CAPITA
FINANCIAL GROUP

CF St Andrews Asset Managers Balanced Fund

a sub-fund of CF St Andrews Asset Managers Investment Funds

ACD's Interim Short Report

for the half year ended 30 September 2008

Investment Objective and Policy

The investment objective of the CF St Andrews Asset Managers Balanced Fund (the 'Fund') is to deliver a balance of capital and income growth from a diversified portfolio of predominantly UK equities, bonds, Government Securities and Collective Investment Schemes. There may be occasions when the Investment Manager chooses to have large holdings of cash and money market instruments.

Risk Profile

The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 September	30 November
Final	31 March	31 May

Total Expense Ratio

Expense type	30.09.08 %	31.03.08 %
ACD's periodic charge	1.50	1.50
Other expenses	–	–
	1.50	1.50
Collective investment scheme costs (estimated)	0.18	0.14
Total expense ratio	1.68	1.64

Distributions

Share Class	Interim 30.11.08 pence per share
Income	1.1291
Accumulation	1.1594

Price and Income History

Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
From 1 March 2007	103.02	95.29	1.3972
To 30 September 2008	99.67	83.81	2.4532

Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Allocation per share p
From 1 March 2007	103.77	95.29	1.3993
To 30 September 2008	101.11	86.17	2.5029

Net Asset Value

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.03.08	Income	1,509,395	1,618,039	93.29
	Accumulation	783,543	816,734	95.94
30.09.08	Income	1,398,705	1,693,722	82.58
	Accumulation	961,585	1,117,290	86.06

Fund Performance to 30 September 2008 (%)

	6 months	Since launch*
CF St Andrews Asset Managers Balanced Fund	-10.27	-13.57
FTSE All-Share Total Return Index	-13.45	-16.74
FTSE World (ex UK) Total Return Index	-6.89	-6.59

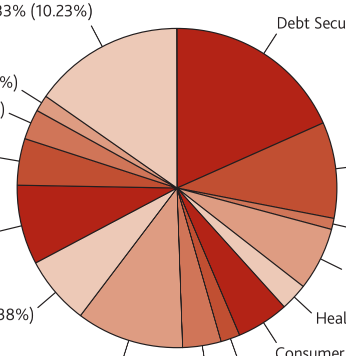
* Launch date 1 March 2007.

The performance of the Fund is based on the net asset value per Income share with income reinvested.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

Sector Spread of Investments



The figures in brackets show allocations at 31 March 2008.

Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Fund as at 30.09.08	Holding	% of Fund as at 31.03.08
Treasury 4.75% 2015	6.87	Treasury 4.75% 2015	7.17
Treasury 5% 2012	6.80	Treasury 5% 2012	7.07
AEGON Sterling Corporate Bond	4.56	AEGON Sterling Corporate Bond	5.31
M&G American	2.81	Fidelity European Values	3.31
Henderson Eurotrust	2.73	Henderson Eurotrust	3.21
GlaxoSmithKline	2.70	Merrill Lynch Commodities	2.72
Fidelity European Values	2.69	Fidelity American	2.69
Martin Currie North American	2.62	BG Group	2.66
Fidelity American	2.54	M&G American	2.63
Royal Dutch Shell 'B'	2.47	GlaxoSmithKline	2.44

INVESTMENT MANAGER'S REPORT

Investment Review

Results

During the six months to 30 September 2008, the total return of the Fund fell by 10.3%. Although there is no official benchmark for the Fund, the FTSE All-Share and the FTSE World (ex UK) (£) Indices fell by 13.5% and 6.9% respectively on a total return basis over the same period. The Fund was ranked in the top quartile of its peer group, the IMA Balanced Managed sector, for the six month period to end September 2008.

Dividend Distribution

An interim distribution of 1.1291p per share (accumulation 1.1594p per share) will be paid on 30 November 2008 to shareholders on the register on 30 September 2008. This compares with 1.3972p per share (accumulation 1.3993p per share) in respect of the same period last year.

Market Review

The last six months have been extremely volatile for global equity markets with the events of recent weeks being largely unprecedented in world financial markets. The period began in April with a strong rebound in stockmarkets. News that Bear Stearns, the US investment bank, was to be rescued from financial crisis by JP Morgan Chase (with backing from the Federal Reserve) brought a renewed sense of confidence to the markets and a belief that the worst of the credit crisis was behind us. This optimism proved short-lived, however, as the reality of a bleak economic outlook in developed economies, coupled with rising global inflation, began to sink in.

One of the key features of the period was the continued deterioration of the UK property market, contributing to weaker consumer confidence. House prices fell in every month during the period with housing transactions hitting their lowest levels for years. The 0.5% cut in UK interest rates in the Spring provided little relief, and the Bank of England's comments that rates might even have to rise if inflationary pressures intensified led to a significant fall in the UK equity market from mid May to early July. It was only the fall in the oil price, after peaking in early July at more than $140 a barrel, that brought some support to equity markets leading to a rally in interest rate-sensitive stocks but, for the first time in a long period, a fall in commodity stocks.

While August proved to be a good month for equity markets, September will be remembered as the worst monthly performance since the stockmarket crash of October 1987. What we saw during the last week of September was the climax of a financial crisis that had been brewing for several months. In the space of one week in the US we saw the demise of Lehman Brothers, America's oldest investment bank, the rescue of mortgage providers Fannie Mae and Freddie Mac, the part nationalisation of insurance group AIG and the proposal for the creation of a US national superfund to acquire banks' bad debt. In the UK, the threat of a run on deposits at HBOS, following concerns over the quality of its balance sheet, led to the Government-backed announcement that the company would be taken over by Lloyds TSB. This was quickly followed by the news that Bradley & Bingley was to be nationalised. Clearly, the credit crisis was far from over and the lack of decisive leadership globally, combined with recessionary fears, convinced investors that the authorities were not just behind the curve in their decision-making, but were reacting to events in a disjointed manner.

Portfolio Review

Whilst it is never pleasing to report a negative return on performance, the portfolio held up relatively well against the broader UK equity market over the reporting period. The asset allocation, with approximately 29.8% invested in cash and fixed interest securities at the beginning of the period, reflected our cautious stance at that time and, with hindsight, provided a cushion against falling global equity markets. At the end of September, the equivalent figure invested in cash and fixed interest securities stood at 33.6%.

The Fund's weighting in overseas collectives invested in North America (we added a new holding in Martin Currie North American Fund in June 2008) also helped performance as the strength of the dollar over the period enhanced the returns to sterling investors. By contrast, the collectives invested primarily in Asia and emerging markets performed less well as the combination of slower economic growth and inflationary fears had a negative impact on investor sentiment for the region.

Within the equity component of the portfolio, relative performance was enhanced by an underweight position in the mining, telecommunications and media sectors all of which performed poorly. Likewise, overweight positions in the more defensive utility and pharmaceutical sectors also benefited performance as those sectors proved more resilient to deteriorating global economic conditions. At the other extreme, regretfully, the portfolio was exposed to the underperformance of bank shares although the one exception to this was the holding in HSBC. HSBC is the Fund's largest bank holding and the shares have not only outperformed significantly the bank sector over the period but also the wider UK equity market. It is interesting to note that HSBC has itself not been immune from the credit crunch and global slowdown as evidenced by several downgrades in profit estimates this year but it seems that the market, in this case, has concentrated less on earnings and more on balance sheet strength. As such, the shares are likely to remain a safe haven in a financial sector still tarnished by credit woes.

We added one new equity holding to the portfolio over the period, Imperial Tobacco, following the announcement of its agreed takeover of the Franco-Spanish tobacco company Altadis. The company is expected to deliver secure cashflows and well-covered dividends which, we believe, will be appreciated by investors in the current economic environment.

Outlook

The outlook for the larger global economies has deteriorated over the last few weeks and the ongoing effects of the credit crunch continue to undermine consumer confidence. We are clearly in a different environment today from that which has existed over the past several years. At the time of writing, it remains unclear where the next shock will strike and intra-day volatility is without parallel across a broad spectrum of asset classes. Against this background, Governments and central banks continue to implement rescue packages. Following unexpected delays, the US Congress passed the $700 billion Troubled Asset Relief Program (TARP) and the UK announced a comprehensive package of £500 billion which aims to reinforce the liquidity and capitalisation of UK banks, as well as including further commitments to ease the money markets. Within several hours of this news, a number of major central banks including the US Federal Reserve, Bank of England, and European Central Bank announced coordinated rate cuts of 50 basis points. China also announced a rate cut.

To date, these measures have had little positive impact on global stockmarkets and the LIBOR rate, the rate at which banks lend to one another, remains stubbornly high. Many believe that the performance of the housing market, on both sides of the Atlantic, remains critical to any long-term recovery as it is only once we get some stability here, and some sort of 'floor' underpinning values, that we will start to see the end of asset write downs.

At the end of the period under review, UK equities were trading on an historic price earnings ratio of about 10.6 and were yielding about 4.6%. As I write today the equivalent figures are 8.8 and 5.5%. Normally, for longer-term investors, this would appear an attractive entry point to the market. However, the UK's economic growth slowdown and probable fall into recession is expected to lead to further declines in corporate profit and dividend expectations for some time to come. Consequently, we remain cautious in this environment and the Fund's focus will continue to be on companies with strong cashflows and balance sheets.

Ashcourt Asset Managers
Investment Manager
20 October 2008

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 9.00am and 5.30pm. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 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.

Reports and Accounts

This document is a short report of CF St Andrews Asset Managers Balanced Fund for the half year ended 30 September 2008. The full Report and Accounts for the Fund is available free of charge upon written request to Capita Financial Managers Limited, Ibex House, 42 – 47 Minories, London EC3N 1DX.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

CAPITA
FINANCIAL GROUP

AUTHORISED CORPORATE DIRECTOR ('ACD')
Capita Financial Managers Limited
Head Office:
Ibex House
42 – 47 Minories
London EC3N 1DX
Telephone: 0870 607 2555
Fax: 0870 607 2550
Email: enquiries@capitafinancial.com
(Authorised and regulated by the
Financial Services Authority)

DIRECTORS OF THE ACD
C. Addenbrooke
J. Eadie
L. Everitt
C. Hayes
K.J. Midl
J. Millan

INVESTMENT MANAGER
Ashcourt Asset Managers
11 Tower View
Kings Hill
West Malling
Kent ME19 4UN

DEPOSITARY
The Bank of New York
Trust and Depositary Company Limited
One Canada Square
London E14 5AL
(Authorised and regulated by the
Financial Services Authority)

REGISTRARS
Capita Financial Administrators Limited
Customer Service Centre:
2 The Boulevard
City West One Office Park
Gelderd Road
Leeds LS12 6NT
Telephone: 0845 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the
Financial Services Authority)

AUDITORS
Shipleys LLP
Chartered Accountants
10 Orange Street
Haymarket
London WC2H 7DQ