

## Premier Castlefield UK Equity Fund

ANNUAL SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:  
 FOR THE PERIOD FROM 1 MARCH 2009 TO 28 FEBRUARY 2010



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

<b>General Income</b>	
28 February 2010	185.42
28 February 2009	134.28
NAV % change	+38.08%

### General Accumulation

28 February 2010	213.55
28 February 2009	150.58
NAV % change	+41.82%

### Institutional Income

28 February 2010	188.57
28 February 2009	136.62
NAV % change	+38.03%

### Institutional Accumulation

28 February 2010	218.35
28 February 2009	153.40
NAV % change	+42.34%

### Charity Income

27 February 2010	183.60
27 February 2009	132.86
NAV % change	+38.19%

### Charity Accumulation

27 February 2010	203.66
27 February 2009	142.19
NAV % change	+43.23%

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)

<b>General Income</b>	<b>High</b>	<b>Low</b>
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>	194.95	177.42

<b>General Accumulation</b>	<b>High</b>	<b>Low</b>
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>	223.50	203.55

<b>Institutional Income</b>	<b>High</b>	<b>Low</b>
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>	198.25	180.49

<b>Institutional Accumulation</b>	<b>High</b>	<b>Low</b>
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>	228.45	207.99

<b>Charity Income</b>	<b>High</b>	<b>Low</b>
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>	193.02	175.74

<b>Charity Accumulation</b>	<b>High</b>	<b>Low</b>
2007 <sup>5</sup>	247.91	217.87
2008	236.10	138.10
2009	206.63	131.93
2010 <sup>2</sup>	211.77	192.81

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

<sup>2</sup> To 28 February 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 2009	27 Aug 2009	1.7000
31 Aug 2009	27 Nov 2009	1.4068
30 Nov 2009	26 Feb 2010	1.0182
28 Feb 2010	27 May 2010	0.7042

#### General Accumulation

XD date	Paid on	Distribution
31 May 2009	27 Aug 2009	1.7057
31 Aug 2009	27 Nov 2009	1.7032
30 Nov 2009	26 Feb 2010	1.2559
28 Feb 2010	27 May 2010	0.7346

#### Institutional Income

XD date	Paid on	Distribution
31 May 2009	27 Aug 2009	1.7136
31 Aug 2009	27 Nov 2009	1.5665
30 Nov 2009	26 Feb 2010	1.1040
28 Feb 2010	27 May 2010	0.8503

#### Institutional Accumulation

XD date	Paid on	Distribution
31 May 2009	27 Aug 2009	1.7412
31 Aug 2009	27 Nov 2009	1.8525
30 Nov 2009	26 Feb 2010	1.2894
28 Feb 2010	27 May 2010	1.0254

#### Charity Income

XD date	Paid on	Distribution
31 May 2009	27 Aug 2009	1.7152
31 Aug 2009	27 Nov 2009	1.6081
30 Nov 2009	26 Feb 2010	1.1291
28 Feb 2010	27 May 2010	0.9129

#### Charity Accumulation

XD date	Paid on	Distribution
31 May 2009	27 Aug 2009	1.7957
31 Aug 2009	27 Nov 2009	1.8954

30 Nov 2009	26 Feb 2010	1.3893
28 Feb 2010	27 May 2010	1.1460

### TOTAL EXPENSE RATIO

#### General Shares

28 February 2010	1.59%
------------------	-------

#### Institutional Shares

28 February 2010	1.11%
------------------	-------

#### Charity Shares

28 February 2010	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.

### 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

For the period under review, the Fund achieved a total return of 41.82% in General Income Shares, compared to the benchmark FTSE All Share Index total return of 47.34%. The peer group return for the IMA All Companies Sector was 43.67%.

### PORTFOLIO ACTIVITY

There was a reasonable level of activity over the period, amongst others, holdings were sold in Capita, Centrica and National Grid. Cadbury had been purchased just before the start of the period under review and was added to before the company was eventually taken over by the US food conglomerate, Kraft. We sold the position in early February, taking

## 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 28/02/2010	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2009	% OF NAV
BP	7.33%	BP	8.55%
HSBC	6.90%	Royal Dutch Shell 'B'	6.87%
iShares FTSE 100	6.90%	Vodafone	6.26%
Royal Dutch Shell 'B'	6.40%	iShares FTSE 100	5.92%
Vodafone	4.67%	BG	4.56%
BHP Billiton	4.18%	HSBC	4.12%
Rio Tinto	3.69%	GlaxoSmithKline	3.86%
BG	3.42%	BHP Billiton	3.29%
GlaxoSmithKline	2.95%	Inmarsat	3.26%
Diageo	2.86%	Scottish & Southern Energy	3.20%

### 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%

### INVESTMENT PROFILE AS AT 28/02/2009

Oil & Gas	21.26%
Financials	11.31%
Utilities	9.60%
Telecommunications	9.52%
Health Care	8.08%
Net other assets	40.23%

useful profits. Elsewhere, we saw an opportunity to return to BT for the first time in some years, taking the view that the reorganisation happening with the group was creating long term value. We also introduced new holdings in the pharmaceutical group Hikma, so gaining exposure to a fast growing manufacturer and distributor with extensive interests in the Middle East and North Africa. Towards the end of the period, we became interested in the soft drinks group, Britvic and our purchase has reflected our positive views on their positioning and product portfolio.

## OUTLOOK

Markets have continued to move broadly ahead since the end of February with even the Greek situation holding markets back for only a short while. Our central view is that the recovery will continue, albeit modestly and most likely not in a straight line. Many individual companies have shown themselves to be adept at managing their businesses through the difficult recent past, whilst governments and central bankers should receive credit for their far-reaching and often imaginative schemes to support the financial sector and the wider economy. We are now entering a crucial phase as the UK and global economy comes off "life support". Monetary policy remains very accommodating, but at some stage, interest rates will start to rise, as indeed we have seen within some countries already. The pace of fiscal stimulation will start to diminish as governments look to balance their books, but we have some faith that this process will be managed carefully and therefore do not anticipate a doubledip recession.

Source: Castlefield Investment Partners LLP, April 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 Annual Report & Accounts, which is available on request, or from the Fund's website, [www.castlefieldfunds.co.uk](http://www.castlefieldfunds.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  
Eastgate Court,  
High Street, Guildford,  
Surrey, GU1 3DE  
(Authorised and regulated by the Financial Services Authority)

## DEPOSITARY 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

## AUDITOR

Grant Thornton UK LLP, Grant Thornton House,  
22 Melton Street, London, NW1 2EP

## INVESTMENT ADVISER

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

Registered Office  
215-219 Chester Road, Manchester, M15 4JE

Operating Address  
1 Portland Street,  
Manchester, M1 3BE  
Telephone: 0161 233 4890  
email: [queries@castlefield.com](mailto:queries@castlefield.com)  
website: [www.castlefield.com](http://www.castlefield.com)  
(Authorised and regulated by the Financial Services Authority)

## REPORT AND ACCOUNTS

Copies of the Annual 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).

2206106408