



**CF OLIM UK Equity Trust**

Interim Unaudited Report and Financial Statements  
31 May 2011

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(Authorised and regulated by the Financial Services Authority)

DIRECTORS OF THE MANAGER  
C. Addenbrooke  
N. Boyling (from 7 February 2011)  
L. Everitt (to 18 February 2011)  
C. Hayes  
K.J. Midl  
J. Millan  
R.M. Short (from 22 November 2010)

INVESTMENT MANAGER  
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(Authorised and regulated by the Financial Services Authority)

TRUSTEE  
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INDEPENDENT AUDITORS  
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(Chartered Accountants and Registered Auditors)

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## INVESTMENT MANAGER'S REPORT FOR THE HALF YEAR ENDED 31 MAY 2011

### INVESTMENT OBJECTIVE AND POLICY

The objective of the CF OLIM UK Equity Trust ('the Trust') is to achieve long term total returns through investment primarily in UK equities and convertible securities. The Manager may from time to time invest in other securities, including UK government securities and other fixed interest securities.

The portfolio of the Trust may be comprised of transferable securities, derivative and hedging instruments as deemed appropriate to meet the objective of the Trust and other permitted instruments may be selected and other permitted transactions entered into from time to time.

### MARKET BACKGROUND

Over the six month period as a whole the FTSE All-Share Index rose by 9.1%. Including income, the total return was +10.8%. At the end of 2010, the first month of our current year, the UK equity market closed strongly with a rise of 7% in the month of December. There was little change during the first quarter of 2011, despite many challenges to equity markets, with earthquakes in New Zealand and Japan, and uprisings in several countries of North Africa and the Middle East. The political unrest culminated in NATO entering into the civil war in Libya, and the price of oil rose sharply with worries about future supplies. In April and May the market rose by 1.8% as the geopolitical events faded slightly from investors' concerns. High yielding shares slightly outperformed the overall market, but the Midcap 250 Index again outperformed by a significant amount with a rise of 13.7%.

Over the six months gilt yields fell slightly to 3.3% for ten year dated stocks and the total return on the FTSE All Stocks Index was +2.1%. All of the gain in gilts was recorded in the last two months of our half year and occurred as problems in the finances of Greece resurfaced and Portugal and Ireland required emergency IMF funding to meet their national debt financing requirements. UK gilt yields have normally fallen during periods of anxiety about Southern European national debt and this pattern was repeated in April and May, despite rising inflation in the United Kingdom. The rise in the oil price of 36% in the half-year was a major cause of rising inflation, but the rise in VAT to 20% in January and rising food prices were additional factors. In the currency markets the pound strengthened against the dollar by 6% but fell against the euro by 4%. Elsewhere in commodity markets, the price of copper rose by 10% over the half-year.

### PERFORMANCE

The performance of the Trust was +7.9%, measured by the increase in the bid price of the accumulation units. Since the Trust's formation in January 2002, the total return on the accumulation units has been +87.7% and this compares with the All-Share Total Return Index of +67.9%. The underperformance of the last six months against the All-Share Index followed a period of strong outperformance in the previous period.

AssetCo, which was 1.5% of our portfolio at the end of November, reported serious problems in its balance sheet in January and the price fell heavily. We participated in a major placing of new shares at 10p in March and understood that the balance sheet was then well financed. Further problems were revealed subsequently following the change in management and, at the time of writing, we wait news of a long term solution for this company, which has major long term fire service contracts in this country and in the United Arab Emirates. The fall in AssetCo this period represented approximately half the underperformance against the index. Other holdings which lagged the index included Britvic, Dechra Pharmaceuticals, and HSBC. We continued to have strong performance from the global industrial holdings included in our portfolio. Particular strength was shown by Spectris (+38%), Croda (+34%) and Babcock (+32%). Forth Ports received a takeover bid and we sold it in the closing stages of the process at a price 23% above the end November level.

### DISTRIBUTION

The interim distribution for the six month period will be the same as last year at 2.1p per income unit.

### PORTFOLIO

Purchases and sales totalled £2.08 million during the half year, with net purchases of £441,000. For most of the period we continued to be fully invested, but in mid May we sold the holding in Forth Ports and ended the period with just under 2% of the total held in cash. We also sold the complete holdings of Consort Medical, Capita, Wincanton, and Provident Financial. In the pharmaceutical sector we reinvested Consort Medical into GlaxoSmithKline, and in the industrial transport sector we reinvested Wincanton into UK Mail, the competitor to Royal Mail. In the general financial sector we reinvested Provident Financial into Beazley, the insurance underwriter.

We bought holdings in four new companies during the period. In addition to UK Mail and Beazley, we bought shares in Hays, the recruitment company with global operations, and Cineworld, which is one of the largest operators of cinemas in this country and Ireland and has advertising and catering activities related to films. We added to nine of the existing holdings. We have continued to be underweight in oils, mining and banks. Our overweight sectors have been amongst the industrial subsectors and our investments have focused on companies exposed to global growth. In the UK economy we are overweight in utilities and in the travel and leisure sector. We continue to concentrate on income generation in our stock selection.

### OUTLOOK

Growth in GDP in this country has been downgraded in the last few months and now is expected at 1.5% for 2011. Consumers are clearly under severe pressure now with steep rises in petrol and energy prices, rising food prices, higher VAT and rising unemployment. In Continental Europe the stronger nations in the North are again faced with funding the debts of the weaker nations in the South. Recent statistics from America show slowing growth there and Japanese economic activity has been hard hit by the earthquake. Despite these gloomy clouds overhanging the economic horizon, earnings and dividends from UK quoted companies are forecast to rise by 15% in 2011. UK plc is a global universe and well over half of earnings arise in overseas markets. BP has resumed dividend payments and these account for 6 percentage points of the projected rise in market income in 2011.

We believe that equities provide the safest home for investors during periods of rising inflation and note that gilt yields are now negative in real terms, with the latest statistics for inflation showing the CPI rising at 4.5% and the RPI at 5.2%. In comparison with ten gilts yielding 3.3%, UK equities historically yield on average 3.0% and our portfolio yields 3.8%. The price earnings ratio of the UK market on 2011 forecasts is 10 times, which compares with a long term average of 14 times. On this valuation and with the present level of inflation, we think that UK equities will deliver better returns than bonds or cash. In our stock selection we expect to continue to be overweight in companies operating in world markets.

### OLIM LIMITED

*Investment Manager*

6 June 2011

## AUTHORISED STATUS

CF OLIM UK Equity Trust is a unit trust authorised by the Financial Services Authority with effect from 26 November 2001.

It is a 'UCITS Scheme' which complies with the COLL Sourcebook, and the currency of the Trust is pounds sterling.

A unitholder shall not be liable to make any further payments for the units held in excess of the price of the units and no further liability can be imposed in respect of the units held.

## MANAGER'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  
*Manager of CF OLIM UK Equity Trust*  
 14 July 2011

## TRUST INFORMATION

### PERFORMANCE RECORD

#### Income units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2006	144.29	119.89	6.1959
2007	155.70	129.13	4.5156
2008	137.77	87.00	4.8415
2009	117.88	79.48	5.2966
2010	133.61	108.43	4.5966
2011*	134.72	121.64	4.5886

#### Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2006	172.57	140.85	6.9971
2007	187.00	156.40	5.3472
2008	170.29	109.34	5.9160
2009	156.63	103.26	6.7419
2010	187.89	147.37	6.1716
2011*	190.30	171.82	6.4115

\* To 31 May 2011.

### NET ASSET VALUE

Date	Unit Class	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
30.11.08	Income	2,914,793	3,176,847	91.75
	Accumulation	3,937,402	3,303,143	119.20
30.11.09	Income	2,007,527	1,851,384	108.43
	Accumulation	5,001,387	3,393,493	147.38
30.11.10	Income	2,849,750	2,326,783	122.48
	Accumulation	5,531,126	3,197,256	173.00
31.05.11	Income	3,554,806	2,714,645	130.95
	Accumulation	6,015,126	3,200,845	187.92

**RISK WARNING**

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units 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 necessarily 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.

**TOTAL EXPENSE RATIO**

Expense Type	31.05.11 %	30.11.10 %
Manager's periodic charge	1.50	1.50
Other expenses*	—	—
Total expense ratio	1.50	1.50

\* The Manager is responsible for the payment of all other expenses of the Trust.

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

**DISTRIBUTIONS**

Unit Class	Interim 31.05.11 pence per unit
Income	2.1000
Accumulation	2.9662

**TRUST PERFORMANCE TO 31 MAY 2011 (%)**

	6 months	1 year	3 years	5 years
CF OLIM UK Equity Trust	8.62	20.48	14.50	29.11

The performance of the Trust is based on the net asset value per Accumulation unit which includes reinvested income, calculated at bid values at the close of business, which differs to the published prices calculated at the Trust's valuation point.

**PORTFOLIO STATEMENT**

AS AT 31 MAY 2011

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.05.11 %	30.11.10 %
	<b>OIL &amp; GAS</b>			
	<i>OIL &amp; GAS PRODUCERS</i>			
85,000	BP	397,970	4.16	
21,700	Royal Dutch Shell 'B'	476,857	4.98	
		<u>874,827</u>	<u>9.14</u>	<u>7.23</u>
	<i>OIL EQUIPMENT, SERVICES &amp; DISTRIBUTION</i>			
18,000	AMEC	208,260	2.18	2.32
	<b>TOTAL OIL &amp; GAS</b>	<u>1,083,087</u>	<u>11.32</u>	<u>9.55</u>
	<b>BASIC MATERIALS</b>			
	<i>CHEMICALS</i>			
11,100	Croda International	215,784	2.25	
12,000	Johnson Matthey	254,040	2.65	
		<u>469,824</u>	<u>4.90</u>	<u>3.53</u>
	<i>MINING</i>			
7,000	BHP Billiton	168,210	1.76	
5,200	Rio Tinto	220,740	2.31	
		<u>388,950</u>	<u>4.07</u>	<u>4.44</u>
	<b>TOTAL BASIC MATERIALS</b>	<u>858,774</u>	<u>8.97</u>	<u>7.97</u>
	<b>INDUSTRIALS</b>			
	<i>ELECTRONIC &amp; ELECTRICAL EQUIPMENT</i>			
68,000	Halma	267,852	2.80	
29,500	Spectris	464,625	4.86	
		<u>732,477</u>	<u>7.66</u>	<u>6.56</u>
	<i>INDUSTRIAL ENGINEERING</i>			
21,000	Rotork	362,040	3.78	3.96

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.05.11 %	30.11.10 %
	<i>INDUSTRIAL TRANSPORTATION</i>			
90,000	Stobart Group	129,330	1.35	
36,600	UK Mail Group	105,500	1.10	
		<u>234,830</u>	<u>2.45</u>	<u>5.15</u>
	<i>SUPPORT SERVICES</i>			
623,888	AssetCo	21,524	0.22	
30,143	Babcock International Group	207,082	2.16	
58,000	Carillion	222,140	2.32	
75,000	Hays	81,825	0.86	
		<u>532,571</u>	<u>5.56</u>	<u>6.88</u>
	TOTAL INDUSTRIALS	<u>1,861,918</u>	<u>19.45</u>	<u>22.55</u>
	<i>CONSUMER GOODS</i>			
	<i>BEVERAGES</i>			
55,000	Britvic	240,020	2.51	2.63
	<i>FOOD PRODUCERS</i>			
32,000	Dairy Crest	124,160	1.30	
17,500	Unilever	344,925	3.60	
		<u>469,085</u>	<u>4.90</u>	<u>4.56</u>
	<i>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</i>			
87,000	Telford Homes	69,600	0.73	0.81
	TOTAL CONSUMER GOODS	<u>778,705</u>	<u>8.14</u>	<u>8.00</u>
	<i>HEALTH CARE</i>			
	<i>HEALTH CARE EQUIPMENT &amp; SERVICES</i>	–	–	2.48
	<i>PHARMACEUTICALS &amp; BIOTECHNOLOGY</i>			
62,100	Dechra Pharmaceuticals	300,253	3.14	
30,500	GlaxoSmithKline	402,448	4.20	
		<u>702,701</u>	<u>7.34</u>	<u>7.12</u>
	TOTAL HEALTH CARE	<u>702,701</u>	<u>7.34</u>	<u>9.60</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.05.11 %	30.11.10 %
	<i>CONSUMER SERVICES</i>			
	<i>FOOD &amp; DRUG RETAILERS</i>			
67,000	Tesco	280,395	2.93	3.31
	<i>GENERAL RETAILERS</i>			
100,000	N Brown Group	291,100	3.05	2.49
	<i>MEDIA</i>			
81,000	Informa	351,945	3.68	
24,134	Reed Elsevier	132,858	1.39	
		<u>484,803</u>	<u>5.07</u>	<u>5.29</u>
	<i>TRAVEL &amp; LEISURE</i>			
50,000	Cineworld UK	103,750	1.08	
11,000	Go-Ahead Group	158,070	1.65	
230,000	Marston's	245,870	2.57	
120,000	Restaurant Group	354,720	3.71	
		<u>862,410</u>	<u>9.01</u>	<u>7.64</u>
	TOTAL CONSUMER SERVICES	<u>1,918,708</u>	<u>20.06</u>	<u>18.73</u>
	<i>TELECOMMUNICATIONS</i>			
	<i>FIXED LINE TELECOMMUNICATIONS</i>			
83,000	BT Group	166,664	1.74	1.68
	<i>MOBILE TELECOMMUNICATIONS</i>			
231,000	Vodafone Group	390,274	4.08	3.95
	TOTAL TELECOMMUNICATIONS	<u>556,938</u>	<u>5.82</u>	<u>5.63</u>
	<i>UTILITIES</i>			
	<i>GAS, WATER &amp; MULTIUTILITIES</i>			
55,700	Centrica	177,182	1.85	
31,500	National Grid	197,190	2.06	
34,400	United Utilities Group	213,796	2.23	
		<u>588,168</u>	<u>6.14</u>	<u>6.61</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.05.11 %	30.11.10 %
	FINANCIALS			
	<i>BANKS</i>			
54,916	HSBC Holdings	348,607	3.64	4.24
	<i>NON-LIFE INSURANCE</i>			
55,000	Amlin	233,750	2.44	
155,000	Beazley	197,625	2.07	
		<u>431,375</u>	<u>4.51</u>	<u>1.57</u>
	<i>LIFE INSURANCE</i>			
129,000	Legal & General Group	151,059	1.58	1.41
	<i>FINANCIAL SERVICES</i>			
		–	–	2.08
	TOTAL FINANCIALS	<u>931,041</u>	<u>9.73</u>	<u>9.30</u>
	Portfolio of investments	9,280,040	96.97	97.94
	Net other assets	289,892	3.03	2.06
	Net assets	<u>9,569,932</u>	<u>100.00</u>	<u>100.00</u>

The investments are ordinary shares unless stated otherwise.

SUMMARY OF MATERIAL PORTFOLIO CHANGES  
FOR THE HALF YEAR ENDED 31 MAY 2011

Total purchases for the half year		£1,261,010
Purchases		Cost £
Beazley		206,858
BP		182,451
UK Mail Group		123,411
Cineworld UK		103,148
Hays		93,738
GlaxoSmithKline		87,132
Johnson Matthey		84,016
Amlin		81,968
N Brown Group		71,732
Unilever		48,740
Britvic		48,438
Marston's		45,770
Vodafone Group		43,608
AssetCo		40,000

Summary of Material Portfolio Changes (continued)

<b>Total sales for the half year</b>	<b>£819,874</b>
<b>Sales</b>	<b>Proceeds</b>
	<b>£</b>
Consort Medical	211,288
Provident Financial	210,340
Forth Ports	186,385
Wincanton	112,611
Capita Group (The)	99,250

The portfolio changes represent all of the purchases and sales during the half year.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN  
FOR THE HALF YEAR ENDED 31 MAY 2011

	31.05.11	31.05.10
	£	£
Income:		
Net capital gains	630,446	323,255
Revenue	164,881	141,598
Expenses	(68,009)	(55,855)
Finance costs: Interest	—	—
Net revenue before taxation	96,872	85,743
Taxation	—	(707)
Net revenue after taxation	96,872	85,036
<b>Total return before distributions</b>	<b>727,318</b>	<b>408,291</b>
Finance costs: Distributions	(147,488)	(134,958)
<b>Change in net assets attributable to unitholders from investment activities</b>	<b>579,830</b>	<b>273,333</b>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE HALF YEAR ENDED 31 MAY 2011

	31.05.11	31.05.10
	£	£
<b>Opening net assets attributable to unitholders</b>	<b>8,380,876</b>	<b>7,008,914</b>
Amounts receivable on issue of units	685,459	6,483
Amounts payable on cancellation of units	(171,212)	(66,330)
	514,247	(59,847)
Stamp duty reserve tax	(676)	(3)
Change in net assets attributable to unitholders from investment activities	579,830	273,333
Retained distribution on Accumulation units	94,943	96,242
Unclaimed distributions	712	—
<b>Closing net assets attributable to unitholders</b>	<b>9,569,932</b>	<b>7,318,639</b>

The above statement shows the comparative closing net assets at 31 May 2010 whereas the current accounting period commenced 1 December 2010.

Interim Financial Statements (continued)  
BALANCE SHEET  
AS AT 31 MAY 2011

	31.05.11	30.11.10
	£	£
<b>ASSETS</b>		
<b>Investment assets</b>	9,280,040	8,208,458
<b>Other assets</b>		
Debtors	77,631	34,933
Cash and bank balances	<u>281,622</u>	<u>206,791</u>
<b>Total other assets</b>	359,253	241,724
	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>9,639,293</u>	<u>8,450,182</u>
<b>LIABILITIES</b>		
<b>Other liabilities</b>		
Creditors	(12,353)	(11,402)
Distribution payable on Income units	<u>(57,008)</u>	<u>(57,904)</u>
<b>Total other liabilities</b>	(69,361)	(69,306)
	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>(69,361)</u>	<u>(69,306)</u>
<b>Net assets attributable to unitholders</b>	<u>9,569,932</u>	<u>8,380,876</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 November 2010 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.

## GENERAL INFORMATION

### VALUATION POINT

The valuation point of the Trust is 10.00am on each business day. Valuations may be made at other times with the Trustee's approval.

### BUYING AND SELLING UNITS

The Manager will accept orders to buy or sell units 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 units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### PRICES

The most recent prices of units 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](http://www.investmentuk.org) under the heading Capita Financial Managers or by calling 0845 922 0044 during the Manager's normal business hours.

### OTHER INFORMATION

The Trust Deed, Prospectus, Simplified Prospectus and the latest annual and interim reports may be inspected at the offices of the Manager and copies may be obtained on application to the Manager.

The Register of Unitholders can be inspected by unitholders during normal business hours at the Customer Service Centre, Capita Financial Administrators Limited at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

Unitholders who have any complaints about the operation of the Trust should contact the Manager or the Trustee in the first instance. In the event that a unitholder 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

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

### INVESTMENT MANAGER

OLIM Limited

Pollen House

10 – 12 Cork Street

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