

Premier Castlefield UK Smaller Companies Fund

INTERIM SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:
FOR THE PERIOD FROM 1 MARCH 2008 TO 31 AUGUST 2008

NET ASSET VALUES (In pence per share)

General Income		
31 August 2008		191.95
28 February 2008		222.72
NAV % change		-13.81
General Accumulation		
31 August 2008		192.24
28 February 2008		222.80
NAV % change		-13.71
Institutional Income		
31 August 2008		192.57
28 February 2008		223.19
NAV % change		-13.71
Institutional Accumulation		
31 August 2008		193.66
28 February 2008		223.47
NAV % change		-13.33

Any income available will be removed from the Net Asset Value per Share price and used for the Fund's year-end distribution/accumulation. As a result, no parallel should be made with the quoted high/low prices for the period.

Past performance is no guarantee to future performance and the value of the investment can go down as well as up.

SHARE PRICE RANGE (In pence per share)

General Income		
	High	Low
2007 ¹	260.68	232.14
2008 ⁵	240.03	188.64
General Accumulation		
	High	Low
2007 ²	259.55	232.14
2008 ⁵	240.03	188.64
Institutional Income		
	High	Low
2007 ³	260.76	232.35
2008 ⁵	240.59	189.68
Institutional Accumulation		
	High	Low
2007 ⁴	260.76	232.78
2008 ⁵	240.91	189.92

¹ From 4 June 2007 to 31 December 2007

² From 17 July 2007 to 31 December 2007

³ From 19 June 2007 to 31 December 2007

⁴ From 13 June 2007 to 31 December 2007

⁵ To 31 August 2008

Interim Dividend Distributions (In pence per share)

General Income		
XD DATE	Paid on	Distribution
31 August 2008	27 November 2008	0.2829
General Accumulation		
XD DATE	Paid on	Distribution
31 August 2008	27 November 2008	0.4239

Institutional Income

XD DATE	Paid on	Distribution
31 August 2008	27 November 2008	0.8367

Institutional Accumulation

XD DATE	Paid on	Distribution
31 August 2008	27 November 2008	0.8429

XD DATES

28 February (final)
31 August (interim)

DISTRIBUTION DATES

27 May (final)
27 November (interim)

TOTAL EXPENSE RATIO (Estimated)

General Shares	
28 February 2008	3.08%

Institutional Shares

28 February 2008	2.58%
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The total expense ratios (TERs) show the annual operating expenses of the Fund, including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses of different schemes. The TER for income and accumulation shares is the same.

INVESTMENT PHILOSOPHY AND PROCESS

The investment philosophy of the Premier Castlefield UK Smaller Companies Fund is to invest in well managed UK smaller companies that are financially sound and have a distinct and sustainable competitive advantage and are capable of long term growth. The investment process involves a thorough appraisal of a company's management, a detailed financial review and an assessment of its market position and the competitive environment.

PERFORMANCE

For the period under review, the Premier Castlefield UK Smaller Companies Fund recorded a total return fall of 13.2% compared to a total return from the benchmark* fall of 12.7% and the IMA UK Smaller Companies Sector average total return fall of 8.1%.

MARKET REVIEW

A number of themes played out over the course of the six months under review. At the start of the period, commodity prices were continuing the strong upwards trajectory that they had been following for the previous few years. Apparent strong demand in emerging markets for raw materials led some commentators to talk about the possibility that these developing regions were decoupling from the developed economies of the West and Japan. At the same time, further write-downs at investment banks led to weakness in the financial sector with Credit Suisse and Deutsche Bank posting their first quarterly losses in 5 years.

Action by the Monetary Policy Committee (MPC) to

alleviate some of the problems in the financial sector led it to ease monetary policy from 5.25% to 5% in April. From here, however, the bank was increasingly constrained by high inflation figures which resulted in the investment community concluding that the bank would be unable to ease rates again until at least the autumn. The rally in markets prompted by the easing petered out during the course of May. By June, further declines in house prices and increases in commodity prices combined to squeeze the disposable income of consumers. A period of damaging stagflation, that is, a stagnant or slowing economy combined with high inflation appeared increasingly likely and the main indices recorded double-digit falls during the month.

July saw these gloomy predictions for the global economy finally impact upon expectations for growth and commodity prices began to ease. The price of crude, which peaked during the month at \$146 a barrel, fell to \$124 a barrel by the end of July. At the same time an increasing number of rumours began to circulate about the financial strength of a number of US institutions.

By the end of August, the price of crude had almost come full-circle, falling to \$114 a barrel, within touching distance of the level at which it started the period. Also, the US government sponsored mortgage entities, Fannie Mae and Freddie Mac, had been compelled to release statements attempting to bolster confidence in their ongoing viability.

PORTFOLIO ACTIVITY

Further progress was made in reducing the portfolio's exposure to the Aim market to a target level of around 40%, although this progress was limited due to difficult market conditions. Two AIM listed stocks Bowleven and 1st Property Online were reduced into strength in the last six months. Reductions were also made in two other large holdings - Clarkson and VT Group. However, all of these stocks remain attractive and continue to be important holdings for the Fund. Funds raised were re-invested into four new holdings. T Clarke is an electrical engineering and contracting company. The company has continued to win new business across a wide range of sectors despite the difficult economic environment and is attractively valued. A small holding was established in Enfis. Enfis is involved in the design of solid state lighting for multiple applications.

Solid state lighting is considerably more efficient than conventional incandescent lighting and is also non-polluting. Intec Telecom Systems is a leading provider of billing and operating support systems to the global telecoms industry. Intec continues to win major contracts in what is clearly a long term growth market. Stanley Gibbons is involved in dealing in stamps, historic autographs and related memorabilia. The company has good growth prospects and is attractively valued with a decent yield.

OUTLOOK

Further clarity has been reached on the future of the US financial markets with government assistance being provided to the major mortgage companies and AIG, a very large insurance company. However considerable



INVESTMENT OBJECTIVE & POLICY

THE INVESTMENT OBJECTIVE OF THE PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND IS TO INVEST PRIMARILY FOR LONG-TERM CAPITAL GROWTH, INVESTING PREDOMINANTLY IN SHARES IN SMALLER UK COMPANIES INCLUDING THOSE LISTED ON THE ALTERNATIVE INVESTMENT MARKET.

TOP TEN HOLDINGS AS AT 31/08/2008	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2008	% OF NAV
VT Group	5.78%	VT Group	6.53%
GB Group	5.75%	BowLeven	6.33%
First Property	5.55%	London Capital	4.50%
Clarkson	4.88%	GB Group	4.44%
London Capital	4.86%	First Property	4.31%
Personal	4.57%	Clarkson	4.13%
Carclo	4.55%	VP	3.89%
Intelligent Environments	4.53%	Carclo	3.75%
Lincat	3.83%	Personal	3.73%
VP	3.74%	Intelligent Environments	3.71%

INVESTMENT PROFILE AS AT 31/08/2008		INVESTMENT PROFILE AS AT 28/02/2008	
Financials	27.11%	Financials	24.12%
Technology	22.83%	General Industrials	18.28%
General Industrials	15.85%	Technology	18.17%
Industrials	12.10%	Industrials	9.48%
Consumer Services	6.32%	Oil and Gas	7.27%
Net other assets	15.79%	Net other assets	22.68%

uncertainty remains in world markets. Against such a background small companies as a whole are unlikely to make much progress. Typically positive sentiment must return to larger companies before investors begin to focus once again on their smaller counterparts. However on a positive note most companies held in the portfolio have continued to produce positive operating results and look very attractive on valuation terms. This was graphically illustrated after the period end by the agreed takeover of Vebnet, a significant holding in the Fund, by Standard Life at a premium of around 115%. As confidence returns to world markets, we believe there is considerable upside potential in the Premier Castlefield UK Smaller Companies Fund.

Source: Castlefield Investment Partners LLP, September 2008. *Benchmark: FTSE Small Cap ex ITs Index.

Fund performance figures are sourced to Financial Express Analytics, taken on a total return, bid to bid, UK Sterling basis. Other performance figures are sourced to Castlefield Investment Partners LLP.

FUND SPECIFIC RISK FACTORS

As the Fund invests primarily in the UK, there is a market risk that the Fund might suffer through holding market positions concentrated in the UK in the face of price movements. The value of these investments may decline over a given period because of economic changes or other events that impact large portions of the market. The Fund invests in smaller companies that are less liquid than larger companies which means that fluctuations in price may be greater than for larger companies.

GENERAL RISK FACTORS

You should remember that past performance is not a guide to the future. The price of shares and the income from them may go down as well as up and you may get back less than you originally invested. Exchange rates will also cause the underlying investments to fall or rise. Tax concessions are not guaranteed and may change at any time; their value will depend on your individual circumstances.

RISK WARNINGS FOR PRIVATE CUSTOMERS

If you have any doubt as to the suitability of this Fund, you should contact your financial adviser.

Details of the basis or amount of any taxes, charges and expenses are contained in the Simplified Prospectus which can be obtained from the ACD.

Castlefield Investments, its directors, officers, employees and their associates may have a holding in the Fund as well as in the securities referred to herein. Reference to any particular stock does not constitute a recommendation to buy or sell the stock.

OTHER INFORMATION

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Fund during the period it covers and the result of those activities at the end of the period. For more information about the activities and performance of the Fund during the period and previous periods, please contact the ACD. For your protection when dealing, your call may be recorded and monitored.

NOTABLE CHANGES

On 31 May 2007, Shareholders approved the move of the assets from the Premier UK Smaller Companies Fund to a new sub-fund called Premier Castlefield UK Smaller Companies Fund. Alistair Currie, previously fund manager of the Premier UK Smaller Companies Fund, transferred to Castlefield Investments on 16 April where he continues to manage the Fund.

During the prior year under review and as agreed by the ACD and Depository, the Company's year end changed from 31 December to 28 February. As a result, the interim accounting date has changed from 30 June to 31 August.

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AUTHORISED CORPORATE

DIRECTOR OF THE COMPANY (ACD)

Premier Portfolio Managers Limited

Registered Office

Eastgate Court,
High Street,
Guildford,
Surrey, GU1 3DE
(Authorised and regulated by the Financial Services Authority)

DEPOSITORY OF THE COMPANY

The Royal Bank of Scotland plc,
The Broadstone,
50 South Gyle Crescent,
Edinburgh, EH12 9UZ

ADMINISTRATOR AND REGISTRAR

Northern Trust International Fund Administration Services (UK) Limited

ADDRESS

PO Box 55736,
50 Bank Street,
Canary Wharf,
London, E14 1BT

AUDITORS

Grant Thornton UK LLP *,
30 Finsbury Square,
London, EC2P 2YU

*RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 2 July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 31 July 2007 creating a casual vacancy, which the ACD filled by appointing Grant Thornton.

INVESTMENT ADVISER

Castlefield Investments
(A registered trademark and the property of Castlefield Investment Partners LLP)

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(Authorised and regulated by the Financial Services Authority)

REPORT AND ACCOUNTS

Copies of the Interim Long-Form Report and Financial Statements of this Fund are available free of charge on request.

Please contact the ACD on 01483 306 090 or visit www.thecastlefieldfunds.co.uk.