

## Premier Castlefield UK Equity Fund

INTERIM SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:  
 FOR THE PERIOD FROM 1 MARCH 2010 TO 31 AUGUST 2010



### NET ASSET VALUES (In pence per share)

#### General Income\*

31 August 2010	-
28 February 2010	185.42
NAV % change	-

#### General Accumulation

31 August 2010	211.02
28 February 2010	213.55
NAV % change	-1.18%

#### Institutional Income

31 August 2010	183.87
28 February 2010	188.57
NAV % change	-2.49%

#### Institutional Accumulation

31 August 2010	216.01
28 February 2010	218.35
NAV % change	-1.07%

#### Charity Income

31 August 2010	179.06
28 February 2010	183.60
NAV % change	-2.47%

#### Charity Accumulation\*

31 August 2010	-
28 February 2010	203.66
NAV % change	-

\*General Income and Charity Accumulation shares for 31 August 2010 have been liquidated.

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
2005 <sup>1</sup>	204.41	184.51
2006	232.79	199.66
2007	251.24	219.03
2008	234.00	133.21
2009	190.29	124.64
2010 <sup>2</sup>	227.67	177.42

General Accumulation	High	Low
2005	208.81	154.25
2006	244.90	206.43
2007	265.50	233.10
2008	252.00	146.66
2009	218.12	139.79
2010 <sup>2</sup>	236.14	198.37

Institutional Income	High	Low
2006 <sup>3</sup>	235.80	199.75
2007	254.17	221.79
2008	237.10	135.31
2009	193.65	126.83
2010 <sup>2</sup>	208.62	174.03

Institutional Accumulation	High	Low
2006 <sup>4</sup>	246.79	206.68
2007	268.16	235.63
2008	255.23	149.15
2009	222.91	142.43
2010 <sup>2</sup>	241.50	203.08

Charity Income	High	Low
2005	198.86	168.35
2006	228.99	194.34
2007	246.95	215.39
2008	230.44	131.57
2009	188.33	123.35
2010 <sup>2</sup>	203.14	169.43

Charity Accumulation	High	Low
2007 <sup>5</sup>	247.91	217.87
2008	236.10	138.10
2009	206.63	131.93
2010 <sup>2</sup>	223.81	169.43

<sup>1</sup> From 1 February 2005 to 31 December 2005.

<sup>2</sup> To 31 August 2010.

<sup>3</sup> From 1 June 2006 to 31 December 2006.

<sup>4</sup> From 25 April 2006 to 31 December 2006.

<sup>5</sup> From 26 February 2007 to 31 December 2007.

### DIVIDEND DISTRIBUTIONS (In pence per share)

#### General Income

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	-
31 Aug 2010	26 Nov 2010	-

#### General Accumulation

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	1.9483
31 Aug 2010	26 Nov 2010	1.4296

#### Institutional Income

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	2.0017
31 Aug 2010	26 Nov 2010	1.2237

#### Institutional Accumulation

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	2.0407
31 Aug 2010	26 Nov 2010	1.4120

#### Charity Income

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	1.6049
31 Aug 2010	26 Nov 2010	1.4493

#### Charity Accumulation

XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	-
31 Aug 2010	26 Nov 2010	-

### TOTAL EXPENSE RATIO

#### 28 February 2010

General Shares	1.59%
Institutional Shares	1.11%
Charity Shares	1.01%

The total expense ratios (TERs) show the annual

operating expenses of the Fund, including the annual management charge and other expenses. They do 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.

### PORTFOLIO TURNOVER RATE

28 February 2010 34.70%

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the Fund's shares and is expressed as a percentage of the Fund's average net asset value.

### INVESTMENT PHILOSOPHY AND PROCESS

Over a number of years, we have developed a disciplined approach to investment in the Premier Castlefield UK Equity Fund, representing a blend of top-down and bottom-up elements, with a tilt towards the latter. This allows for the construction of an actively managed and risk controlled portfolio. We are neither value nor growth investors, but rather retain a flexibility to react to fundamental changes in market conditions, as global and sector specific influences impinge upon the domestic investment picture. Our style could best be described as pragmatic, seeking value but also prepared to recognise and pay for growth at a sensible price. We dislike unnecessary risk and take steps to manage this aspect carefully within the Portfolio. In essence, our investment style is based around selecting stocks with which we and our shareholders can feel comfortable. We seek investments whose value is not fully recognised by the market in general and source situations where we see positive internal or external change that should lead to an upwards re-rating of the company within the market. For this reason, we continually strive to thoroughly understand each company, via fundamental analysis and research. We believe that our style should consistently add value and lead to steady out performance. Therefore, we view the Premier Castlefield UK Equity Fund as being well suited to those investors seeking a core domestic equity fund within a long term Portfolio.

### PERFORMANCE

During the period under review, the Charity Income Shares of the Premier Castlefield UK Equity Fund returned -1.52%, against a total return for the IMA UK All Companies sector of 0.01%.

### PORTFOLIO ACTIVITY

There was moderate activity during the period as the holding in Forth Ports was reduced, taking advantage of a price rise following a bid approach which was subsequently rejected. The existing holdings of BT and Hikma were both added to, with our view that profit growth at the telecoms giant would be resilient. Hikma has a portfolio of branded drugs and also manufactures generic pharmaceuticals and is performing very well, increasing its geographic footprint across the Middle East. Towards the end of the period, the holding in speciality chemicals group,

## INVESTMENT OBJECTIVE & POLICY

THE INVESTMENT OBJECTIVE OF THE PREMIER CASTLEFIELD UK EQUITY FUND IS TO GENERATE A COMBINATION OF CURRENT INCOME AND LONG-TERM CAPITAL GROWTH BY INVESTING PRINCIPALLY IN A PORTFOLIO OF UK EQUITIES AND/OR COLLECTIVE INVESTMENT SCHEMES, ALTHOUGH MONEY MARKET INSTRUMENTS, DEPOSITS, WARRANTS, DERIVATIVES (FOR HEDGING PURPOSES) AND OTHER PERMITTED INVESTMENTS AND TRANSACTIONS MAY BE INVESTED IN. THE AIM IS TO ACHIEVE A TOTAL RETURN IN EXCESS OF THAT GENERATED BY THE FTSE ALL-SHARE INDEX.



### TOP TEN HOLDINGS AS AT 31/08/2010

	% OF NAV
Royal Dutch Shell 'B'	6.66%
HSBC	6.60%
Vodafone	5.49%
BP	5.13%
BHP Billiton	4.01%
Rio Tinto	3.82%
iShares FTSE 100	3.58%
BG	3.34%
GlaxoSmithKline	3.17%
Hikma Pharmaceuticals	3.06%

### INVESTMENT PROFILE AS AT 31/08/2010

Financials	22.06%
Oil & Gas	16.75%
Basic Materials	12.68%
Telecommunications	10.10%
Health Care	10.06%
Net other assets	28.35%

### TOP TEN HOLDINGS AS AT 28/02/2010

	% OF NAV
BP	7.33%
HSBC	6.90%
iShares FTSE 100	6.90%
Royal Dutch Shell 'B'	6.40%
Vodafone	4.67%
BHP Billiton	4.18%
Rio Tinto	3.69%
BG	3.42%
GlaxoSmithKline	2.95%
Diageo	2.86%

### INVESTMENT PROFILE AS AT 28/02/2010

Financials	20.55%
Oil & Gas	18.66%
Basic Materials	12.80%
Consumer Goods	9.14%
Health Care	8.35%
Net other assets	30.50%

Croda, was reduced following a very strong run, although prospects remain bright and we are happy to retain a stake.

## OUTLOOK

A forgiving interest rate environment and modest inflation (although above target) means that equities have benefited from an environment which has seen companies able to recover from the depths of the recession. Helped by concerted government and central bank support, earnings have been more resilient than might have been predicted. However, as these measures are gradually withdrawn we are witnessing a stalling in the flow of economic data. Unemployment and activity in the real economy remain a concern, as well as a renewed emphasis on cost cutting now that a new government is in office placing further downward pressure on growth. Although too early to say whether this will be the dreaded "double-dip" recession, the volatility of equity markets in response to the flow of macro news looks set to remain a feature over the remainder of the year.

Source: Castlefield Investment Partners LLP, September 2010. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

The full Investment Review is available in the Long Form Report & Accounts, which is available on request, or from the Fund's website, [www.thecastlefieldfunds.co.uk](http://www.thecastlefieldfunds.co.uk).

## FUND SPECIFIC RISK FACTORS

**Capital Risk** Half of the charges and expenses of the Fund are treated as capital charges and as such will constrain the capital growth of the Fund.

**Market Risk** The Fund value may fluctuate from day to day. Due to market conditions, the value of your investment may decline in value.

**Exchange or Currency Risk** Investment made by the Fund may not be traded in Sterling and movements in exchange rates may cause the value of investments to fluctuate.

**Liquidity Risk** The Fund may hold a relatively concentrated portfolio of assets. This means that the price of a share may be more volatile than in a fund with a more diversified portfolio of assets. It may not therefore be suitable for all individuals and you should consult your financial adviser if you have any doubts.

## 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 judgment 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.

## AUTHORISED CORPORATE DIRECTOR OF THE COMPANY (ACD)

Premier Portfolio Managers Limited

Registered Office  
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 (Authorised and regulated by the Financial Services Authority)

## REPORT AND ACCOUNTS

Copies of the 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](http://www.thecastlefieldfunds.co.uk)

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