilities		(9,232,196)		(12,616,248)
Net assets attributable to shareholders		538,130,717		618,316,925

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 January 2011 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 ('SORP') for Authorised Funds issued by the Investment Management Association in October 2010.

CF MIDAS BALANCED GROWTH FUND
INVESTMENT MANAGER'S REPORT
FOR THE HALF YEAR ENDED 15 JULY 2011

INVESTMENT OBJECTIVE AND POLICY
The investment objective of the CF Midas Balanced Growth Fund ('the Fund') is to achieve long-term capital growth by investing in a balanced and well diversified portfolio of UK and International equities, and fixed interest securities including government and corporate bonds.

Investments will also be made in regulated collective investment schemes, money markets and cash deposits to provide further diversification to the Fund in accordance with applicable regulations.

PERFORMANCE OF THE FUND
Over six months to the 15 July, the CF Midas Balanced Growth Fund returned +1.14%, thereby outperforming its benchmark, the IMA Balanced Sector, which returned +0.41%. Asset returns were muted over the early part of 2011. Investor headwinds were plentiful, including supply shocks caused by Japan's Tohoku earthquake, North Africa's political disharmony and inflationary pressures triggered by an elevated oil price. Other investor obstacles included monetary tightening in Asian and Emerging Markets, however, the greatest hindrance to market progress proved to be the European sovereign debt crisis that appeared to evade any credible resolution.

The beauty of a multi asset approach, however, is that invariably particular asset classes can outperform others in the most difficult circumstances. This was the case in the Midas Balanced Growth Fund, where energy related investments, listed private equity and venture capital out performed. As the European debt crisis deepened and the US showed little signs of an amicable resolution to its US$14.3 trillion debt ceiling problem, the Fund adopted a more defensive asset allocation stance, thereby locking an element of the gains accrued over the first six months of the year.

FUND RETURNS FOR PERIODS TO 15 JULY 2011

	6 months %	**1 year** %	**3 years** %	**5 years** %
CF Midas Balanced Growth Fund	+1.14	+14.34	+22.30	+11.61
IMA Balanced Managed Sector	+0.41	+11.38	+20.57	+20.50

Source: Midas Capital/Financial Express.
Note: The figures quoted are to 15 July 2011.

MARKET AND ECONOMIC REVIEW
The weak return from risk assets in January was soon forgotten, as investor risk appetite rebounded strongly in February and March. World indices rallied sharply and in some cases touched 18 month highs in April. However, these gains were short lived, with indices subsequently falling back in response to the myriad of accumulating macro uncertainties.

MARKET AND ECONOMIC REVIEW *(continued)*
Risk assets remained out of favour until the tail end of June. Fears over Greece's sovereign debt crisis, together with the potential threat of wider European contagion, accompanied by weaker than expected US industrial data in May chipped away at investor confidence. Investor sentiment further whittled away as S&P negatively revised the US's AAA credit rating and the Federal Reserve ruled out an immediate extension to quantitative easing. Ironically against this backdrop, corporate earnings proved to be healthy, as the benefits of last year's cost cutting and productivity improvements came through. With corporate cash building, M&A activity remained elevated globally. US economic growth worries, compounded by monetary tightening in Asia and emerging markets seemed to be the cause behind the fall in commodity prices and related assets. Resource stocks fell sharply over the quarter. As a corollary, defensive assets outperformed, as investors sought safe havens, both the UK and US 10 year treasury yields falling sharply over the period. Risk assets retreated until the tail end of June, reflecting investor fears over Greece's sovereign debt crisis, potential contagion and doubts over the strength of the global economic recovery.

Looking to the latter part of 2011, a potentially dangerous mix of unknown outcomes lie ahead. A 'risk off' mindset will remain until the immediate sovereign debt obstacles have been overcome. By most measurements, equities still appear fair value relative to bonds. Inflation remains elevated, but is forecast to ease over the next 18 months, while the retreat in the oil price is likely to help global growth. Any equity market setbacks will be perceived as buying opportunities.

RETURNS FROM MAJOR MARKETS FOR THE PERIOD FROM 15 JANUARY TO 15 JULY 2011

Index	**15 January 2011**	**15 July 2011**	**% Change in Local Currency**	**% Change in Sterling**
FTSE All-Share	3,115.4	3,045.5	-2.2	-2.2
FTSE 100	6,002.1	5,843.7	-2.6	-2.6
FTSE 250	11,742.4	11,746.8	+0.0	+0.0
FTSE Small Cap	3,287.3	3,275.1	-0.4	-0.4
FT Europe x UK	385.2	377.9	-1.9	-1.9
S&P 500	1,293.2	1,316.1	+1.8	+0.1
Nikkei 225	10,499.0	9,974.5	-5.0	-1.9
FT Govt All Stocks	2,408.8	2,538.0	+5.4	+5.5

All equity returns are capital only.
FT Govt All Stocks Index is total return.
Source: Bloomberg.

UNITED KINGDOM
Doubts over the strength of economic recovery held UK indices back early on. Equity prices retreated, as mixed UK economic data hinted at a recessionary hangover. However, the UK's negative fourth quarter 2010 GDP figure was subsequently countered by positive UK manufacturing data pointing to strong activity. In fact, February's manufacturing survey touched its highest level since surveys began in 1991. UK inflation remained elevated, the core measure exceeding 4%, far above the Bank of England's 2% target and ultimately triggering an obligatory explanatory letter from the Governor of the Bank of England to the Chancellor of the Exchequer.

As the first half of 2011 progressed, the UK equity market began to recover. Oil and gas, resource and life assurance sectors underpinned the rally. The banking sector remained out of favour, not helped by Lloyds Banking Group's surprise loss of £2.4 billion, following its decision to make a £3.2 billion provision for the mis-selling of PPI. Accelerating merger acquisition (M&A) activity was another catalyst driving markets higher. Activity included Smiths Group's rejection of a £2.45 billion bid from Apax Partners for its medical division, Wood Group's, the oil services specialist, disposal of its well support business for US$2.8 billion to GE. Other activity included Rolls-Royce's and Daimler's €3.5 billion bid for Germany's Tognum, as well as Shire Pharmaceutical's US$750 million offer for the US's BioHealing. Late in the reporting period, Hong Kong's Cheung Kong Infrastructure Holdings Limited made a preliminary approach for Northumbrian Water. Symbolically significant was BP's re-admission to the FTSE 100 dividend list.

UNITED STATES
Over the period, both the S&P 500 and Dow indices touched their highest levels in over three years, as US interest rates remained at record lows in the face of mixed economic data. However, growing doubts over the sustainability of US economic growth and a lack of resolution to the country's US$14.3 trillion debt ceiling continued to unsettle investors. Matters were further exacerbated by S&P's decision, (the credit rating agency), to put the US's AAA credit rating on negative watch.

With corporate cash building up on balance sheets, M&A activity was equally prevalent in the US. Examples of activity included Texas Instruments purchase of National Semiconductor Corp for US$6.5 billion in cash. Other deals included Duke Energy's US$13.7 billion acquisition of Progress Energy and DuPont's US$5.8 billion bid for Danisco, the Danish enzymes maker and Berkshire Hathaway's cash offer for Lubrizol, the US chemical company. By June, however, US equities retraced as Federal Reserve Chairman, Ben Bernanke, reiterated that the 'balance of risks' was not in favour of a further round of quantitative easing. Furthermore, political impasse over the US's national debt predicament also did little to re-assure investor sentiment.

EUROPE
European equity market returns were mixed over the period, as the southern European debt crisis dominated the headlines. A bright spot proved to be German and Scandinavian equity markets, local companies enjoying an export led boom. In Germany, the country's measure of current economic conditions reached its highest level since July 2007. At the sovereign level, Ireland, Portugal and Greece all suffered sovereign credit rating downgrades. Portugal managed to reach an agreement with the IMF and EU on a €78 billion bailout package, while the Greek government won its key confidence vote on the 28 June, to facilitate the country's Medium Term Fiscal programme. This came as a big relief to investors. The European Central Bank increased interest rates to 1.25% for the first time in almost three years on inflationary concerns. M&A activity was prevalent in Europe, Solvay bidding for Rhodia, Johnson & Johnson making a US$21.3 billion approach for Synthes and Terex bidding for Germany's Demag Cranes in a €885 million deal.

JAPAN
Japan's equity market fell over the period, despite an initially strong start to the year. The positive start was ultimately derailed by the country's tragic Tohoku earthquake, which prompted the Nikkei 225 index to post its biggest two day decline since 1987. Investors worried how Japan's finances might cope over the longer term, as national debt already stood at 200% of GDP before the disaster. Reassuringly, as the year progressed, Japan's industrial output bounced back strongly in May producing the largest month on month rise in the manufacturing index since 1953. M&A activity was also to be found in Japan, the country's largest drug maker Takeda Pharmaceutical revealing it was in talks to buy Swiss rival Nycomed in a deal valued at about US$14.2 billion.

ASIA

Asian indices were broadly weak, investors wary of monetary tightening across the regions. However, on a positive note, it appeared that inflationary pressures were beginning to abate. China's Peoples' Bank of China increased its bank reserve requirement aggressively, while India, Malaysia and the Philippines all raised their interest rates too. The tightening cycle ultimately dampened enthusiasm for the emerging market equities. A brightening outlook is developing for Asian and emerging market economies in the latter part of the year as supply disruptions caused by Japan's earthquake dissipate. Domestic demand is likely to recover, supported by declining food & energy prices and low real rates. In Latin America, monetary tightening contributed to Brazil and Mexico equity markets underperforming.

PORTFOLIO REVIEW

OVERVIEW

Asset allocation changes during the period reflected a gradual move towards a more defensive positioning. Whilst equities remain the favoured asset class, risk is less skewed to the upside compared to 12 months ago. This view reflects where we are in the earnings cycle, the ongoing fragility of the financial system and the fact that the economic recovery remains vulnerable as credit remains constrained and governments cut back on spending. Equity exposure remains bias to Emerging Markets and Asia both directly and indirectly via UK listed companies who generate significant revenues from those geographical regions.

Equity exposure was reduced by some 4% whilst money was reallocated to fixed interest and cash as well as alternative assets such as Structured Products. The fund has been running with higher cash balances than in the previous reporting period in order to have an increased flexibility with which to take advantage extreme market miss-pricing in such volatile times.

FUND ASSET STRUCTURE AT 15 JULY 2011

Investment	**Fund %**	**Core Allocation %**
Equities		
U.K.	32.2	35.0
North America	6.0	6.0
Europe	4.0	6.0
Japan	3.4	3.0
Far East & Emerging Markets	12.8	10.0
Other Overseas	1.6	–
Total Equities	60.0	60.0
Bonds		
U.K. Gilts	–	–
Corporate Bonds	7.8	–
Overseas Bonds	5.1	–
Total Bonds	12.9	15.0
Structured Products	6.1	7.5
Venture Capital	5.7	2.5
Property	4.3	5.0
Alternative Investments	4.3	5.0
Commodities	3.8	5.0
Cash	2.9	–
Total	100.0	100.0

Source: Midas Capital.

UK EQUITIES (32.2%)

The UK equity allocation was reduced by some 4% over the reporting period as we looked to gradually take a relatively more defensive stance. Many of the more volatile and cyclical positions were completely exited. Bank exposure was significantly reduced by 75% in light of the uncertain outlook surrounding their balance sheets and likely low future returns on equity.

Some of the cyclical stocks exited included the chemical company, Yule Catto, house builder Taylor Wimpey and miner Xstrata. A position is now being rebuilt in the latter following sharp falls since being sold. The bulk of Xstrata's profits are from mined copper and thermal coal; two commodities for which the medium-term demand/supply dynamics suggest upward pressure on prices.

UK EQUITIES (32.2%) *(continued)*
Yule Catto was exited following good gains whilst our position in Taylor Wimpey was closed out at a small profit. Morgan Crucible, the engineering company was also sold down aggressively at levels 60% above book cost, whilst Filtrona is also being sold so as to lock in the large profits accrued. Whilst Filtrona's business model is robust and relatively defensive, the company's valuation became out of kilter as investors piled into the stock following the appointment of Colin Day as Chief Executive, Reckitt Benckiser's former FD.

Any money raised from these sales was either used for investment in other parts of the portfolio such as fixed interest and structured products or within the asset class in more defensive companies such as Imperial Tobacco, Reckitt Benckiser and utility stocks such as Severn Trent. These companies have robust business models strong balance sheets and are prodigious cash flow generators. Strong performance was seen from several names across different sectors, including Imperial Tobacco, Babcock International, Filtrona, Morgan Crucible and GlaxoSmithKline.

OVERSEAS EQUITIES (27.8%)
The Fund's weighting towards Overseas Equities remained little changed over the period, although its composition did change somewhat. European exposure was cut by a third in response to the well publicised troubles facing the region, whilst new money was channelled into Asia and emerging markets, an investment area we continue to favour. A new investment was also made in 'Other Overseas' in the form of the Nordea Emerging Consumer Fund, which aims to invest in those companies best placed to benefit from growing consumption in emerging markets such as China and India.

Why do we continue to favour Asia and emerging markets? Quite simply, the economic outlook for emerging markets, such as those in Latin America and Asia, are more favourable than for developed markets, and strong fundamentals provide a healthy backdrop for risk assets. Many of these economies are benefiting significantly from rapid population growth and favourable demographic trends – a burgeoning working age population as a result of both urbanisation and the natural evolution of their population as swathes of young people start entering the workforce. Productivity gains in emerging economies are also naturally easier to achieve as they benefit from the transfer of technological knowledge from developed economies and because of the plethora of investment opportunities that are naturally available at such an early stage in the economic development cycle.

A key focus for the Fund as a whole is to maintain a high level of liquidity. This involved significant action within Overseas Equities, with many of the less liquid closed end investments being exited at attractive prices and monies being reinvested into highly liquid open ended funds with similar objectives. One such new holding is the Somerset Emerging Market Smaller Companies Fund.

FIXED INTEREST (12.9%)
The Fund's fixed interest weighting increased by 2% over the period to 12.9% and we aim to increase it further over the next 6 months. We continue to diversify away from sterling based fixed interest assets as we expect UK interest rates to remain low for the foreseeable future and because the outlook for sterling remains poor. As such, there remains a zero allocation to gilts as we believe more attractive opportunities lie elsewhere within the broader asset class.

Two new holdings were initiated in the period – the PFS Twenty Four Dynamic Bond Fund and the New Capital Wealthy Nations Bond Fund. The former is managed by Twenty Four Asset Management who are a specialist fixed interest investment boutique comprising of an investment team that is highly experienced with strong performance track records from various segments of the fixed interest market. The fund is dynamically positioned in response to the developing economic cycle in order to deliver positive total returns in all market environments.

The Wealthy Nations Bond Fund is managed by Stratton Street Capital. The fund invests globally in both sovereign and corporate debt with a focus on absolute value and with careful consideration given to the external balance sheets of the countries in which they invest i.e. their net foreign asset position. This enabled the fund to avoid debt issued from Spain, Greece and Portugal which all looked vulnerable to a funding crisis. We have invested in the Singapore $ class as the prospect for currency appreciation over the longer term is strong.

STRUCTURED PRODUCTS (6.1%)
The Fund's weighting to Structured Products increased to 6.1% following strong relative performance of the Defensive Autocall and a new investment in the RBS Range Accrual. The Goldman Sachs Phoenix Autocall successfully matured, having delivered a 16.6% return in just 12 months with little in the way of price volatility.

The Range Accrual is a bespoke product that was created in March when markets sold off aggressively and volatility spiked to exceptionally high levels. This enabled us to structure a relatively conservative product but with attractive returns. The 5 year product accrues capital daily at a healthy rate of 9.3% per annum, provided both the FTSE 100 and S&P 500 trade within a very wide trading range. Capital is only at risk should either of the underlying indices close significantly below their March 2009 lows on the product's maturity date.

We will continue to be highly disciplined in our approach to any new investments in structured products, opportunistically using market volatility to structure products that are relatively conservative with acceptable returns, rather than products with high headline returns but equally higher levels of risk.

PROPERTY (4.3%)
Property exposure fell during the period from 5.1% to 4.3%. This partly reflected poor performance from the asset class relative to others and also the exit of Dolphin Capital, the property developer operating in Greece and Cyprus. Property exposure is likely to fall further through the next reporting period as we look to redeploy the cash into other asset classes where more favourable risk/reward profiles are on offer.

ALTERNATIVE ASSETS (4.3%)
The alternative asset class comprises of hedge funds. The Fund's weighting to the asset class remained relatively stable throughout the period, although there was an exit from one position as well as a new investment made. Castle Asia was exited after the company announced that it was to be wound up and cash returned to shareholders. The share price closed in tightly to the estimated cash amount to be returned to shareholders and we felt that the cash could be better deployed elsewhere.

The money was actually used to introduce exposure to merger arbitrage via the Barclays Q-M&A ER Supertracker. Merger arbitrage is one of the most conservative, least correlated and consistent single hedge fund strategies. With corporates in the US sitting on large cash piles and earnings growth likely to be more difficult to achieve going forward, we believe that M&A activity should pick up to the benefit of the strategy.

ALTERNATIVE ASSETS (4.3%) *(continued)*
Over time, we are aiming to adopt a core-satellite approach to our hedge fund allocation. That is, combining actively managed multi-strategy hedge funds with uncorrelated single hedge fund strategies. The theory here being that the multi-strategy hedge funds will automatically tilt the portfolio towards those hedge fund strategies most favoured in the prevailing investment environment.

COMMODITIES (3.8%)
Commodity allocation remained little changed over the period. We believe commodity prices will remain elevated for many years to come given burgeoning demand from Asia and other emerging markets, coupled with cost inflation and supply constraints within the industry. We also remain bullish on gold and are likely to increase the weighting to the precious metal.

VENTURE CAPITAL (5.7%)
Venture Capital performed strongly yet again and we believe that such performance from the asset class will continue. The asset class is late cycle in nature, listed private equity trusts remain at large discounts to NAV despite having repaired their balance sheets and the AJ Bell business continues to perform well. Better Capital was exited having returned close to 20% since IPO.

CASH (2.9%)
The Fund has been running with higher cash balances than in the previous reporting period so as to have an increased flexibility with which to take advantage of extreme market mis-pricing in such volatile times.

SUMMARY
The portfolio is positioned to reflect an expectation of low, rather than no global growth, and a prolonged period of low interest rates in the developed world. We continue to favour equities over any other asset class with a bias towards Asia and Emerging Markets, where the economic prospects are much greater.

However, the portfolio is more defensively positioned compared to at the start of the year and we will continue to adopt a more defensive stance over the next reporting period. This will be achieved both via asset allocation and by moving away from assets within each asset class that are at the riskier end of the risk spectrum. We continue to believe that a multi-asset investment approach is highly appropriate given the uncertain world that we currently live in and are determined to further reduce the correlation between the Fund and that of equity markets over the medium term.

MIDAS CAPITAL PARTNERS LIMITED
Investment Manager
5 August 2011

FUND INFORMATION

PERFORMANCE RECORD

Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2006	174.66	153.40	1.0990
2007	189.53	170.92	1.5232
2008	176.95	108.16	3.2446
2009	151.50	100.25	2.5434
2010	172.53	147.02	2.3835
2011*	178.76	168.31	1.0426

* To 15 July 2011.

NET ASSET VALUE

Date	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
15.01.09	357,971,321	316,159,826	113.22
15.01.10	344,022,102	225,144,721	152.80
15.01.11	316,785,008	183,515,865	172.62
15.07.11	275,436,522	157,760,760	174.59

TOTAL EXPENSE RATIO

Expense Type	15.07.11 %	15.01.11 %
ACD's periodic charge	1.40	1.40
Other expenses	0.05	0.05
	1.45	1.45
Collective investment scheme costs	0.39	0.16
Total expense ratio	1.84	1.61

The Total Expense Ratio (TER) represents the total expenses of the Fund, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the depositary and auditors, printing and publication costs, registration fees and safe custody and other related bank charges.

The collective investment scheme costs represent the TERs 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.

DISTRIBUTIONS

Share Class	Interim 15.07.11 pence per share
Accumulation	0.9365

FUND PERFORMANCE TO 15 JULY 2011 (%)

	6 months	1 year	3 years	5 years
CF Midas Balanced Growth Fund	1.14	14.34	22.30	11.61
IMA Balanced Managed Average*	0.41	11.38	20.57	20.50

* *Source: Midas Capital/Financial Express (Total Return, bid-to-bid).*

The performance of the Fund is shown in the Investment Manager's Report on page 7.

PORTFOLIO STATEMENT
AS AT 15 JULY 2011

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	Total Net Assets 15.01.11 %
	INTEREST BEARING INVESTMENTS			
	CORPORATE BONDS			
£2,500,000	F&C Private Equity *zdp*	3,175,000	1.15	
£1,075,000	Invesco Leveraged High Yield	618,125	0.23	
£3,250,000	JPMorgan Private Equity	2,226,250	0.81	
£4,250,000	M&G UK Inflation Linked Corporate Bond*	4,498,625	1.63	
£2,750,000	Old Mutual Corporate Bond*	2,765,400	1.00	
£28,250	PFS TwentyFour Dynamic Bond*	2,954,329	1.07	
£5,750,000	Royal London Sterling Extra Yield Bond*	5,906,400	2.15	
£1,700,000	RSA Insurance Group 7.375% *cip*	1,700,000	0.62	
		23,844,129	8.66	8.39
	FIXED INTEREST OVERSEAS			
2,050,000	AXA US Short Duration High Yield*	2,222,200	0.81	
4,600,000	Barclays Bank 2016 (linked to the Barclays Capital GEMS Index)**	2,925,233	1.06	
2,000,000	Investec Emerging Markets Debt*	2,243,600	0.81	
85,000	New Capital Wealthy Nations Bond*	4,322,855	1.57	
27,000	Wells Fargo Lux Worldwide US High Yield Bond*	2,247,826	0.82	
		13,961,714	5.07	2.65
	TOTAL INTEREST BEARING INVESTMENTS	37,805,843	13.73	11.04
	STRUCTURED PRODUCTS			
4,400,000	ELDeRS 17B Japan Capital Protected III Shares (linked to the Topix)	4,114,000	1.49	
35,000	Royal Bank of Scotland (The) 2016 (linked to FTSE 100 Index)	3,606,750	1.31	
6,625,000	Symphony Structured Product 'Defensive Auto-Call' 2013 (linked to the FTSE 100, S&P 500 and the EuroSTOXX 50)	8,963,625	3.26	
	TOTAL STRUCTURED PRODUCTS	16,684,375	6.06	5.06

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11 %
	VENTURE CAPITAL			
1,720,000	A J Bell Holdings***	8,600,000	3.12	
850,293	Active Capital	146,676	0.05	
3,950,000	St Peter Port Capital	2,883,500	1.05	
2,475,000	Standard Life European Private Equity	3,984,750	1.45	
	TOTAL VENTURE CAPITAL	15,614,926	5.67	5.82
	PROPERTY			
4,479,546	Asian Real Estate Income*	2,640,244	0.96	
7,000,000	CS 5 Year Japan REIT**	3,193,400	1.16	
1,500,000	Macau Property Opportunities	2,002,500	0.73	
4,635,000	Orchid Developments	787,950	0.29	
18,750,000	Speymill Deutsche Immobilien	455,506	0.16	
2,900,000	Treasury China	2,865,233	1.04	
	TOTAL PROPERTY	11,944,833	4.34	4.97
	ALTERNATIVE INVESTMENTS			
	HEDGE FUNDS			
2,000,000	Barclays Bank 2016 (linked to the Barclays Capital US Excess Return Index)**	2,016,400	0.73	
350,000	BlackRock Absolute Return Strategies	3,221,750	1.17	
2,500,000	Lyxor Focus	2,550,000	0.92	
28,000	Man AHL Diversity*	2,883,440	1.05	
1,250,000	PSolve Alternatives PCC	3,500	–	
3,350,000	PSource Structured Debt	1,021,750	0.37	
		11,696,840	4.24	4.41
	OTHER ALTERNATIVE	–	–	0.13
	COMMODITIES			
1,000,000	Australian Natural Resources*	2,057,900	0.75	
210,000	BlackRock Gold & General*	3,391,500	1.23	
325,000	City Natural Resources High Yield	1,001,000	0.36	
1,430,000	Investec Global Energy*	3,893,461	1.42	
		10,343,861	3.76	3.98
	TOTAL ALTERNATIVE INVESTMENTS	22,040,701	8.00	8.52

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11 %
	EQUITY & EQUITY RELATED			
	UNITED KINGDOM			
	OIL & GAS			
	OIL & GAS PRODUCERS			
318,000	BG Group	4,448,820	1.62	
680,000	BP	3,121,200	1.13	
188,500	Royal Dutch Shell 'B'	4,212,032	1.53	
		11,782,052	4.28	5.02
	BASIC MATERIALS			
	CHEMICALS	–	–	0.80
	MINING			
176,500	BHP Billiton	4,129,218	1.50	
180,000	Xstrata	2,433,600	0.88	
		6,562,818	2.38	1.97
	TOTAL BASIC MATERIALS	6,562,818	2.38	2.77
	INDUSTRIALS			
	ELECTRONIC & ELECTRICAL EQUIPMENT			
200,000	Morgan Crucible Company	700,000	0.26	0.77
	SUPPORT SERVICES			
345,000	Babcock International Group	2,411,550	0.87	
314,000	Filtrona	1,152,380	0.42	
8,000,000	Lehman Brothers 0% 2008 (linked to Tate & Lyle, Wolseley and Land Securities)**	240,000	0.09	
		3,803,930	1.38	1.36
	TOTAL INDUSTRIALS	4,503,930	1.64	2.13

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	Total Net Assets 15.01.11 %
	CONSUMER GOODS			
	BEVERAGES			
250,000	Diageo	3,122,500	1.13	0.81
	FOOD PRODUCERS			
208,000	Unilever	4,103,840	1.49	1.55
	HOUSEHOLD GOODS & HOME CONSTRUCTION			
110,000	Reckitt Benckiser Group	3,801,600	1.38	1.35
	TOBACCO			
175,000	Imperial Tobacco Group	3,762,500	1.37	0.82
	TOTAL CONSUMER GOODS	14,790,440	5.37	4.53
	HEALTH CARE			
	HEALTH CARE EQUIPMENT & SERVICES			
285,000	Smith & Nephew	1,896,675	0.69	1.08
	PHARMACEUTICALS & BIOTECHNOLOGY			
120,000	AstraZeneca	3,693,600	1.34	
300,000	GlaxoSmithKline	4,026,000	1.46	
		7,719,600	2.80	2.79
	TOTAL HEALTH CARE	9,616,275	3.49	3.87
	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS			
1,025,000	Tesco	4,130,237	1.50	1.41
	GENERAL RETAILERS			
950,000	Kingfisher	2,444,350	0.89	–
	TRAVEL & LEISURE			
3,000,000	Hotel Corporation (The)	1,830,000	0.66	0.69
	TOTAL CONSUMER SERVICES	8,404,587	3.05	2.10

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	Total Net Assets 15.01.11 %
	TELECOMMUNICATIONS			
	FIXED LINE TELECOMMUNICATIONS			
1,850,000	BT Group	3,566,800	1.29	1.29
	MOBILE TELECOMMUNICATIONS			
2,550,000	Vodafone Group	4,054,500	1.47	1.30
	TOTAL TELECOMMUNICATIONS	7,621,300	2.76	2.59
	UTILITIES			
	ELECTRICITY			
215,000	Scottish & Southern Energy	3,037,950	1.10	2.22
	GAS, WATER & MULTIUTILITIES			
1,110,000	Centrica	3,523,140	1.28	
246,500	Severn Trent	3,520,020	1.28	
		7,043,160	2.56	2.24
	TOTAL UTILITIES	10,081,110	3.66	4.46
	FINANCIALS			
	BANKS			
520,000	HSBC Holdings	3,119,480	1.13	3.86
	LIFE INSURANCE			
1,855,000	Legal & General Group	2,151,800	0.78	
335,000	Prudential	2,288,050	0.83	
		4,439,850	1.61	2.48
	FINANCIAL SERVICES			
4,050,000	Shore Capital Group	1,053,000	0.38	0.48
	EQUITY INVESTMENT INSTRUMENTS			
4,000,000	Diverse Income (The)	2,000,000	0.73	
1,100,000	Miton Worldwide Growth#	1,507,000	0.55	
		3,507,000	1.28	0.60

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	Total Net Assets 15.01.11 %
	UNIT TRUSTS			
2,500,000	ELDeRS 22A FTSE Capital Protected III Shares (linked to the FTSE 100)**	2,131,250	0.77	0.68
	TOTAL FINANCIALS	14,250,580	5.17	8.10
	TOTAL UNITED KINGDOM	87,613,092	31.80	35.57
	OVERSEAS			
	NORTH AMERICA			
33,750	DB Platinum IV – Croci US*	3,325,715	1.21	
307,500	M&G American*	3,269,340	1.19	
3,850,000	UBS US Equity *'B'**	3,319,085	1.21	
47,000	Wells Fargo Lux Worldwide US Capital Growth*	6,378,370	2.31	
	TOTAL NORTH AMERICA	16,292,510	5.92	5.97
	CONTINENTAL EUROPE			
3,550,000	JPMorgan 0% 2013 (linked to the DJ EuroSTOXX 50)**	2,894,315	1.05	
9,750,000	Merrill Lynch DJ EuroSTOXX 50 (linked to the DJ EuroSTOXX 50)**	6,001,125	2.18	
410,000	Montanaro European Smaller Companies	1,881,900	0.68	
	TOTAL CONTINENTAL EUROPE	10,777,340	3.91	5.87
	JAPAN			
44,000	GLG Japan CoreAlpha Equity*	4,038,320	1.47	
3,977,239	J O Hambro Capital Management Umbrella Japan*	3,623,265	1.32	
3,195,000	Prospect Japan	1,526,302	0.55	
	TOTAL JAPAN	9,187,887	3.34	3.15
	FAR EAST (EXCLUDING JAPAN)			
1,390,000	First State Asia Pacific Leaders*	5,271,019	1.91	
850,000	Henderson TR Pacific	1,610,750	0.59	
2,375,000	Martin Currie China *'B'**	2,569,750	0.93	
450,000	Schroder Asia Pacific	988,875	0.36	
	TOTAL FAR EAST (EXCLUDING JAPAN)	10,440,394	3.79	3.71

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	Total Net Assets 15.01.11 %
	EMERGING MARKETS			
2,025,000	Advanced Frontier Markets	885,938	0.32	
490,000	Ashmore Global Opportunities	3,944,500	1.43	
4,002,535	Blackstar Investors	3,322,104	1.21	
2,750,000	Ignis HEXAM Global Emerging Markets*	4,831,615	1.75	
1,320,000	Invesco Perpetual Latin American*	2,217,204	0.81	
225,000	JPMorgan Africa Equity*	1,522,951	0.55	
450,000	New India	1,102,500	0.40	
2,500,000	Origo Partners	1,143,750	0.42	
2,200,000	Somerset Emerging Markets*	2,070,838	0.75	
500,000	Templeton Emerging Markets	3,282,500	1.19	
	TOTAL EMERGING MARKETS	24,323,900	8.83	8.03
	OTHER OVERSEAS			
155,000	Nordea 1 Emerging Consumer*	2,177,139	0.79	
1,000,000	Polar Capital Insurance*	2,128,100	0.77	
	TOTAL OTHER OVERSEAS	4,305,239	1.56	1.10
	TOTAL OVERSEAS	75,327,270	27.35	27.83
	CASH INVESTMENTS			
6,420,369	Invesco GBP Select (Cash)	6,420,369	2.33	1.43
	Portfolio of investments	273,451,409	99.28	100.24
	Net other assets/(liabilities)	1,985,113	0.72	(0.24)
	Net assets	275,436,522	100.00	100.00

All investments are ordinary shares unless stated otherwise.

* Collective investment schemes.
** Structured products.
*** Unquoted securities.
# Related party.

Definitions:
cip – cumulative irredeemable preference.
zdp – zero dividend preference.

CF MIDAS BALANCED GROWTH FUND
SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE HALF YEAR ENDED 15 JULY 2011

Total purchases for the half year **£95,058,492**

Major purchases	**Cost £**
Wells Fargo Lux Worldwide US Capital Growth	6,550,500
New Capital Wealthy Nations Bond	4,239,211
Royal Bank of Scotland (The) 2016 (linked to FTSE 100 Index)	3,514,100
PFS TwentyFour Dynamic Bond	2,988,714
Kingfisher	2,580,685
Xstrata	2,501,869
GLG Japan CoreAlpha Equity	2,267,350
J O Hambro Capital Management Umbrella Japan	2,233,023
Somerset Emerging Markets	2,059,860
Diverse Income (The)	2,000,000
Barclays Bank 2016 (linked to the Barclays Capital US Excess Return Index)	2,000,000
Nordea 1 Emerging Consumer	1,996,958
Reckitt Benckiser Group	1,323,728
M&G UK Inflation Linked Corporate Bond	1,037,850
Origo Partners	1,002,001
Imperial Tobacco Group	936,944
Templeton Emerging Markets	778,302
Martin Currie China *'B'*	563,410
Diageo	507,979
Investec Emerging Markets Debt	332,490

In addition to the above, purchases of Invesco GBP Select Fund shares were made on a frequent basis totalling £48,663,696 purchases in the half year.

Total sales for the half year **£142,109,525**

Major sales	**Proceeds £**
Lloyds Banking Group	4,273,710
Harewood US Enhanced Income Sterling Hedged	4,246,000
Old Mutual Corporate Bond	3,278,725
Close European Accelerated	3,143,699
Goldman Sachs International 2016 (linked to FTSE 100 Index)	2,911,000
International Power	2,828,139
Aviva	2,783,477
Advanced Frontier Markets	2,758,026
Castle Asia Alternative PCC	2,532,421
Royal Bank of Scotland Group (The)	2,469,906
Yule Catto	2,408,431
Morgan Crucible Company	2,221,516
GLG Japan CoreAlpha	2,078,340
Edinburgh US Tracker	1,901,554
BP	1,830,485
St Peter Port Capital	1,765,508
Symphony Structured Products 2013 (linked to the DJ EuroSTOXX 50)	1,750,600
Dolphin Capital Investors	1,745,531
Better Capital	1,684,431
Filtrona	1,681,045

In addition to the above, sales of Invesco GBP Select Fund shares were made on a frequent basis totalling £47,612,470 sales in the half year.

The portfolio changes represent the 20 largest purchases and sales during the half year.

CF MIDAS BALANCED GROWTH FUND
INTERIM FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 15 JULY 2011

		15.07.11		15.07.10
	£	£	£	£
Income:				
Net capital gains/(losses)		1,709,744		(2,929,279)
Revenue	3,789,060		5,573,642	
Expenses	(2,152,601)		(2,409,137)	
Finance costs: Interest	(1,372)		(405)	
Net revenue before taxation	1,635,087		3,164,100	
Taxation	–		(7,745)	
Net revenue after taxation		1,635,087		3,156,355
Total return before distributions		3,344,831		227,076
Finance costs: Distributions		(1,635,129)		(3,156,709)
Change in net assets attributable to shareholders from investment activities		1,709,702		(2,929,633)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 15 JULY 2011

		15.07.11		15.07.10
	£	£	£	£
Opening net assets attributable to shareholders		316,785,008		344,022,102
Amounts receivable on issue of shares	1,130,177		1,963,497	
Amounts payable on cancellation of shares	(45,827,428)		(30,865,688)	
		(44,697,251)		(28,902,191)
Dilution levy		140,730		106,678
Stamp duty reserve tax		20,903		(31,875)
Change in net assets attributable to shareholders from investment activities		1,709,702		(2,929,633)
Retained distribution on Accumulation shares		1,477,430		3,006,236
Closing net assets attributable to shareholders		275,436,522		315,271,317

The above statement shows the comparative closing net assets at 15 July 2010 whereas the current accounting period commenced 16 January 2011.

BALANCE SHEET
AS AT 15 JULY 2011

		15.07.11		15.01.11
	£	£	£	£
ASSETS				
Investment assets		273,451,409		317,551,749
Other assets				
Debtors	4,484,179		3,047,107	
Cash and bank balances	1,556,701		740,440	
Total other assets		6,040,880		3,787,547
Total assets		279,492,289		321,339,296
LIABILITIES				
Other liabilities				
Creditors	(1,555,949)		(4,554,288)	
Bank overdrafts	(2,499,818)		–	
Total other liabilities		(4,055,767)		(4,554,288)
Total liabilities		(4,055,767)		(4,554,288)
Net assets attributable to shareholders		275,436,522		316,785,008

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the CF Midas Balanced Income Fund ('the Fund') is to provide a high level of growing income by investing in a balanced and well diversified portfolio of UK and International equities and fixed interest securities including government and corporate bonds.

Investments will also be made in regulated collective investment schemes, money markets and cash deposits to provide further diversification to the Fund in accordance with applicable regulations.

PERFORMANCE OF THE FUND

We are pleased to report a good six month period of outperformance compared against the peer group of funds which put the Balanced Income Fund at the 26th percentile (just outside top quartile). The period in question saw an increase in volatility and risk aversion in the face of renewed economic uncertainty and geo-political problems. Sovereign debt risks stand at the top of economic problems facing not only individual countries, but the EU as a whole. Many stock markets around the world, including the UK, saw their value fall as illustrated in the table on the next page. Consequently the 2.18% total return from the Income Fund was, we feel, a satisfactory outcome. The return over the past 12 months of 11.55% was achieved despite taking an increasingly defensive stance in equity portfolios, with internationally exposed defensive stocks being emphasised.

We continue to firmly believe that barring a return to a crisis driven environment, which is not impossible, we view the recovery prospects for the Fund as sound. We expect to see further growth in dividend distributions from the Fund. With the current yield of 5.1%, we believe this makes for an attractive proposition in the present low interest rate environment.

FUND RETURNS FOR PERIODS TO 15 JULY 2011

	6 months %	**1 year %**	**3 years %**	**5 years %**
CF Midas Balanced Income Fund	+2.18	+11.55	+5.73	-2.07
IMA Cautious Managed Average	+1.30	+8.10	+16.30	+15.00

Source: Midas Capital/Financial Express.
Note: The figures quoted are to 15 July 2011.

MARKET AND ECONOMIC REVIEW

Risk assets retreated until the tail end of June, reflecting investor fears over Greece's sovereign debt crisis, potential contagion and doubts over the strength of the global economic recovery. Weaker than expected US housing starts and industrial data, along with a third straight decline in German ZEW investor confidence survey in May alluded to economic data points peaking. Further uncertainty was introduced by S&P's negative revision of the US's AAA credit rating. Ben Bernanke's subsequent speech appearing to rule out an extension to US Quantitative Easing was also poorly received. Ironically against this backdrop, corporate earnings proved to be healthy, as the benefits of last year's cost cutting and productivity improvements came through. With corporate cash building, M&A activity remained elevated globally. US economic growth worries, compounded by monetary tightening in Asia and emerging markets seemed to be the cause behind the fall in commodity prices and related assets. Resource stocks fell sharply over the second quarter, meanwhile defensive assets outperformed, as investors sought safe havens including both UK and US government debt where 10 year yields fell sharply.

Looking to the latter part of 2011, a potentially dangerous mix of unknown outcomes lies ahead. A 'risk off' mindset will remain until the immediate sovereign debt obstacles have been overcome. By most measurements, equities still appear fair value relative to bonds. Inflation remains elevated, but is forecast to ease over the next 18 months, while the retreat in the oil price is likely to help global growth. Any equity market setbacks will be perceived as a buying opportunity.

RETURNS FROM MAJOR MARKETS FOR THE PERIOD FROM 15 JANUARY TO 15 JULY 2011

Index	**15 January 2011**	**15 July 2011**	**% Change in Local Currency**	**% Change in Sterling**
FTSE All-Share	3,115.4	3,045.5	-2.2	-2.2
FTSE 100	6,002.1	5,843.7	-2.6	-2.6
FTSE 250	11,742.4	11,746.8	+0.0	+0.0
FTSE Small Cap	3,287.3	3,275.1	-0.4	-0.4
FT Europe x UK	385.2	377.9	-1.9	-1.9
S&P 500	1,293.2	1,316.1	+1.8	+0.1
Nikkei 225	10,499.0	9,974.5	-5.0	-1.9
FT Govt All Stocks	2,408.8	2,538.0	+5.4	+5.4

All equity returns are capital only.
FT Govt All Stocks Index is total return.
Source: Bloomberg.

UNITED KINGDOM

The FTSE All-Share Index fell -2.2% over the 6 months, within this the FTSE 100 was weakest falling 2.6% while the FTSE 250 was flat (in capital only terms). However including income pushed each of the indices into positive territory. The Resource and banking sectors were particularly weak, neither of which are noted for their income paying attributes, therefore their drag on overall index returns was not reflective of gains made elsewhere such as the more defensive sectors such as Pharmaceuticals and Food.

The UK economy failed to expand over the 6 months of Q4 2010 and Q1 2011 and it is thought that since March the economy has struggled to expand more than 0.3%. There may be some distortion in the official data due to the extra bank holiday and supply chain disruption post the Japanese Tsunami. However, the anecdotal evidence from the high street is that retailers are finding it increasingly difficult as illustrated by the descent into administration of Focus DIY, Jane Norman, T J Hughes, Moben & Dolphin kitchens amongst others, in recent weeks. This gives some validity to the view that household finances are coming under increasing strain from a number of factors. On top of this the housing market remains subdued, which has put many companies whose revenues depend on a healthy rate of housing turnover under strain.

UNITED KINGDOM *(continued)*
The Bank of England is concerned over the potential contagion effects of a Greek debt default on the UK. While direct exposure to Greek debt is not significant, what is of more concern are the knock-on effects from our largest trading partner (the EU bloc) should the European banks be crippled under bad peripheral sovereign debt. It is this vulnerability that is giving the MPC cause to resist increasing interest rates, despite signs that inflation expectations are increasing. However, whilst inflation expectations are increasing as households experience the steady erosion of their spending power (CPI stands at 4.5%), it has not filtered into pay settlements as the work force feels a lack of job security. Indeed, the latest minutes from the MPC indicate that some members are prepared to restart QE if growth weakens further, however even Capital Economics (who are amongst the more dovish of commentators) do not expect it to materialise before next year.

UNITED STATES
The S&P delivered a 1.8% capital return over the 6 months which in sterling terms was eroded to just 0.1% due to the fall in the dollar. M&A activity was prevalent in the US with Texas Instruments buying National Semiconductor Corp for US$6.5 billion in cash. Other bids included Terex's €885 million bid for Germany's Demag, Microsoft's purchase of internet phone service Skype for US$8.5 billion and Archer Coal's acquisition of International Coal for US$3.4 billion.

After 3 good months of improved non-farm payroll data, the weak increase of just 54,000 jobs in May reignited concerns over the potential for a jobless US recovery. Furthermore, after some positive mid month data it was hoped that June's employment data would be strong, instead only 18,000 jobs were created; well below consensus. An added blow was the halving of May's data to just a 25,000 gain of jobs. Gasoline prices have been falling in the US, however this has not had a beneficial impact on consumer confidence figures in the way it has helped in the past. This indicates wider concerns.

Of more concern in some ways is the, as yet, unresolved lifting of the nation's public borrowing ceiling, which currently stands at $14.3 trillion. The President needs the authority to lift the ceiling in order to avoid a default by August. As part of any agreement with the Republicans, the President is seeking a $4 trillion combined fiscal reform package, whereby $3 trillion would be raised via spending cuts to Medicare, Medicaid and social security pension benefits and $1 trillion in revenue increases. While the President and the Republican leader, as individuals, are seen as pragmatic, they have the difficult task of bringing with them a highly partisan base of politicians on both sides, in particular the far right Tea-party members.

The annual rate of core inflation has almost tripled over the last 5 months from 0.6% to 1.5% in May, furthermore the 3 month annualised rate hit 2.5%. This, as experienced elsewhere, is largely explained by the spike in commodity prices in addition to the Japan related supply disruptions. The FOMC considers this to be 'transitory', however in a recent speech Ben Bernanke sought to assure the market that the Committee remains ready to respond to any sign that inflation was becoming more broad based or that longer-term inflation expectations were becoming less well anchored. The FOMC has completed its $600 billion purchase program of Treasuries and while it is not scheduled to be extended, the policy to reinvest any principal payments on redeemed holdings will continue i.e. the Fed's holdings of Treasuries will not be allowed to naturally reduce as individual securities mature.

EUROPE
Given the storm surrounding the Euro Area and the concern over the liquidity of some of the sovereign states, the -1.9% capital return from the FT Europe x UK was, arguably, a respectable outcome.

As if to reinforce the ECB's inflation fighting credibility, despite a substantial and evolving sovereign debt crisis, the bank has decided to increase its main lending rate by 25bp to 1.5%. On the other hand the ECB has suspended its rules for European banks posting Portuguese debt as collateral for loans from the ECB. Portuguese sovereign debt had been downgraded to junk status which, under the old rules, would have disqualified it from being used as bank's collateral at the ECB. The ECB was forced to act in order to avoid renewed funding problems for European banks. It is an illustration of how financial rules have had to be changed or dumped in order to navigate the difficult path through the crisis.

The 'two speed Europe' concept has gained credence in recent months as it has been found that the two largest economies, France and Germany, continue to emerge from the recession with relatively healthy industrial production levels. Meanwhile peripheral Europe and even two of the large second tier countries, Spain and Italy, are clearly struggling to secure a path to balanced budgets while also preventing the 'bond vigilantes' from forcing the yields of the sovereign debt to elevated levels that prevent deficit financing in the meantime. For example, the yield premium of Italian bonds above that of 'safe' German Bunds climbed to a historical high of 195bp, while for Spain that gap is now 243bp. While the Euro participants are attempting to display a line of unity, capital markets are indicating their belief that there is a significant distinction to be drawn between member states and their creditworthiness.

Despite the significant woes of the second tier and peripheral Euro economies, it is remarkable that some forecasts for 2011 put overall Euro area GDP growth in 2011 at 2% i.e. greater than that of the UK.

JAPAN
Given the catastrophe that struck the country in March, the Nikkei's -5% local currency return, which improved to -1.9% due to the strength of the Yen, is a remarkable outcome and perfectly illustrates how GDP activity levels is not necessarily a determinant of stock market performance. M&A activity was prevalent, Japan's largest drug maker Takeda Pharmaceutical revealing it was in talks to buy Swiss rival Nycomed in a deal valued at about US$14.2 billion.

The disaster in March, the human tragedy aside, inevitably left a large hole in the level of economic activity, and that remains the case as 700,000 less people are in employment than immediately prior to the time the Tsunami struck. Electricity shortages remain and the government's fiscal problems will continue to drag on growth. However the sharp cuts to GDP forecasts made immediately after the disaster have been softened lately as the initial recovery has been stronger than the more bearish forecasters expected. The rebound in the service sector has been stronger than the industrial sectors, however this is perhaps to be expected given the greater reliance on the disrupted power supply by industry.

Given the nature of recent events it is perhaps inevitable that there will be a wide disparity between individual forecasts for the country. The full year GDP forecast from bearish analysts, Capital Economics, remains for an outright cut to activity levels of around 1.5%. Citigroup meanwhile are less pessimistic, expecting a drop in activity of 0.5% for the year, which if true would be a significant achievement.

CHINA
China's GDP growth in Q2 on an annual basis is estimated to be above 9% which is in line with the country's prodigious expansion. However there is a growing feeling that the run rate of growth is slowing i.e. Q2 as a quarter in its own right grew at an annualised rate of 'just 7.5% quarter on quarter' (Capital Economics). Whatever the actual growth rate is, what appears to be concerning the Chinese authorities more, including the PBoC, is the level of inflation (CPI above 6%), particularly as the areas of inflation (food and energy) affect the poor populous more than in developed economies. Consequently the start of July saw the third increase in interest rates this year to 6.56%, an increase of 25bp. This level of tightening is not creating fears for a hard-landing for the Chinese growth economy as interest rates remain materially below the level of economic growth, indeed they remain barely above the rate of inflation.

The central bank's strategy appears to remain biased towards restricting the supply of credit through increasing the required reserve ratio (RRR) for banks as a more direct strategy, rather than attempting to choke the demand for credit (via the interest rate), which appears to be used as a broad signal of policymakers' concern.

PORTFOLIO REVIEW

OVERVIEW
We continue to undertake modest asset allocation adjustments as demanded by the daily liquidity flows to and from investors. The strong performance of certain areas of the portfolio has been taken advantage of in order to fund alternative investment opportunities elsewhere. Equity weightings have been broadly maintained over the period, whilst exposure to investment grade corporate bonds and gilts has been reduced on valuation grounds. The low growth environment we see as the most likely scenario going forward has led us to concentrate direct equity positions on large multi-national companies with strong balance sheets and cash flows.

FUND ASSET STRUCTURE AT 15 JULY 2011

Investment	**Fund %**	**Core Allocation %**
Equities		
U.K.	25.5	25.0
North America	2.6	–
Europe	2.3	–
Japan	2.3	–
Far East & Emerging Markets	4.3	–
Other Overseas	4.8	–
Total Equities	41.8	40.0
Bonds		
U.K. Gilts	3.9	12.5
Corporate Bonds	12.1	15.0
Overseas Bonds	13.6	10.0
Total Bonds	29.6	37.5
Preference Shares	1.9	–
Structured Products	6.7	7.5
Property	8.4	7.5
Alternative Investments	11.3	7.5
Cash	0.3	–
Total	100.0	100.0

Source: Midas Capital.

UK EQUITIES (25.5%)
It has been a good six month period for a number of our 'value' oriented equity holdings. Companies such as BBA Aviation, WS Atkins, Unilever, AstraZeneca, GlaxoSmithkline and Ashmore all delivered healthy returns above that achieved by the overall market. However the outright winners were Scottish & Southern Energy which has benefitted from take-over speculation and William Hill which has delivered excellent underlying profits and is successfully developing its online gambling platform. The very attractive dividend yields on offer from many of the portfolio's equity holdings have really begun to capture the attention of investors. Consequently a number of companies that have been shunned in recent years in favour of more 'glamorous' and cyclical companies such as resource stocks are now bouncing back. An added attraction to many of our companies is the fact their businesses are growing and therefore their dividend distributing capabilities will increase commensurately.

OVERSEAS EQUITIES (16.3%)
We have continued our earlier efforts to increase the income generating ability from this area of the portfolio, we have also slightly increased the allocation to overseas equities. We have been conscious of the need to avoid over exposure to closed end investment trusts in order to prevent excessive losses from discount widening. To that end, new capital we have committed to this space has tended to be in the open-ended arena such as the M&G Global Dividend Fund financed from investment trusts which we have been reducing, quite often at a premium to their underlying net asset values.

FIXED INTEREST (29.6%)
We have slightly reduced the allocation to fixed interest, primarily by a reduction to the gilt holdings as we feel the returns do not sufficiently compensate investors for the inflation and interest rate risk they face over the medium term. The gilt exposure itself has fallen to 3.9% while corporate bonds and overseas fixed interest (both through specialist third party vehicles) have increased in order to capture higher income and currency gain opportunities in the corporate and overseas markets.

PREFERENCE SHARES (1.9%)
We are steadily reducing the size of our preference share holdings as the space is gaining interest from retail investors resulting in falling yields as the price of these shares moves up with the increased demand. Our policy is to reduce the amount of 'single name' exposure within the fixed coupon space as there is no upside achievable from the higher risk of owning single companies (whereas in equities dividends and therefore share prices can increase in time).

STRUCTURED PRODUCTS (6.7%)
The structured product allocation has increased by 0.8% over the course of the last 6 months as this has been a valuable source of low volatility income generation. We took some profit on the Merrill Lynch 3 year short strangle 8.8% chiefly due to the product trading above 'par', following a period of strong performance. However we remain comfortable with the products we hold due to the high level of protection they enjoy, which should offer a degree of immunity in market weakness.

PROPERTY (8.4%)
Property has increased 0.9% over the period primarily due to the purchase of a new vehicle Duet Real Estate Finance which will provide mezzanine finance in the refinancing of property loans from the banks. The affected loans are secured on prime European real estate with excellent tenants. The banks are seeking to sell the assets that are more liquid and therefore able to have a beneficial effect on their balance sheet in a shorter time frame. Consequently, the assets that are most liquid are prime assets such as office space in major cities as opposed to lower quality retail space in secondary towns and cities with lower occupancy rates. The vehicle is targeting a dividend yield of 7% with an expected life of 4 years which should see capital gains enhance the total rate of return to over 15%.

Elsewhere there has been some good performance in the sector, not least from Macau Property Opportunities which has returned capital to shareholders due to the successful and profitable disposal of a number of its development properties in Macau.

ALTERNATIVE ASSETS (11.3%)
The allocation to alternative assets has increased 1% over the period. This was largely due to the revaluation of the unlisted holding of AJ Bell. Following an update with the management team as part of their post results presentations we felt the previous valuation of 400p per share was undervaluing the holding due to the excellent profit and dividend growth experienced. Consequently we marked the shares up to 500p. The holding now accounts for just over 3% of the portfolio. Hedge fund positions are concentrated on those offering exposure to a deterioration in the credit cycle for highly geared private equity driven companies.

CASH (0.3%)
Cash balances have remained at minimal levels, however day-to-day balances do fluctuate within a percentage point depending on the timing of investing activity in addition to the normal cashflows to and from unit holders.

SUMMARY
We are encouraged by the continuation of the recovery commenced from March 2009, both in capital terms and the ability to continue to distribute a healthy yield in excess of 5%. There remain a number of investments within the portfolio that have the potential to deliver significant gains in a low growth environment. While there are a number of acute risks facing investors such as the US public debt and European Sovereign debt crisis, we hold the central view that these will be negotiated (with acute difficulty) and therefore remain invested in assets that will continue to pay an attractive level of income with a degree of capital growth. We do not believe exiting these assets in favour of traditional 'risk-free' investments such as UK gilts and cash would be in the best interests of the Fund. We have always been and remain investors with a view for opportunities on a medium to long term time horizon.

MIDAS CAPITAL PARTNERS LIMITED
Investment Manager
22 July 2011

PERFORMANCE RECORD

Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2006	128.99	118.85	5.0601
2007	133.32	119.99	5.4076
2008	123.39	79.58	5.6219
2009	90.43	71.02	4.7872
2010	93.95	85.60	4.6899
2011*	94.20	90.47	3.6266

* To 15 July 2011.

NET ASSET VALUE

Date	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
15.01.09	447,558,242	569,789,909	78.55
15.01.10	382,466,946	425,071,918	89.98
15.01.11	301,531,917	329,211,448	91.59
15.07.11	262,694,195	288,062,685	91.19

TOTAL EXPENSE RATIO

Expense Type	15.07.11 %	15.01.11 %
ACD's periodic charge	1.40	1.40
Other expenses	0.05	0.05
	1.45	1.45
Collective investment scheme costs	0.36	0.32
Total expense ratio	1.81	1.77

The Total Expense Ratio (TER) represents the total expenses of the Fund, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the depositary and auditors, printing and publication costs, registration fees and safe custody and other related bank charges.

The collective investment scheme costs represent the TERs 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.

DISTRIBUTIONS

Share Class	First Interim 15.04.11 pence per share	Half Year 15.07.11 pence per share
Income	1.2000	1.2000

FUND PERFORMANCE TO 15 JULY 2011 (%)

	6 months	1 year	3 years	5 years
CF Midas Balanced Income Fund	2.18	11.55	5.73	-2.07
IMA Cautious Managed Average*	1.30	8.10	16.30	15.0

* *Source: Midas Capital/Financial Express (Total Return, bid-to-bid).*

The performance of the Fund is shown in the Investment Manager's Report on page 28.

CF MIDAS BALANCED INCOME FUND
PORTFOLIO STATEMENT
AS AT 15 JULY 2011

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11 %
	INTEREST BEARING INVESTMENTS			
	GOVERNMENT			
£1,650,000	Treasury 5% 2014	1,841,560	0.70	
£2,250,000	Treasury 4.75% 2015	2,533,018	0.96	
£4,000,000	Treasury 4% 2016	4,403,616	1.68	
£1,500,000	Treasury 3.75% 2019	1,599,323	0.61	
		10,377,517	3.95	4.77
	CORPORATE BONDS			
£5,000,000	Invesco Perpetual Fixed Interest European High Yield*	7,014,500	2.67	
£7,000,000	Legal & General Dynamic Bond*	4,524,800	1.72	
£2,500,000	M&G Optimal Income*	3,073,750	1.17	
£6,500,000	Royal London Sterling Extra Yield Bond*	6,676,800	2.54	
£9,000,000	Threadneedle High Yield Bond*	5,424,300	2.06	
		26,714,150	10.16	9.55
	PREFERENCE SHARES			
1,275,000	Ecclesiastical Insurance Office 8.625% *ncip*	1,428,000	0.54	
2,225,000	General Accident 8.875% *cip*	2,403,000	0.91	
1,068,750	RSA Insurance Group 7.375% *cip*	1,068,750	0.41	
		4,899,750	1.86	2.55
	TRUSTS			
8,825,000	Invesco Leveraged High Yield	5,074,375	1.93	2.13
	FIXED INTEREST OVERSEAS			
5,750,000	AXA US Short Duration High Yield*	5,865,000	2.24	
2,950,000	Henderson Diversified Income	2,492,750	0.94	
5,000,000	Legg Mason Global Multi Strategy Bond*	6,175,000	2.35	
27,000	Legg Mason Western Asset Asian Opportunities*	2,044,133	0.78	
600,000	Templeton Global Total Return*	7,368,000	2.80	

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	FIXED INTEREST OVERSEAS (continued)			
225,000	Thames River Global Credit*	2,362,500	0.90	
262,226	Thames River Global High Yield*	2,624,878	1.00	
850,000	Thames River High Income*	7,012,500	2.67	
		35,944,761	13.68	13.51
	TOTAL INTEREST BEARING INVESTMENTS	83,010,553	31.58	32.51
	STRUCTURED PRODUCTS			
5,500,000	Merrill Lynch 2.2% 2013 (linked to FTSE 100)	5,674,900	2.16	
4,000,000	Sienna 9A Morgan Stanley High Income Protected 2016	3,414,400	1.30	
6,250,000	Symphony 2.5% 2013 (linked to FTSE 100, DJ EuroSTOXX 50 and S&P 500)	5,643,750	2.15	
3,000,000	Symphony 10.12% 2014 (linked to Citi COMET Index)	2,445,000	0.93	
	TOTAL STRUCTURED PRODUCTS	17,178,050	6.54	5.83
	PROPERTY			
12,000,000	Celsius Asian Real Estate Income*	7,072,800	2.69	
7,776,421	Battersea Power Station Shareholder Vehicle***	287,728	0.11	
5,836,633	Battersea Power Station Shareholder Vehicle *warrants****	5,837	–	
2,000,000	Dolphin Capital Investors	690,000	0.26	
2,750,000	Duet Real Estate Finance	2,750,000	1.05	
1,200,000	HICL Infrastructure Company	1,378,800	0.53	
680,000	Japan Opportunities Fund II*	213,447	0.08	
2,700,000	Macau Property Opportunities	3,604,500	1.37	
4,900,000	Orchid Developments	833,000	0.32	
1,696,725	Real Estate Opportunities	19,512	0.01	
14,000,000	Speymill Deutsche Immobilien	340,111	0.13	
5,000,000	Treasury China	4,940,057	1.88	
	TOTAL PROPERTY	22,135,792	8.42	7.48

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	ALTERNATIVE INVESTMENTS			
	HEDGE FUNDS			
2,650,000	AcenciA Debt Strategies	2,424,750	0.92	
600,000	Matrix Asset Based 2*	1,077,888	0.41	
5,900,000	PSource Structured Debt	1,799,500	0.69	
4,900,000	Signet Global Fixed Income Strategies	4,042,500	1.54	
		9,344,638	3.56	3.56
	GOLD & OTHER COMMODITIES			
5,750,000	Phaunos Timber	2,675,518	1.02	1.14
	OTHER ALTERNATIVE			
6,900,000	Barclays Bank 0% 2018 (linked to Assured Fund Tracking Index 1 (2018))**	6,454,878	2.46	2.48
	VENTURE CAPITAL			
1,630,000	A J Bell Holdings***	8,150,000	3.11	
4,290,000	Aberdeen Development Capital	53,625	0.02	
700,000	International Oil and Gas Technology	2,846,751	1.08	
		11,050,376	4.21	3.16
	TOTAL ALTERNATIVE INVESTMENTS	29,525,410	11.25	10.34
	EQUITIES			
	UNITED KINGDOM			
	OIL & GAS			
	OIL & GAS PRODUCERS			
600,000	BP	2,754,000	1.05	
132,500	Royal Dutch Shell *'B'*	2,960,713	1.13	
		5,714,713	2.18	2.69
	BASIC MATERIALS			
	MINING	–	–	0.43

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	INDUSTRIALS			
	INDUSTRIAL TRANSPORTATION			
750,000	BBA Aviation	1,634,250	0.62	0.60
	SUPPORT SERVICES			
275,000	Atkins WS	2,007,500	0.76	–
	TOTAL INDUSTRIALS	3,641,750	1.38	0.60
	CONSUMER GOODS			
	FOOD PRODUCERS			
150,000	Unilever	2,959,500	1.13	1.10
	HOUSEHOLD GOODS & HOME CONSTRUCTION			
60,000	Reckitt Benckiser Group	2,073,600	0.79	0.28
	TOTAL CONSUMER GOODS	5,033,100	1.92	1.38
	HEALTH CARE			
	PHARMACEUTICALS & BIOTECHNOLOGY			
102,000	AstraZeneca	3,139,560	1.20	
255,000	GlaxoSmithKline	3,422,100	1.30	
		6,561,660	2.50	3.01
	CONSUMER SERVICES			
	TRAVEL & LEISURE			
2,903,333	Hotel Corporation (The)	1,771,033	0.68	
2,000,000	Marston's	2,056,000	0.78	
900,000	William Hill	1,975,500	0.75	
		5,802,533	2.21	2.12
	TELECOMMUNICATIONS			
	MOBILE TELECOMMUNICATIONS			
2,000,000	Vodafone Group	3,180,000	1.21	1.42

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	UTILITIES			
	ELECTRICITY			
225,000	Scottish & Southern Energy	3,179,250	1.21	2.22
	FINANCIALS			
	BANKS			
400,000	HSBC Holdings	2,399,600	0.91	0.94
	LIFE INSURANCE			
525,000	Aviva	2,141,475	0.82	
1,000,000	Legal & General Group	1,160,000	0.44	
		3,301,475	1.26	2.18
	FINANCIAL SERVICES			
680,000	Ashmore Group	2,777,800	1.06	
900,000	Intermediate Capital Group	2,602,800	0.99	
1,500,000	Liontrust Asset Management	1,125,000	0.43	
		6,505,600	2.48	3.05
	EQUITY INVESTMENT INSTRUMENTS			
700,000	Crystal Amber	668,500	0.26	
6,000,000	Diverse Income Trust (The)	3,000,000	1.14	
2,000,000	Doric Nimrod Air One	2,220,000	0.85	
4,000,000	Harewood UK Enhanced Income	3,820,000	1.45	
3,799,925	Midas Income & Growth#	4,407,913	1.68	
		14,116,413	5.38	4.03
	UNIT TRUSTS			
3,800,000	ELDeRS 24B 7% Fixed Income Shares (linked to the FTSE 100)**	2,964,000	1.13	
11,000,000	Schroder Income Maximiser*	4,572,700	1.74	
		7,536,700	2.87	3.51
	TOTAL FINANCIALS	33,859,788	12.90	13.71
	TOTAL UNITED KINGDOM	66,972,794	25.51	27.58

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	OVERSEAS			
	NORTH AMERICA			
6,000,000	Harewood US Enhanced Income Sterling Hedged**	6,720,000	2.56	2.18
	CONTINENTAL EUROPE			
2,000,000	Harewood Sterling Hedged Enhanced Income**	2,000,000	0.76	
2,750,000	Ignis Argonaut European Enhanced Income*	2,570,975	0.98	
1,500,000	Ignis Argonaut European Income*	1,537,950	0.58	
	TOTAL CONTINENTAL EUROPE	6,108,925	2.32	2.31
	JAPAN			
6,880,000	ELDeRS 17A Japan High Income Shares (linked to the Topix)**	3,594,800	1.37	
3,069,355	Jupiter Japan Income*	1,565,371	0.59	
954,605	Lindsell Train Japanese Equity*	943,532	0.36	
	TOTAL JAPAN	6,103,703	2.32	2.14
	FAR EAST (EXCLUDING JAPAN)			
1,826,100	Newton Asian Income*	3,096,336	1.18	
7,000,000	Schroder Asian Income Maximiser*	3,749,900	1.43	
	TOTAL FAR EAST (EXCLUDING JAPAN)	6,846,236	2.61	3.21
	EMERGING MARKETS			
1,900,000	BlackRock Frontiers	1,700,500	0.65	
1,498,823	Blackstar Group	1,244,023	0.47	
1,502,854	Somerset Emerging Markets Dividend Growth*	1,610,458	0.61	
	TOTAL EMERGING MARKETS	4,554,981	1.73	1.47

Holding	Portfolio of Investments	Value £	Total Net Assets 15.07.11 %	15.01.11
	OTHER OVERSEAS			
7,250,000	Carador Income	4,106,649	1.57	
1,915,000	Ecofin Water & Power Opportunities	2,317,150	0.88	
700,000	M&G Global Dividend*	966,700	0.37	
2,850,000	Middlefield Canadian Income	2,978,250	1.13	
3,500,000	New City Energy	2,030,000	0.77	
	TOTAL OTHER OVERSEAS	12,398,749	4.72	4.84
	TOTAL OVERSEAS	42,732,594	16.26	16.15
	CASH INVESTMENTS			
724,932	Invesco GBP Select	724,931	0.28	0.75
	Portfolio of investments	262,280,124	99.84	100.64
	Net other assets/(liabilities)	414,071	0.16	(0.64)
	Net assets	262,694,195	100.00	100.00

All investments are ordinary shares unless stated otherwise.

* Collective investment schemes.
** Structured products.
*** Unquoted securities.
# Related party.

Definitions:
cip – cumulative irredeemable preference.
ncip – non-cumulative irredeemable preference.

SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE HALF YEAR ENDED 15 JULY 2011

Total purchases for the half year **£25,408,940**

Major purchases	Cost £
Diverse Income Trust (The)	3,000,000
Duet Real Estate Finance	2,750,000
Treasury 4% 2016	2,640,500
Thames River Global High Yield	2,627,500
Treasury 3.75% 2019	2,092,440
Atkins WS	1,971,630
Jupiter Japan Income	1,659,600
Midas Income & Growth	1,481,729
Blackstar Group	1,235,593
Reckitt Benckiser Group	1,191,549
Legal & General Group	1,119,986
M&G Global Dividend	1,004,010
Lindsell Train Japanese Equity	954,605
Signet Global Fixed Income Strategies	598,888
GKN	320,089
Ecclesiastical Insurance Office 8.625% *ncip*	265,157
Ashmore Group	167,593
William Hill	133,001
Marston's	120,650
Orchid Developments	74,420

Total sales for the half year **£65,274,255**

Major sales	**Proceeds £**
Treasury 3.25% 2011	4,844,775
Traditional Thames River Global Credit	3,411,250
Standard Life	3,174,243
Polar Capital Financials Income	2,069,694
Henderson Diversified Income	2,047,185
Crystal Amber	2,023,738
Schroder Oriental Income	1,995,020
International Power	1,977,162
Jupiter Japan Income	1,659,600
Treasury 4% 2016	1,621,550
Scottish & Southern Energy	1,523,551
GlaxoSmithKline	1,505,417
BlackRock Commodities Income	1,495,182
AstraZeneca	1,457,963
Middlefield Canadian Income	1,395,791
City Merchants High Yield	1,293,773
Royal Dutch Shell *'B'*	1,254,322
General Accident 8.875% *cip*	1,249,389
Thames River High Income	1,231,500
Man Group	1,142,738

The portfolio changes represent the 20 largest purchases and sales during the half year.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 15 JULY 2011

		15.07.11		**15.07.10**
	£	£	£	£
Income:				
Net capital gains/(losses)		225,070		(13,800,714)
Revenue	8,529,934		9,864,354	
Expenses	(2,041,408)		(2,634,867)	
Finance costs: Interest	(436)		(119)	
Net revenue before taxation	6,488,090		7,229,368	
Taxation	(585,562)		(394,203)	
Net revenue after taxation		5,902,528		6,835,165
Total return before distributions		6,127,598		(6,965,549)
Finance costs: Distributions		(7,276,472)		(8,867,654)
Change in net assets attributable to shareholders from investment activities		(1,148,874)		(15,833,203)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 15 JULY 2011

		15.07.11		**15.07.10**
	£	£	£	£
Opening net assets attributable to shareholders		301,531,917		382,466,946
Amounts receivable on issue of shares	2,403,972		3,453,974	
Amounts payable on cancellation of shares	(40,239,164)		(33,547,877)	
		(37,835,192)		(30,093,903)
Dilution levy		151,569		138,148
Stamp duty reserve tax		(5,434)		(43,272)
Change in net assets attributable to shareholders from investment activities		(1,148,874)		(15,833,203)
Unclaimed distributions		209		941
Closing net assets attributable to shareholders		262,694,195		336,635,657

The above statement shows the comparative closing net assets at 15 July 2010 whereas the current accounting period commenced 16 January 2011.

BALANCE SHEET
AS AT 15 JULY 2011

	15.07.11		15.01.11	
	£	£	£	£
ASSETS				
Investment assets		262,280,124		303,466,075
Other assets				
Debtors	2,847,891		2,283,769	
Cash and bank balances	2,742,609		3,844,033	
Total other assets		5,590,500		6,127,802
Total assets		267,870,624		309,593,877
LIABILITIES				
Other liabilities				
Creditors	(1,587,277)		(4,023,852)	
Bank overdrafts	(132,400)		–	
Distribution payable on Income shares	(3,456,752)		(4,038,108)	
Total other liabilities		(5,176,429)		(8,061,960)
Total liabilities		(5,176,429)		(8,061,960)
Net assets attributable to shareholders		262,694,195		301,531,917

GENERAL INFORMATION

Head Office: Ibex House, 42 – 47 Minories, London EC3N 1DX.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Company is pounds sterling. Each sub-fund and class is designated in pounds sterling.

Share Capital: The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

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 Services 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:

CF Midas Balanced Growth Fund
CF Midas Balanced Income Fund

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

CLASSES OF SHARES

The Company can issue Income and Accumulation classes of share.

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

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue 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 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 and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 606 6182. 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 published in the *Financial Times*, under the heading Capita Financial Managers and are also available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 606 6182 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Simplified Prospectus 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 and copies may be obtained upon application.

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

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.

As a sub-fund is not a legal entity, if the assets of one sub-fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the sub-funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the sub-funds.

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