

# Interim Short Report - 01 March 2013 to 31 August 2013

## ConBrio UK Opportunities Fund

### Fund Facts

Launch date:	01 June 2007
Ex-dividend dates:	1 December, 1 March, 1 June and 1 September
Income dates:	27 February, 27 May, 27 August and 27 November
IMA Sector:	UK All Companies

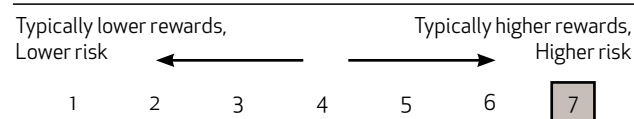
### Investment Objective and Policy

To invest primarily for long term capital growth from a portfolio of investments. The investment policy of the Fund is to actively invest in those companies, primarily within the UK, where the Manager believes there are above average opportunities for growth.

### Investment Risks

The Fund holds equities concentrated by location in the UK. Equities tend to experience higher volatility than many other asset types such as bonds or money market instruments. Funds concentrated in one geographic location are more vulnerable to market sentiment in that specific location and can carry a higher risk than funds holding more diversified assets.

### Risk and Reward Indicator (RRI)



The fund is ranked as seven because it has experienced high rises and falls in value over the past five years. Please note that even the lowest ranking does not mean a risk-free investment.

### Ongoing Charges Figures (OCF)

	31.08.2013	28.02.2013
General Income & Accumulation Shares	1.90%	2.03%
Institutional Income Shares	1.40%	1.54%
Charity Income Shares	1.14%	1.30%

The ongoing charges figure is based on the last six months' expenses for the period ending 31 August 2013 and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

### Performance Record (in pence per share)

Share Class	General Income		General Accumulation		Institutional Income		Institutional Accumulation		Charity Income	
	High	Low	High	Low	High	Low	High	Low	High	Low
Price										
2008	333.93	147.27	334.77	147.94	337.02	148.84	337.74	150.15	-	-
2009	231.08	137.20	232.27	137.93	233.07	138.86	236.76	140.11	-	-
2010	277.33	212.70	279.61	213.80	280.61	215.11	286.64	218.52	-	-
2011	286.74	224.78	288.98	228.04	290.88	227.70	291.86	270.17	-	-
2012	285.85	240.56	290.07	244.12	290.20	244.49	-	-	286.70 <sup>2</sup>	255.17 <sup>2</sup>
2013 <sup>1</sup>	322.78	281.97	331.81	287.97	327.50	285.95	-	-	330.56	288.54

<sup>1</sup>To 31 August 2013.

<sup>2</sup>From 18 July 2012 to 31 December 2012.

### Net Asset Values (in pence per share)

Share Class	General Income	General Accumulation	Institutional Income	Institutional Accumulation	Charity Income
28.02.2012	281.49	285.64	285.72	-	-
28.02.2013	296.60	303.05	300.66	-	303.32
31.08.2013	316.23	326.48	320.57	-	323.41

### Dividend Distribution (in pence per share)

Ex Date	Paid	General Income	General Accumulation	Institutional Income	Institutional Accumulation	Charity Income
31.05.2013	27.08.2013	1.8395	1.8903	2.2552	-	2.4721
31.08.2013	27.11.2013	1.3855	1.4378	1.8023	-	2.0182

## Review & Outlook

During the reporting period, the Fund gained 7.7% (as measured by the General Accumulation share class). This compares to a total return of the IMA UK All Companies peer group of 7.3% and a total return on the wider FTSE All Share Index of 4.1%.

We have added a number of new holdings during the reporting period. Glanbia is head-quartered in Ireland and is a dairy based ingredients and nutritional additives business. Originally an Irish milk co-operative, the group is now one of the largest manufacturers of processed cheese in the US. Of more interest, however, is its Global Nutritionals division which uses the natural by-products of cheese production, whey-protein, as a special dietary supplement in the sports and athletics markets. The global market for whey-protein products is now estimated to be \$6bn in revenue per year, with the US accounting for \$4bn of this total. Glanbia is growing quicker than the market by increasing the proportion of sales over the internet and improving its marketing to women. With much higher margins in the Nutritionals division, the group should be able to grow overall sales as well as expanding margins by growing its more profitable division.

Other significant new additions include the speciality non-life insurance group, Lancashire Holdings. The group recently carried an acquisition which comes at a time when the sector has been held back by concerns over an increase in competition affecting premiums and spiralling costs within the auto-insurance market. Lancashire focusses on property, marine and aviation insurance so it is not affected by this area. The group has a policy of returning extra capital to shareholders through special dividends which can materially increase shareholder returns in any given year. We disagree with the idea that the recent acquisition will limit prospects for more special dividends in the future with the group

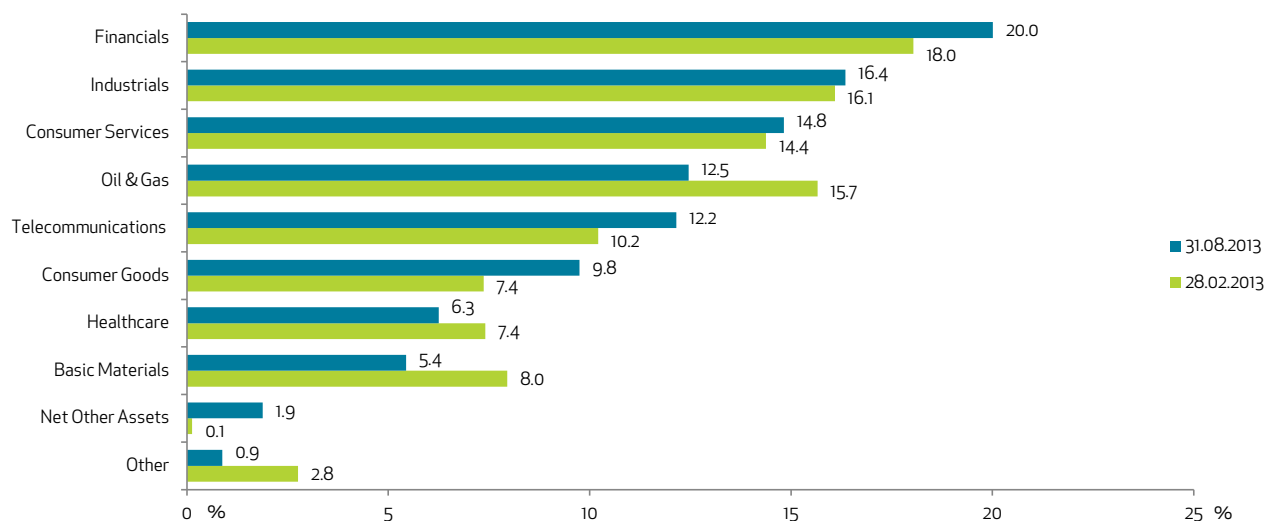
maintaining a strong balance sheet. We have also during the period increased the shareholding in BT Group. Following recent interim results, the group continues to improve margins and has also had a bright start to its new sports TV venture. Although early days, we see the core data network business as a very strong cash generator, which with continued prudent control of costs should see earnings continue to move higher.

The volatility witnessed through June and July as investors feared that central banks would begin reining in their various stimulus measures, followed by a strong rally in July, as they reaffirmed support, highlight the extent to which central bank policy is driving markets. We are mindful of the risks posed by attempting to second-guess central banks, particularly where their influence is currently felt so widely across different regions and asset classes. In addition, in the UK we are familiarising ourselves with a newly installed Governor of the Bank of England and have an economy that is still in need of the "rebalancing" towards a more even split between service and manufacturing segments. With consumer spending picking up, but seemingly driven by an increase in consumer lending rather than earnings, are we in danger of being lulled into a Wonga recovery? We continue to prefer selecting investments with robust end markets whether they are domestically or internationally focussed and which are exposed to growth opportunities driven by strong secular trends.

Source: Castlefield Investment Partners, September 2013. Performance data taken from FE 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.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

## Asset Allocation



### Top Ten Holdings as at 31.08.2013

Vodafone Group	5.30%
BG Group	4.60%
BT	4.13%
Hikma Pharmaceuticals	4.06%
Meggitt	4.05%
Brown (N) Group	4.01%
IG Group	3.75%
Prudential	3.25%
Whitbread	3.23%
Standard Chartered	3.23%

### Top Ten Holdings as at 28.02.2013

BG Group	4.48%
BP	4.42%
Vodafone Group	4.33%
Standard Chartered	4.12%
Hikma Pharmaceuticals	3.56%
Meggitt	3.55%
Rio Tinto	3.47%
IG Group	3.36%
Babcock International	3.36%
BT	3.28%

# What Does It Mean?

If you come across the odd word or phrase within your report that you are unfamiliar with, here is a glossary to help explain a few key terms.

## Accumulation Shares

Any income made by the Fund will be reinvested to grow the value of your investment.

## Alternative Assets

Types of non-traditional investments, which could include hedge funds and commodities for example and which are designed to help diversify a portfolio as they tend not to move in the same direction as the stock market.

## Autocall

An autocall structured product has the potential to mature before the end of the product's life, if certain predetermined market conditions are reached. The investor will usually receive a pre-defined return.

## Bonds

Issued by companies or governments and similar to a loan in nature, usually paying a fixed or variable interest rate.

## Corporate Bonds

Issued by companies and similar to a loan in nature, usually paying a fixed rate of interest.

## Credit Rating

A score awarded by an independent rating agency to indicate the financial strength of the issuer of a corporate bond, and the potential for a default on interest and principal payments. Bonds issued and backed by developed market governments are generally considered superior to bonds rated 'AAA'. The top credit rating is 'AAA'. The lowest rating to be considered 'investment grade' is 'BBB'. Below 'BBB', bonds are termed 'sub investment grade' or 'high yield'.

## Credit Spreads

Can be used to describe the difference in yield between securities, due to different credit quality.

## Duration

A measure of the price sensitivity of a fixed income investment / fund to a change in interest rates.

## Equities

Another name for shares in a company.

## Fixed Income Assets

Investments that pay out a set level of income, such as bonds or gilts.

## FTSE® 100 INDEX

A share index of the 100 largest companies, by market capitalisation, listed on the UK stock exchange and could include, for example, familiar household names such as BP, Marks & Spencer and Vodafone.

## Funds

A general term used to describe collective investment schemes, such as unit trusts, open-ended investment companies and closed-ended investment companies.

## GDP

Gross Domestic Product (GDP) refers to the market value of all officially recognised final goods and services produced within a country in a given period.

## Gilts

A bond issued by the UK government.

## Hedging

A way of offsetting the potential losses that may be incurred by an investment.

## Income Shares

Any income made by the Fund will be paid out to you.

## Inflation Hedge

A way in which to protect capital against the effects of inflation.

## Investment Grade Bond

A bond that is assigned a rating in the top four categories by commercial credit rating companies. S&P classifies investment grade bonds as BBB or higher, and Moody's classifies investment grade bonds as BAA or higher.

## Investment Trust

A company set up to buy and sell shares in other companies and is run by a Board of Directors.

## LIBOR

The average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks.

## Market Capitalisation (market cap)

The total value of the shares of a company.

## Net Asset Value (NAV)

Used to value shares of a company, calculated by taking the total assets and deducting the total liabilities.

## OEIC

An 'Open Ended Investment Company' - this is similar to a unit trust. Investors pool their money together to invest in a range of different assets such as bonds, equities, property, cash etc. Each OEIC will have an investment objective, stated in a prospectus document, which could be to produce long term growth or generate a regular income.

## OCF

The Ongoing Charges Figure (OCF) is designed to give you an accurate measure of what it costs to invest in a fund and helps you compare this cost between different funds. It includes the annual management charge (used to pay the investment manager, fund accountant and fund administrator for example) and other operating costs, such as fees paid to the Trustee, Auditor, Custodian and Regulator.

## Options

A financial contract that enables the holder to purchase or sell a certain number of shares at a future date and at a known price.

## Quantitative Easing

A government policy used to increase the money supply within an economy, by flooding the financial system with money.

## RRI

The Risk and Reward Indicator (RRI) demonstrates where a fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indicator of the future risk profile of the Fund.

## Structured Products/Investments

A group of financial instruments which frequently combine the potential upside of market performance with limited downside. They may also provide a fixed return in exchange for accepting a degree of risk or may generate gains from market falls. They can also be used within a Fund to help manage the impact of large stockmarket fluctuations.

## Synthetic Zeros

A form of structured product which also has a pre defined return profile and a set maturity date whilst being exposed to a degree of credit and equity market risk. Synthetic zeros are usually linked to major, well known indices, such as the FTSE 100, but with much less risk than investing directly in the index itself.

## Top Down Asset Allocation

An investment approach that looks to review the economic landscape prior to delving down into sector and company specifics.

## Transferable Securities

A general term used to describe a broad range of investments such as bonds and company shares for example.

## Volatility

Refers to the frequency and severity with which the price of an investment goes up and down.

## Weighted Average Maturity (WAM)

The average time until maturity of all the underlying holdings of a fund.

## Yield

The amount of income paid or expected to be paid from each share held. The yield is calculated and quoted as a percentage.

## Zero Dividend Preference Shares

Shares that do not receive an income but instead pay out a return at the end of the investment's fixed life.

Please visit our website to see our glossary in full.

Available online  
[theconbriofunds.co.uk](http://theconbriofunds.co.uk)



## Important Information

### The Financial Conduct Authority

At the beginning of April 2013, the Financial Services Authority, the industry regulator, was replaced by the Financial Conduct Authority.

Authorised Corporate Director Premier Portfolio Managers Limited, (ACD) & Registered Office:  
Eastgate Court, High Street, Guildford,  
Surrey, GU1 3DE

Auditor: KPMG Audit Plc,  
15 Canada Square, Canary Wharf,  
London, E14 5GL

Depository: National Westminster Bank plc,  
Trustee and Depository Services,  
Younger Building, 3 Redheughs Avenue,  
Edinburgh, EH12 9RH

Administrator & Registrar: Northern Trust Global Services Limited,  
50 Bank Street, Canary Wharf,  
London, E14 1BT

Administration Queries: Premier Portfolio Managers Limited,  
PO Box 3733, Royal Wootton Bassett,  
Swindon, SN4 4BG  
Tel 0845 6056363  
Email [clientservices@premierfunds.co.uk](mailto:clientservices@premierfunds.co.uk)  
Web: [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

This document has been produced for retail clients.

It is designed for information purposes only and does not constitute advice. Reference to any particular stock or sector does not constitute a recommendation to buy or sell the stock or sector and the investment manager may already have bought or sold any stocks mentioned. If any of the information is unclear we recommend contacting a financial adviser.

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 invested. A free, English language copy of the Funds' full prospectus, the Key Investor Information Document and Supplementary Information Document, which include all the important information you need to consider before making an investment decision, are available at [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

Issued by Premier. Premier Portfolio Managers Ltd and Premier Fund Managers Ltd are ISA managers, authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and are members of the 'Premier' and 'Premier Asset Management' marketing groups.

Contact us;

Premier, Eastgate Court, High Street, Guildford, Surrey GU1 3DE. Tel: 01483 306090

Tel: 0845 605 6363

Email: [clientservices@premierfunds.co.uk](mailto:clientservices@premierfunds.co.uk)

Web: [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

For your protection, calls may be monitored and recorded for training and quality assurance purposes.