Manager's Report

Investing in
the financial
big hitters.

CIS US Growth Trust

CIS UNIT TRUSTS - The easy way to invest in the stock market

Final Report 31st December 2007

CIS Co-operative Insurance

CIS Unit Managers

CIS Unit Managers Limited is a subsidiary of the Co-operative Insurance Society Limited – one of the UK's largest and most respected insurers with many years' experience of helping people to plan their finances and over £20 billion under management. The CIS Unit Trusts available through the CIS sales force are listed below; each of these is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000.

CIS UK Growth Trust	Launched in September 1989, this is our largest fund. Its objective is to provide above-average capital growth by investing in the shares of good-quality UK companies which have excellent prospects for growth.
CIS UK Income with Growth Trust	Launched in September 1989, the Trust aims to provide an above-average and growing income, together with some capital appreciation, by investing in the shares of good-quality UK companies and in some fixed-interest securities.
CIS Sustainable Leaders Trust	Launched in May 1990 as the CIS Environ Trust, this Trust aims to provide capital growth by investing in the shares of companies which are active in improving the environment, human health and safety.
CIS European Growth Trust	Launched in January 2000, the Trust enables customers to participate in the growth of mature European markets other than the UK.
CIS US Growth Trust	Launched in February 2001, the Trust provides the opportunity to invest directly in the long-term growth potential of the US markets.
CIS Corporate Bond Income Trust	Launched in September 2003, the Trust aims to produce an above-average, regular, income whilst protecting capital as far as possible by investing in a portfolio of fixed-interest securities mostly issued by UK companies.

CIS Unit Managers Limited looks after investments totalling around £2.9 billion on behalf of around 285,000 investors.

CIS Unit Managers

TRUSTEE STATUS	The Trustee is State Street Trustees Limited which holds the title to the Trust's investments on behalf of unitholders. The CIS US Growth Trust is a "wider-range" investment under the Trustee Investments Act 1961. It is an authorised unit trust scheme under Chapter III of the Financial Services and Markets Act 2000 and is categorised as a UCITS Scheme under the Financial Services Authority New Collective Investment Schemes Sourcebook. Copies of the Trust Deed may be inspected at the offices of the Manager: CIS Building, Miller Street, Manchester.
MANAGER	CIS Unit Managers Limited P.O. Box 105 Manchester M4 8BB Authorised and regulated by the Financial Services Authority, and a member of the Investment Management Association.
DIRECTORS OF THE MANAGER	C.N. Shannon (appointed 16th April 2007, resigned 20th August 2007) G.S Pater (resigned 16th April 2007) T.S. Bunch (resigned 11th April 2008) M.D. Fairbairn R.T. Goddard (appointed 8th March 2007) C.F. McKeown (resigned 6th February 2007) P. Sharman M.A. Summerfield (appointed Chairman 28th August 2007)
TRUSTEE	State Street Trustees Limited 525 Ferry Road Edinburgh EH5 2AW Authorised and regulated by the Financial Services Authority.
REGISTRAR	CIS Unit Managers Limited P.O. Box 105 Manchester M4 8BB
AUDITORS	KPMG LLP Chartered Accountants 1 The Embankment Neville Street Leeds LS1 4DW
INVESTMENT MANAGEMENT	UBS Global Asset Management (UK) 21 Lombard Street London EC3V 9AH

Investment Objective and Policy

The CIS US Growth Trust aims to provide above-average capital growth over the medium to long term from a diverse portfolio of US equities in any economic sector.

The fund manager's current investment policy is to invest in a diverse portfolio of securities, most of which will be represented within the Standard & Poor's (S&P) Composite 500 index. The manager may also invest in non-US markets, as long as these markets invest in US companies. The Trust will hold these securities for the medium to long term.

Investment Review and Outlook

Investment Philosophy

Our price/intrinsic value investment philosophy is based on the following:

- Intrinsic value is determined by the fundamentals that drive a security's future cash flow.
- Discrepancies between market price and intrinsic value arise from market behaviour and market structure providing opportunities to outperform.
- A truly integrated global approach produces superior research.
- Leading-edge risk management and strong knowledge of clients are critical for superior portfolio construction.
- Teams of investment specialists working together deliver consistent results.

Our investment research focuses on identifying discrepancies between a company's intrinsic value and its observed market price. For each stock under our analysis we discount to the present all future cash flows that we believe will accrue to an investor, incorporating our analyst team's considerations of company management, competitive advantage and each company's core competencies. These value estimates are then compared to current market prices and ranked against the other stocks in our valuation universe. The portfolio is constructed by selecting from only those stocks that rank in the top quartile with consideration given to market sensitivity, common factor exposures such as company size, and industry weightings.

Your Portfolio

During the twelve months to 31 December 2007, your portfolio declined by 1.8% (net of fees) compared with a gain of 4.0% in the Russell 1000 Index. Robust US corporate profits and cash flows were supportive of the market throughout the first half, with the credit crisis impacting market sentiment and results later in the year, affecting financials and consumer discretionary stocks in particular. Volatility returned to the US equity market in 2007, starting in late February/early March, continuing in July and August, and culminating in a broader sell off during the fourth quarter. Growth stocks outperformed value stocks by 12% over the year; this is the first time the Growth index has beaten the Value index in a calendar year since 1999. There was a broad spread in returns at the sector level during the year. Sectors such as Energy and Materials (up 32% and 20% respectively for the year) outperformed as prices for the underlying commodities skyrocketed,

Investment Review and Outlook

while Financials significantly underperformed (down 21% for the year) as investors and the companies themselves grappled with the growing fallout of the sub-prime mortgage collapse.

Industry factors detracted from results with the overweight to Financials and underweighting to Energy, Materials, Technology Hardware and industries like Aerospace & Defence. The overweight to Utilities and not owning real estate contributed positively. Stock selection was broadly neutral, although there was considerable volatility between stocks. Amazon.com (up 110%), Exelon, Medco Health Solutions, Intel, Borg-Warner and Johnson Controls were the top stock-specific contributors to performance. The primary detractors were Citigroup (down 45%), Morgan Stanley, Fifth Third Bancorp, Sprint and not owning Apple.

Profits were realised in Google, Amazon.com and Yahoo and also in the oil service and drilling companies Ensco and GlobalSantaFe (merged with Transocean). New purchases were made in specialist healthcare companies Schering Plough, Millipore and DaVita, specialising in drug discovery technology and dialysis. Peabody Energy, a large coal company, was added to the fund. We also took advantage of price weakness to add to positions in Freddie Mac, RH Donnelley, Sprint Nextel and Target

On an individual basis, the largest positive stock contributors came from:

- Exelon has experienced strong earnings growth year-over-year as a result of higher power output and rising wholesale prices. Limited capacity and increasing demand have led to increased interest in power generators as electricity prices are expected to rise over time. Exelon, with the largest fleet of nuclear power plants in the US, continues to be one of the portfolio's top overweight positions.
- Amazon.com reported improving operating and gross margins despite an increase in technology and content spending. The company's strategy of achieving scale in each of the multitude of new categories it has entered seems to be working. This strategy should lead to greater margins in the future when growth inevitably slows; the company has greater leverage with suppliers.
- Shares of Medco Health Solutions performed well on higher revenues and improved results in its key specialty pharmacy business.

The largest negative attribution stocks over the period were:

- Citigroup has projected a fourth-quarter write-down of up to $11 billion collateralised debt obligations, and there have been media reports suggesting the dividend will need to be cut by 70%. This has had a very negative impact on investor sentiment about the company and has, in our estimation, caused the stock price to fall significantly more than is warranted by fundamentals. We have factored the current environment into our fundamental assumptions about how much cash flow the company can generate over the course of time and remain very confident that intrinsic value of this stock is much higher than where it is trading today. We recently increased our position in the stock.
- Morgan Stanley disclosed in early November that the company was writing down $3.7 billion in assets relating to collateralized debt obligations. Morgan Stanley is well diversified between investment banking, asset management and wealth management. It is a consistent, leading global competitor, with particular strengths in equity underwriting and M&A. We expect the company to leverage these strengths in an improving capital markets environment.

Investment Review and Outlook

- The Sprint/Nextel merger integration has experienced a larger number of customer losses than were expected, which has led to the sell-off in the stock. Daniel Hesse has replaced CEO Forsee. Despite these short-term negative results, we expect the merger to yield significant long-term benefits to the combined company. The combined company's customer bases and distribution channels are complementary, with Nextel focused largely on business customers and Sprint more consumer-focused. In addition, there are also several operational synergies that will accrue in marketing, distribution, network operations and administrative overhead.

Economic Review

The US economy exhibited strength entering into the fourth quarter, with Q3 growth of 4.9%. However, in December there was a marked deterioration in the labour market, with claims rising, weak non-farm payrolls and the unemployment rate jumping up to 5%. The housing market also took another downturn with very weak new home sales, falling prices and rising layoffs in residential employment. The manufacturing ISM survey fell to recessionary levels and manufacturing layoffs have continued. In contrast, both employment and surveys in the services sector remain quite robust. Inflation has started to pick up again, with not just headline but all the measures of core inflation rising as well. Inflation expectations are also trending upwards. The weak dollar and a lack of spare capacity create risks that inflation could resurface. The Federal Reserve is focused on activity with successive cuts in rates and, in the face of the December labour market report, a further cut in January looks highly likely. The federal budget deficit is shrinking slowly, but the current account deficit remains large, and the household savings rate low.

Market Outlook and Strategy

The overall US market appears undervalued, but there are clearly some sectors that are more attractive than others. In fact, the valuation spread between underpriced and overpriced stocks in the market has not been as high as it is today since the aftermath of the IT bubble in the late 90s. Over time, we expect a contraction in the valuation spread between over and underpriced stocks; historically when this has happened, the portfolio has generated very attractive levels of excess returns.

At year-end, we have limited factor exposures in our portfolios, since we find that most of the opportunities available in the current market continue to be more bottom-up in nature. Three aspects of the portfolio going into 2008 that will be very important to portfolio performance during the year are the positioning within the Financial sector, and the underweighting to the Energy and Materials sectors. We are confident these strategies will benefit our clients going forward.

While the market is currently very apprehensive about Financials given credit exposures and the sub-prime lending fallout, we are finding very attractive valuations in this space and find the underlying balance sheets very strong. The portfolio's principal weightings favour Pharmaceutical and Biotech, Semiconductors, Diversified Financials and Utilities that are reasonably priced with strong cash flow characteristics. Energy, Consumer Staples, and Capital Goods are underweighted. Oil price volatility remains with tight spare capacity and supply disruptions keeping the price well above fair value. There are no identifiable macro themes driving the underlying portfolio construction. High-quality, low-volatility stocks look most attractive to us at the present time, particularly in the larger companies with broad exposure to overseas markets where the weak dollar is aiding their competitive advantage. The portfolio's largest active positions are Exelon, Exxon (underweight), Wyeth, Morgan Stanley and Allergan. We expect modest earnings growth to be the principal driver of markets in 2008. We also expect volatility to continue to increase off the historical lows experienced over the past few years. The tracking error is currently 3.1.

Individual sector comments:

- Our underweight to Energy is also a key position in the portfolio, but has contributed to the portfolio's underperformance over the past several months as energy stocks have continued their very strong performance. Oil prices have been volatile. They are near all-time highs, and continue to be well above our normal assumptions. Key swing factors will continue to be China and US demand growth. Data for 2005, 2006 and 2007 show a marked slowdown from 2004, which was the highest year-over-year demand growth since 1976. We believe that over time as oil prices normalise at lower levels than where we are today, opportunities will exist within oil services, as several years of above mid-cycle oil prices leads to increased spending by major integrated oils, independent exploration and production companies, and national oil companies, and the exposure that we do have to the energy sector tends to be concentrated in those areas.
- We remain underweight the Materials sector. We have seen earnings growth driven by the run up in underlying commodity prices. Demand growth and speculative buying are having an outsized impact on commodity prices. We expect, and are seeing signs of, a significant supply response. Historically, capital expenditures have led output by two years. Capital expenditures have soared since 2005. Over time, we expect commodity prices to fall as supply increases come online and as pure speculators look elsewhere. We expect that the earnings in this sector will deteriorate rapidly when there is a correction in the underlying commodity prices.
- We continue to find attractive valuations within Financials. Our strategy of underweighting smaller, more regional banks, brokers and real estate has helped but has been more than offset by being overweight in the large, more diversified global banking franchises. Based on the stock price volatility in financial stocks over the past few months, it is clear investors, and in some cases the companies themselves, are having a difficult time correctly evaluating the impact of the credit deterioration and sub-prime mortgage fallout on their respective businesses. As new information comes out regarding these companies and their respective exposures, it provides incrementally more clarity to the situation. We are continuing to monitor the market closely as its volatility creates opportunities to capitalise on further price/intrinsic value discrepancies, and continue to look for opportunities where we believe that the market has overreacted and where we have strong conviction.

Changes to the CIS US Growth Trust

The rules under which our unit trust schemes must operate have changed. This is as a result of a new set of rules issued by the Financial Services Authority (the FSA) (referred to as the "COLL" rules), and revised US legislation (referred to as the "UCITS III" Directive).

We believe that the new rules provide a more flexible framework within which firms may operate unit trust schemes. From February 2007, all UK authorised unit trusts must adhere to the new rules. Previously, the US Growth Trust was categorised by the FSA as a securities scheme. All CIS Unit Trusts are now categorised as UCITS schemes, and have adopted COLL with effect from 19th January 2007.

Statement of the Manager's Responsibilities in Relation to the Report and Financial Statements of the Trust

Financial statements for the year ended 31st December 2007, and this Manager's Report, have been prepared in accordance with the rules of the New Collective Investment Schemes Sourcebook, published by the Financial Services Authority ("the FSA's rules"). These require the Manager to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the Trust and of its income/expenditure for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds
- follow generally accepted accounting principles and applicable accounting standards
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above-mentioned requirements.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, Scheme Particulars and the FSA's rules. The Manager has general responsibility for taking steps as are reasonably open to it to prevent and detect fraud and other irregularities.

Statement of the Trustee's Responsibilities in Relation to the Financial Statements of the Trust

The Trustee is under a duty to take into its custody or under its control all of the property of the scheme and to hold it in trust for the holders of units. Under the rules in the Financial Services Authority's New Collective Investment Schemes Sourcebook relating to Reports, it is also the duty of the Trustee to enquire into the conduct of the Manager in the management of the scheme in each accounting period and to report thereon to unitholders in a report which shall contain the matters prescribed by the rules. A copy of the Trustee's report is included in this Report.

Independent Auditors' Report to the Unitholders of CIS US Growth Trust ('the Trust')

We have audited the financial statements of the Trust for the year ended 31st December 2007, which comprise the Statement of Total Return, the Statement of change in Unitholders' Net Assets, the Balance Sheet together with the related notes, the Portfolio Statement, the Summary of Material Portfolio Changes and the Distribution Table. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the New Collective Investment Schemes sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Manager (CIS Unit Managers Limited) and Auditors

As described in the Statement of Manager's Responsibilities on page 7, the Manager is responsible for preparing the Annual Report and the financial statements in accordance with applicable law, UK financial services rules and regulations and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds and the rules in the New Collective Investment Schemes Sourcebook published by the Financial Services Authority. We also report to you if, in our opinion, the information given in the Manager's Report is not consistent with the financial statements, if the Manager has not kept proper accounting records for the Trust, if the financial statements are not in agreement with the accounting records for the Trust, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

Independent Auditors' Report to the Unitholders of CIS US Growth Trust ('the Trust')

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Trust as at 31st December 2007 and of the net income and the net losses on the property of the Trust for the year then ended;
- the financial statements have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds and the rules in the New Collective Investment Schemes Sourcebook published by the Financial Services Authority; and
- the information given in the Manager's Report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of the audit.

KPMG LLP
Chartered Accountants
1 The Embankment, Neville Street, Leeds LS1 4DW
30th April 2008

Trustee's Report

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that the Manager has, in all material respects, managed the Scheme during the period in accordance with the investment and borrowing powers and restrictions applicable to the Scheme, and otherwise in accordance with the provisions of the Trust Deed and the rules in the Financial Services Authority's New Collective Investment Schemes Sourcebook.

State Street Trustees Limited,
Trustee of CIS US Growth Trust,
50 Lothian Road, Edinburgh
30th April 2008

Performance Record

Unit prices

Units, which are exclusively income units, were initially offered to the public at £1.00.

	Highest buying price	Lowest selling price	Distribution pence per unit
1st Jan 2002 to 31st Dec 2002	102.30p	58.70p	0.1947
1st Jan 2003 to 31st Dec 2003	79.90p	59.25p	0.1906
1st Jan 2004 to 31st Dec 2004	78.74p	66.95p	nil
1st Jan 2005 to 31st Dec 2005	89.42p	69.48p	nil
1st Jan 2006 to 31st Dec 2006	91.75p	76.29p	nil
1st Jan 2007 to 31st Dec 2007	95.10p	77.20p	nil

Price information

	Selling price pence per unit	Buying price pence per unit	Estimated net yield
31st December 2004	72.92	76.75	0.04%
30th December 2005	84.25	88.66	0.14%
29th December 2006	83.95	88.37	0.01%
31st December 2007	82.48	86.82	0.00%

Trust details

	Total net asset value	Total units in issue	Net asset value per unit
31st December 2004	£92,664,504	127,148,000	72.88p
31st December 2005	£114,459,998	135,716,000	84.34p
31st December 2006	£115,736,760	137,797,000	83.99p
31st December 2007	£111,477,107	135,048,000	82.55p

It should be remembered that past performance is not necessarily a guide to future performance and that the value of units, and the income derived from them, can fluctuate.

Total Expense Ratio (TER)

31st December 2006	1.49%
31st December 2007	1.53%

The TER is the ratio of the scheme's total operating costs to its average net assets, and is based on the period. The increase compared to the previous year end is due to the increase in the annual management charge in March 2006.

Statement of Total Return

for the year ended 31st December 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Net (losses) on investments	2		(1,867,648)		(418,676)
Other gains	3		18,806		15
Income	4	2,102,680		1,960,169	
Expenses	5	(1,785,292)		(1,717,455)	
Finance Costs: Interest	7	(386)		(72)	
Net income before taxation		317,002		242,642	
Taxation	6	(297,562)		(271,720)	
Net income/(expense) after taxation for the year			19,440		(29,078)
Total return before distributions			(1,829,402)		(447,739)
Finance Costs: Distributions	7		(2,220)		1,668
Net (decrease) in unitholders' funds from investment activities			**(1,831,622)**		**(446,071)**

Statement of change in Unitholders' Net Assets

for the year ended 31st December 2007

	2007 £	2007 £	2006 £	2006 £
Net assets at the start of the year		115,736,760		114,459,998
Movement due to sales and repurchase of units				
Amounts received on creation of units	1,392,150		2,108,975	
Amounts paid on cancellation of units	(3,820,181)		(386,142)	
		(2,428,031)		1,722,833
Net (decrease) in unitholders' funds from investment activities (see above)		(1,831,622)		(446,071)
Net assets at the end of the year		**111,477,107**		**115,736,760**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Energy Equipment & Services (2.96%, Dec 2006: 2.97%)			
Ensco International Inc	31,100	931,778	0.84
Halliburton	124,900	2,366,085	2.12
		3,297,863	**2.96**
Oil, Gas & Consumable Fuels (5.53%, Dec 2006: 2.54%)			
Chevron Corp	19,000	898,742	0.81
EOG Resources Inc	39,400	1,785,429	1.60
Exxon Mobil Corp	25,300	1,199,019	1.08
Patriot Coal Corporation	3,260	68,022	0.06
Peabody Energy Corp	72,100	2,208,755	1.98
		6,159,967	**5.53**
Building Products (1.64%, Dec 2006: 2.10%)			
Masco Corp	169,400	1,826,515	1.64
		1,826,515	**1.64**
Industrial Conglomerates (3.40%, Dec 2006: Not Held)			
General Electric Co	203,700	3,789,715	3.40
		3,789,715	**3.40**
Machinery (3.37%, Dec 2006: 2.96%)			
Illinois Tool Works Inc	87,900	2,370,719	2.12
Paccar Inc	49,900	1,391,169	1.25
		3,761,888	**3.37**
Air Freight & Logistics (1.62%, Dec 2006: 1.68%)			
Fedex Corp	40,100	1,810,144	1.62
		1,810,144	**1.62**
Road & Rail (2.72%, Dec 2006: 1.87%)			
Burlington Northern Santa Fe Corp	55,200	2,295,029	2.06
Ryder System Inc	30,900	731,282	0.66
		3,026,311	**2.72**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Auto Components (3.30%, Dec 2006: 3.05%)			
BorgWarner Inc	69,600	1,711,780	1.54
Johnson Controls Inc	107,000	1,961,828	1.76
		3,673,608	**3.30**
Automobiles (0.49%, Dec 2006: 0.80%)			
Harley Davidson	23,400	549,931	0.49
		549,931	**0.49**
Household Durables (0.86%, Dec 2006: 0.39%)			
Fortune Brands Inc	26,400	959,777	0.86
		959,777	**0.86**
Textiles, Apparel & Luxury Goods (0.52%, Dec 2006: 0.54%)			
Coach Inc	38,200	579,877	0.52
		579,877	**0.52**
Hotels, Restaurants & Leisure (2.11%, Dec 2006: 1.98%)			
Carnival Corp	76,800	1,709,061	1.53
Royal Caribbean	30,400	646,608	0.58
		2,355,669	**2.11**
Media (5.76%, Dec 2006: 3.81%)			
Comcast Corp	105,600	968,343	0.87
Interpublic Group	174,400	713,866	0.64
McGraw-Hill Co's	23,200	507,940	0.45
News Corporation	107,700	1,105,875	0.99
Omnicom Group Inc	53,200	1,267,533	1.14
RH Donnelley Corp	43,204	793,432	0.71
Viacom Inc	48,800	1,068,426	0.96
		6,425,415	**5.76**
Multiline Retail (0.87%, Dec 2006: Not Held)			
Target Corp	38,200	967,352	0.87
		967,352	**0.87**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Speciality Retail (0.28%, Dec 2006: 2.12%)			
Chico's FAS, Inc	68,700	311,729	0.28
		311,729	**0.28**
Food & Staples Retailing (2.25%, Dec 2006: 2.88%)			
Costco Wholesale	32,200	1,128,203	1.01
Sysco Corp	87,300	1,384,483	1.24
		2,512,686	**2.25**
Beverages (1.64%, Dec 2006: 1.49%)			
Anheuser-Busch Co's	32,900	867,298	0.78
Constellation Brands	79,800	962,401	0.86
		1,829,699	**1.64**
Health Care Equipment & Supplies (1.48%, Dec 2006: 1.16%)			
Medtronic Inc	65,700	1,644,722	1.48
		1,644,722	**1.48**
Health Care Providers & Services (2.41%, Dec 2006: 3.05%)			
Davita Inc	12,300	343,896	0.31
Medcohealth Solutions	27,400	1,377,871	1.24
UnitedHealth Group	33,200	964,865	0.86
		2,686,632	**2.41**
Biotechnology (2.79%, Dec 2006: 2.23%)			
Amgen Inc	14,700	344,809	0.31
Cephalon Inc	13,200	476,660	0.43
Genzyme Corp	60,500	2,292,506	2.05
		3,113,975	**2.79**
Pharmaceuticals (10.00%, Dec 2006: 9.07%)			
Allergan Inc	79,500	2,577,919	2.31
Bristol-Myers Squibb	57,600	780,348	0.70
Johnson & Johnson	64,000	2,147,827	1.93
Merck & Co Inc	83,800	2,452,563	2.20
Schering Plough Corp	46,900	630,705	0.57
Wyeth	116,000	2,555,336	2.29
		11,144,698	**10.00**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Life Sciences Tools & Services (0.72%, Dec 2006: 0.74%)			
Millipore Inc	9,500	350,638	0.31
Pharmaceutical Product Development	22,400	453,414	0.41
		804,052	**0.72**
Commercial Banks (5.39%, Dec 2006: 6.77%)			
City National Corp	14,900	439,349	0.40
Fifth Third Bancorp	118,800	1,497,387	1.34
PNC Financial Services Group Inc	26,600	871,445	0.78
Wells Fargo & Co	213,300	3,197,440	2.87
		6,005,621	**5.39**
Thrifts & Mortgage Finance (1.22%, Dec 2006: 1.23%)			
Federal Home Loan Mortgage Corp	83,600	1,364,198	1.22
		1,364,198	**1.22**
Diversified Financial Services (3.87%, Dec 2006: 6.68%)			
Citigroup Inc	207,100	3,017,660	2.71
JP Morgan Chase	60,200	1,299,988	1.16
		4,317,648	**3.87**
Consumer Finance (0.62%, Dec 2006: Not Held)			
Discover Financial Services	93,300	694,875	0.62
		694,875	**0.62**
Capital Markets (4.88%, Dec 2006: 6.36%)			
Bank of New York Mellon Corp	99,600	2,406,859	2.16
Morgan Stanley	114,300	3,029,681	2.72
		5,436,540	**4.88**
Insurance (2.79%, Dec 2006: 4.58%)			
Aflac Inc	56,100	1,749,966	1.57
Hartford Financial Services	25,400	1,104,987	0.99
Principal Financial Group	7,400	255,102	0.23
		3,110,055	**2.79**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Software (5.24%, Dec 2006: 6.06%)			
Intuit Inc	55,700	884,176	0.79
Microsoft Corp	157,000	2,827,629	2.54
Red Hat	33,400	351,791	0.31
Symantec Corp	219,500	1,781,604	1.60
		5,845,200	**5.24**
Computers & Peripherals (1.90%, Dec 2006: 0.74%)			
Dell Inc	86,400	1,074,345	0.96
Lexmark Intl Inc	22,600	402,522	0.36
Network Appliance	50,700	640,049	0.58
		2,116,916	**1.90**
Semiconductors & Semiconductor Equipment (6.42%, Dec 2006: 3.97%)			
Analog Devices Inc	114,700	1,804,131	1.62
Intel Corp	265,400	3,542,570	3.18
Linear Technology	51,700	826,616	0.74
Xilinx Inc	90,200	986,518	0.88
		7,159,835	**6.42**
Diversified Telecommunication Services (1.62%, Dec 2006: 1.78%)			
AT&T Inc	85,300	1,806,668	1.62
		1,806,668	**1.62**
Wireless Telecommunication Services (1.65%, Dec 2006: 2.08%)			
Sprint Nextel Corp	279,462	1,835,840	1.65
		1,835,840	**1.65**
Electric Utilities (5.11%, Dec 2006: 4.29%)			
American Electric Power Company Inc	47,000	1,098,228	0.99
Exelon Corp	95,200	3,928,629	3.52
Northeast Utilities	7,700	121,499	0.11
PEPCO Holdings	36,700	544,466	0.49
		5,692,822	**5.11**

Portfolio Statement

as at 31st December 2007	Holding or nominal value of positions at 31st December 2007	Market value £	% of total net assets
Multi-Utilities (1.72%, Dec 2006: 1.74%)			
NISource Inc	56,000	526,654	0.48
Sempra Energy	44,600	1,385,005	1.24
		1,911,659	**1.72**
Portfolio of investments		110,530,102	99.15
Net current assets		947,005	0.85
Net assets		**111,477,107**	**100.00**

Sectors held in 2006 not held in 2007
Aerospace & Defense – 0.85%

Diversified Consumer Services – 0.47%
Real Estate Management & Development – 0.29%
Internet & Catalog Retail – 0.60%
Internet Software & Services – 0.64%
IT Services – 0.94%

Balance Sheet

as at 31st December 2007

	Notes	2007 £	2007 £	2006 £	2006 £
ASSETS					
Portfolio of Investments			110,530,102		112,847,564
Debtors	8	322,284		394,860	
Cash and bank balances	9	1,069,817		2,887,052	
Total current assets			1,392,101		3,281,912
Total assets			111,922,203		116,129,476
LIABILITIES					
Creditors	10	(445,096)		(392,716)	
Distribution payable	7	–		–	
Total current liabilities			(445,096)		(392,761)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			**111,477,107**		**115,736,760**

M.A. Summerfield (Chairman)
30th April 2008

P. Sharman (Director)

Summary of material portfolio changes

for the year ended 31st December 2007

SIGNIFICANT PURCHASES	Cost £000
General Electric Co	3,845
Peabody Energy Corp	1,735
Aflac Inc	1,575
Comcast Corp	1,243
Target Corp	1,202
Halliburton	1,119
Transocean Inc	989
Viacom Inc	938
Linear Technology	911
Citrix Systems Inc	910
National Semiconductor	892
Intel Corp	853
Intuit Inc	821
McGraw-Hill Co's	811
Symantec Corp	804
Google Inc	791
Interpublic Group	773
Network Appliance	750
Medtronic Inc	741
Fortune Brands Inc	731
Total cost of purchases, including the above, for the year (see note 14)	**37,322**

Summary of material portfolio changes

for the year ended 31st December 2007

SIGNIFICANT SALES	Proceeds £000
American International Group	2,642
Amazon.com Inc	1,922
Microsoft Corp	1,912
GlobalSantaFe Corp	1,678
Home Depot Inc	1,626
Yahoo Inc	1,420
UnitedHealth Group	1,289
Johnson Controls Inc	1,112
Accenture	1,098
Citrix Systems Inc	1,084
Northrop Grumman	1,075
Waters Corp	1,017
National Semiconductor	1,009
Transocean Inc	1,001
Allstate Corp	943
Google Inc	922
Costco Wholesale	907
Millennium Pharmaceuticals	867
BEA Systems Inc	808
McAfee Inc	804
Total proceeds from sales, including the above, for the year (see note 14)	**37,778**

Notes to the Financial Statements

as at 31st December 2007

1 Accounting Policies

(a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds 2005.

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Interest on deposits and fixed-interest securities are accounted for on an accruals basis. Other income is accounted for on a receipt basis.

(c) In addition to the initial charge of 5% contained in the spread, CIS Unit Managers Limited make an annual management charge of 1.5% of the value of the Trust which is deducted before income is distributed.

(d) The ordinary element of stocks received in lieu of cash dividends is recognised as income of the fund. It does not form part of the distribution in accordance with the regulations.

(e) The Trust is not more than 60% invested in qualifying investments (as defined by Section 468L I.C.T.A.1988) and where applicable will pay a dividend distribution to unitholders half-yearly.

(f) The investments of the Trust have been valued at bid price at 12 noon on 31st December 2007, the last valuation point in the accounting period. Previously investments were valued at mid-market value, these assets have not been restated due to the change to bid prices.

(g) Assets and liabilities in currencies other than sterling are translated into sterling at the rates of exchange ruling at 31st December 2007. Income and expenditure transactions are translated at the rates of exchange ruling at the date of transaction.

(h) In accordance with FRS 16, "Current Tax", dividend income and taxation are stated net of any associated tax credits.

(i) In accordance with FRS 19, "Deferred Tax", deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Notes to the Financial Statements

as at 31st December 2007

2 Net (losses) on Investments

The net (losses) on investments during the year comprise:

	2007 £	2006 £
Non-derivative securities	(1,867,648)	(418,676)
Net (losses) on investments	**(1,867,648)**	**(418,676)**

3 Other gains

	2007 £	2006 £
Class actions	7,233	–
Currency gains	11,573	15
	18,806	**15**

4 Income

	2007 £	2006 £
Overseas dividends	2,048,123	1,882,107
Bank interest	54,557	78,062
	2,102,680	**1,960,169**

as at 31st December 2007

5 Expenses

	2007 £	2006 £
Payable to the Manager, associates of the Manager and their agents:		
Manager's periodic charge	1,721,305	1,643,513
Payable to the Trustee, associates of the Trustee and their agents		
Trustee's fee	24,414	24,266
Safe custody charges	14,244	16,606
Activity charges	19,160	25,620
	57,818	**66,492**
Other expenses		
Audit fee	6,169	5,875
Solicitors' fees	–	1,175
Financial Services Authority fee	–	400
	6,169	**7,450**
Total expenses	**1,785,292**	**1,717,455**

The Solicitors' and Financial Services Authority Fees in 2006 were costs incurred on the conversion to the New Collective Investment Scheme Sourcebook (COLL).

Notes to the Financial Statements

as at 31st December 2007

6 Taxation

a) Analysis of charge for the year

	2007	2006
	£	£
Corporation tax	53,381	45,289
Double tax relief	(53,381)	(45,289)
Overseas tax	289,640	269,192
	289,640	269,192
Adjustment to prior years		–
Total current tax charge	289,640	269,192
Total deferred tax	7,922	2,528
Total taxation	**297,562**	**271,720**

Corporation tax has been provided at a rate of 20% (2006: 20%)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust company (20%).

The differences are explained below:

	2007	2006
	£	£
Net income before tax	317,002	242,643
Corporation tax @ 20%	63,400	48,529
Effects of:		
Irrecoverable overseas tax	236,259	223,903
Other short-term timing differences	(10,019)	(3,240)
Current tax charge for the year (note 6a)	**289,640**	**269,192**

Notes to the Financial Statements

as at 31st December 2007

c) Deferred tax position	2007	2006
	£	£
Opening balance	13,989	11,461
Movement charged for the year (note 6a)	7,922	2,528
Closing balance	**21,911**	**13,989**
Deferred taxation provided comprises:		
Withholding tax payable on accrued overseas dividends	21,911	11,461

At the year end, there is a potential deferred tax asset of £942,289 (2006: £706,030) in relation to excess unutilised foreign tax available for double taxation relief. It is unlikely the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

7 Finance Costs

Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units and comprise:

	2007	2006
	£	£
Interim	–	–
Final	–	–
	–	–
Deduct: Income received on creation of units	(590)	(1,781)
Add: Income paid on liquidation of units	2,810	113
Net distribution for the year	2,220	(1,668)
Interest	386	72
Total Finance Costs	**2,606**	**(1,596)**

Notes to the Financial Statements

as at 31st December 2007

8 Debtors

	2007	2006
	£	£
Sales awaiting settlement	172,879	246,554
Paccar special dividend	–	39,429
Accrued income	148,102	98,004
Bank interest	1,303	10,873
	322,284	**394,860**

9 Cash and bank balances

	2007	2006
	£	£
Cash and bank balances	**1,069,817**	**2,887,052**

10 Creditors

	2007	2006
	£	£
Purchases awaiting settlement	272,479	221,195
Manager's periodic charge	142,550	149,597
Trustee's fee	1,987	2,060
Audit fee	6,169	5,875
Overseas tax payable	21,911	13,989
	445,096	**392,716**

11 Capital Commitments

At 31st December 2007 there were no outstanding capital commitments (December 2006: Nil) in respect of nil and partly paid securities held by the Trust.

12 Related Parties

The Manager and Trustee are related to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and are named on page 2. Fees received by the Manager and the Trustee are disclosed in note 5 of the financial statements. By virtue of the Regulations governing authorised unit trusts, the Manager is party to every transaction in respect of units of the Fund, which are summarised in the Statement of change in Unitholders' Net Assets.

Any amounts due to or from the Manager and Trustee at the end of the accounting year are disclosed in notes 8 (debtors) and 10 (creditors)

as at 31st December 2007

13 Derivatives and Other Financial Instruments

In pursuing the Fund's aims set out on page 3, the Fund holds a number of financial instruments which include:

- Equity shares held in accordance with the Fund's investment objectives and policies
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations

The main risks arising from the Fund's financial instruments are market price, foreign currency and credit liquidity risks. The Manager reviews each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Market Price Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The asset allocation of the portfolio is reviewed in order to manage the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with an overall asset allocation parameter and seeks to ensure that the Fund invests in a diversified fashion, to reduce the risk of exposure to a significant event affecting a single security, or industry, subject to the obligation under the Fund's objective to invest in securities which share certain characteristics.

Foreign Currency Risk

The income and capital of the Fund's investments can be significantly affected by currency translation movements, as a portion of the Fund's assets and income are denominated in currencies other than Sterling, which is the Fund's base currency. The Fund does not reduce currency exposure on the capital value of investments at the time of purchase or sale through forward foreign exchange contracts pertaining through the transaction settlement period. Foreign exchange transactions relate only to the equities the Fund trades in. The Fund does not hedge on foreign exchange rates.

The Fund's currency exposure is analysed below:

	2007	2006
	£	£
Sterling	304,011	2,740,341
US Dollar	111,173,096	112,996,419
	111,477,107	**115,736,760**

as at 31st December 2007

The profile of the currency is as follows:

Currency	Investments 2007 (£)	Other Net Assets 2007 (£)	Total 2007 (£)
Sterling	–	304,011	304,011
US Dollar	110,530,102	642,994	111,173,096
Total	**110,530,102**	**947,005**	**111,477,107**

Currency	Investments 2006 (£)	Other Net Assets 2006 (£)	Total 2006 (£)
Sterling	–	2,740,341	2,740,341
US Dollar	112,847,564	148,855	112,996,419
Total	**112,847,564**	**2,889,196**	**115,736,760**

Liquidity Risk

The Fund's assets comprise mainly readily available realisable securities, which can be sold to meet funding requirements if and when necessary. The main liability of the fund is the redemption of any units that investors wish to sell.

14 Portfolio Transaction Costs

	2007		2006	
Analysis of total purchase costs	£	£	£	£
Purchases in year before transaction costs		37,284,658		35,154,788
Commissions	37,191		45,078	
Total purchase costs		37,191		45,078
Gross purchases total		**37,321,849**		**35,199,866**
Analysis of total sale costs				
Gross sales before transaction costs		37,806,582		34,977,228
Commissions	(28,050)		(38,924)	
Security & Exchange Commission Fee	(733)		(1,462)	
Total sale costs		(28,823)		(40,386)
Total sales net of transaction costs		**37,777,759**		**34,936,842**

Distribution Table

Interim distribution

for the period ended 30th June 2007

Group 1 - Units purchased prior to 1st January 2007
Group 2 - Units purchased on or after 1st January 2007

	Net Income 2007 pence per unit	Equalisation 2007 pence per unit	Distribution payable 2007 pence per unit	Distribution payable 2006 pence per unit
Income units				
Group 1	nil	nil	nil	nil
Group 2	nil	nil	nil	nil

Final distribution

for the period ended 31st December 2007

Group 1 - Units purchased prior to 1st July 2007
Group 2 - Units purchased on or after 1st July 2007

	Net Income 2007 pence per unit	Equalisation 2007 pence per unit	Distribution payable 2007 pence per unit	Distribution payable 2006 pence per unit
Income units				
Group 1	nil	nil	nil	nil
Group 2	nil	nil	nil	nil

Prices

The price of the CIS US Growth Trust is calculated using the dual pricing method, which means that two dealing prices are quoted. The buying price is the price at which you can buy the units, and the selling price is the price at which you can sell the units back to the Manager.

The difference between the buying and selling prices, currently 5%, is known as the spread. This includes the initial management charge to cover the expense of selling the units and administration.

Full details of how the Trust is priced are contained in the Prospectus.

Prospectus

Copies of the most recent prospectus may be obtained, free of charge, from CIS Unit Managers Limited, P.O. Box 105, Manchester M4 8BB.

You should bear in mind that a unit trust is a different sort of investment from a bank or building society account. Whilst the capital in such an account is secure, a unit trust is an equity investment and its value may fluctuate. Neither the value of the investment nor the income from it is guaranteed.

This report is issued by CIS Unit Managers Limited. Any advice from CIS representatives as a result of it will relate only to the products and services available from the members of the CIS marketing group, who are authorised and regulated by the Financial Services Authority.

The CIS marketing group includes:
Co-operative Insurance Society Limited Registered in England number 3615R - for life assurance and pensions
CIS Unit Managers Limited Registered in England and Wales number 2369965 - for unit trusts
CIS Policyholder Services Limited Registered in England and Wales number 3390839 - for ISAs and investment products bearing the CIS name.

Please call **08457 46 46 46** if you have any queries, or if you would like to receive this information in an alternative format such as large print or Braille.

This leaflet is printed using vegetable oil-based inks on 80% recycled paper (60% post-consumer waste), with the remaining 20% being produced from Forest Stewardship Council certified sources. The paper is made in a totally chlorine-free process.

Registered offices: Miller Street, Manchester M60 0AL