

## Premier Castlefield UK Equity Fund

ANNUAL SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:  
 FOR THE YEAR FROM 1 MARCH 2010 TO 28 FEBRUARY 2011



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

General Income	
28 February 2011	249.12
28 February 2010	185.42
NAV % change	+34.35%
General Accumulation	
28 February 2011	250.08
28 February 2010	213.55
NAV % change	+17.10%
Institutional Income	
28 February 2011	216.04
28 February 2010	188.57
NAV % change	+14.56%
Institutional Accumulation	
28 February 2011	-
28 February 2010	218.35
NAV % change	-
Charity Income	
28 February 2011	210.51
28 February 2010	183.60
NAV % change	+14.65%
Charity Accumulation	
28 February 2011	-
28 February 2010	203.66
NAV % change	-

The net asset value per share is calculated on a bid basis and excludes any distribution payable. 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
2006	232.79	199.66
2007	251.24	219.03
2008	234.00	133.21
2009	190.29	124.64
2010	250.94	177.42
2011 <sup>1</sup>	255.74	245.68
General Accumulation		
	High	Low
2006	244.90	206.43
2007	265.50	233.10
2008	252.00	146.66
2009	218.12	139.79
2010	250.94	198.37
2011 <sup>1</sup>	255.74	245.68
Institutional Income		
	High	Low
2006 <sup>2</sup>	235.80	199.75
2007	254.17	221.79
2008	237.10	135.31
2009	193.65	126.83
2010	217.55	174.03
2011 <sup>1</sup>	221.88	213.11

Institutional Accumulation		
	High	Low
2006 <sup>3</sup>	246.79	206.68
2007	268.16	235.63
2008	255.23	149.15
2009	222.91	142.43
2010	257.52	203.08
2011 <sup>4</sup>	261.50	213.11
Charity Income		
	High	Low
2006	228.99	194.34
2007	246.95	215.39
2008	230.44	131.57
2009	188.33	123.35
2010	211.97	169.43
2011 <sup>4</sup>	216.22	207.66
Charity Accumulation		
	High	Low
2007 <sup>4</sup>	247.91	217.87
2008	236.10	138.10
2009	206.63	131.93
2010	223.81	169.43
2011 <sup>4</sup>	216.22	207.66

<sup>1</sup> To 28 February 2011.

<sup>2</sup> From 1 June 2006 to 31 December 2006.

<sup>3</sup> From 25 April 2006 to 31 December 2006.

<sup>4</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	-
30 Nov 2010	28 Feb 2011	-
28 Feb 2011	27 May 2011	0.9284

General Accumulation		
XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	1.9483
31 Aug 2010	26 Nov 2010	1.4296
30 Nov 2010	28 Feb 2011	1.0668
28 Feb 2011	27 May 2011	0.9629

Institutional Income		
XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	2.0017
31 Aug 2010	26 Nov 2010	1.2237
30 Nov 2010	28 Feb 2011	0.9622
28 Feb 2011	27 May 2011	0.9310

Institutional Accumulation		
XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	2.0407
31 Aug 2010	26 Nov 2010	1.4120
30 Nov 2010	28 Feb 2011	1.2911
28 Feb 2011	27 May 2011	-

Charity Income		
XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	1.6049
31 Aug 2010	26 Nov 2010	1.4993
30 Nov 2010	28 Feb 2011	0.9838
28 Feb 2011	27 May 2011	0.9326

Charity Accumulation		
XD date	Paid on	Distribution
31 May 2010	27 Aug 2010	-
31 Aug 2010	26 Nov 2010	-
30 Nov 2010	28 Feb 2011	-
28 Feb 2011	27 May 2011	-

### TOTAL EXPENSE RATIO

#### 28 February 2011

General Shares	1.56%
Institutional Shares	1.06%
Charity Shares	0.96%

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

The Premier Castlefield UK Equity Fund achieved a total return of 36.1% in General Income Shares compared to a peer group total return for the IMA UK All Companies Sector of 19.4%.

### PORTFOLIO ACTIVITY

Within the portfolio, a return of Merger and Acquisition (M&A) activity by corporations during the year benefited as the confectionary group Cadbury was bid for by Kraft and Oilfield Services specialist, John Wood Group, announced the disposal of its main operating division to GE. Towards the end of the period the defence services group, Babcock, was added to the portfolio.

### OUTLOOK

The prospect of austerity measures and looming public sector job cuts at a time when interest rates are likely to start rising, means that the headwinds facing the UK economy are possibly greater than at any time during the past two years. With this background we are more cautious, although prepared to acknowledge that further restructuring by Eurozone nations in order to tackle their respective deficits may actually provide a boost to sentiment as uncertainty is removed.

## 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 28/02/2011	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2010	% OF NAV
Royal Dutch Shell 'B'	8.56%	BP	7.33%
HSBC	6.76%	HSBC	6.90%
Vodafone	5.98%	iShares FTSE 100	6.90%
BP	5.55%	Royal Dutch Shell 'B'	6.40%
Rio Tinto	4.88%	Vodafone	4.67%
BG	4.61%	BHP Billiton	4.18%
BHP Billiton	4.11%	Rio Tinto	3.69%
GlaxoSmithKline	2.97%	BG	3.42%
Standard Charter	2.94%	GlaxoSmithKline	2.95%
Hikma Pharmaceuticals	2.93%	Diageo	2.86%

### INVESTMENT PROFILE AS AT 28/02/2011

Financials	21.79%
Oil & Gas	21.59%
Basic Materials	14.44%
Telecommunications	10.57%
Healthcare	9.89%
Net other assets	21.72%

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

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

Investment Commentary Source: Castlefield Investment Partners LLP, March 2011. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

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.

### IMPORTANT NOTE

With effect from 1 May 2011, the ACD's annual management charge will be calculated with the administrator's fee to form a single combined charge. This combined charge will be 0.2% with a minimum £45,000 per annum.

\*With effect from 1 May 2011, the reference to the FTSE All Shares Index will be removed from the Fund's investment policy.

### 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 Global Fund Services Limited  
PO Box 55736, 50 Bank Street,  
Canary Wharf, London, E14 1BT

#### AUDITOR

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

#### 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 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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