

## Premier Castlefield UK Alpha Fund

INTERIM SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:  
 FOR THE YEAR FROM 1 MARCH 2011 TO 31 AUGUST 2011

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

#### General Income

31 August 2011	250.45
28 February 2011	270.13
NAV % change	-7.28%

#### General Accumulation

31 August 2011	254.14
28 February 2011	272.35
NAV % change	-6.68%

#### Institutional Income

31 August 2011	253.58
28 February 2011	273.54
NAV % change	-7.29%

#### Institutional Accumulation

28 February 2011	-
31 August 2011	-
NAV % change	-

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 <sup>1</sup>	343.42	298.50
2008	333.93	147.27
2009	231.08	137.20
2010	277.33	212.70
2011 <sup>2</sup>	286.74	234.95
General Accumulation	High	Low
2007 <sup>1</sup>	344.55	299.56
2008	334.77	147.94
2009	232.27	137.93
2010	279.61	213.80
2011 <sup>2</sup>	288.98	236.80
Institutional Income	High	Low
2007 <sup>3</sup>	335.60	300.43
2008	337.02	148.84
2009	233.07	138.86
2010	280.61	215.11
2011 <sup>2</sup>	290.88	238.49
Institutional Accumulation	High	Low
2007 <sup>4</sup>	344.81	301.42
2008	337.74	150.15
2009	236.76	140.11
2010	286.64	218.52
2011 <sup>2</sup>	291.86	270.17

<sup>1</sup> From 4 June 2007 to 31 December 2007

<sup>2</sup> To 31 August 2011

<sup>3</sup> From 28 June 2007 to 31 December 2007

<sup>4</sup> From 13 June 2007 to 31 December 2007

### Interim Dividend Distributions (In pence per share)

#### General Income

XD DATE	Paid on	Distribution
31 Aug 2011	26 Nov 2011	1.6958

#### General Accumulation

XD DATE	Paid on	Distribution
31 Aug 2011	26 Nov 2011	1.6960

#### Institutional Income

XD DATE	Paid on	Distribution
31 Aug 2011	26 Nov 2011	2.4090

#### Institutional Accumulation

XD DATE	Paid on	Distribution
31 Aug 2011	26 Nov 2011	-

#### XD DATES

28 February (final)
31 August (interim)

#### DISTRIBUTION DATES

27 May 2011 (final)
31 August (Interim)

### TOTAL EXPENSE RATIO

28 February 2011	
General Shares	2.89%
Institutional Shares	2.40%

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

The Fund aims to meet this objective by maintaining a concentrated portfolio of "conviction" holdings. It is not benchmark constrained and can invest across the entire market capitalisation range.

The emphasis of the Fund is on stock selection rather than being thematically driven. Substantial effort is directed to in-house research and on identifying the value drivers for a business.

Where we make investments, it is generally in companies that are already profitable but where we feel the market is substantially undervaluing the company's prospects. The reasons for this can range from undervaluing the assets held by a company, by undervaluing the future profit growth that a company can generate or where there are integration/restructuring issues to be worked through by a company. In each of these cases, other investors either tend to place too

high a risk premium on such companies or do not attribute sufficient value to future earnings growth. We aim to exploit these opportunities to deliver enhanced returns to investors.

### PERFORMANCE

During the period, the portfolio achieved a return of -6.7% (General Accumulation Shares) against a return of -10% for the IMA UK All Companies sector.

### PORTFOLIO ACTIVITY

Within the Fund, the existing holding in equipment rental group, Asstead, was reduced following a spell of strong performance. The portfolio benefitted from a number of bids emerging for companies held during the period, including the educational travel business Holidaybreak, engineering group Charter and online-gaming group Sportingbet. Towards the end of the period a new addition was made to the portfolio in the shape of Inmarsat, a satellite telecoms operator.

### OUTLOOK

Economic data is likely to continue to worsen. Recent events will likely subdue further any sentiment readings, while the lack of political clarity hinders the corporate world from planning for growth without fear of regulatory or taxation changes, for example. These factors more than offset any boost from more benign energy markets as the 'Arab Spring'-induced uncertainty draws to a close. Of course, equities have fallen sharply, meaning at least some of the changed outlook has been reflected in prices. The wild card, though, is the European situation. Several "definitive solutions" have come and gone while each stage in the process has seen escalating financial tension, with no sense even now that authorities are ahead of events. Signs of stress in the bank funding market have deteriorated markedly, giving rise to concerns of a Lehman-style bankruptcy shock in Europe. Absent this, investors could debate whether equity valuations now account for slowing growth. But such uncertainty poses difficulties for rational expectations.

Source: Castlefield Investment Partners Limited, September 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).

## INVESTMENT OBJECTIVE & POLICY

THE INVESTMENT OBJECTIVE OF THE PREMIER CASTLEFIELD UK ALPHA FUND IS TO INVEST PRIMARILY FOR LONG-TERM CAPITAL GROWTH FROM A PORTFOLIO OF INVESTMENTS. THE CURRENT POLICY IS TO ACTIVELY INVEST IN THOSE COMPANIES, PRIMARILY WITHIN THE UK, WHERE THE MANAGER BELIEVES THERE ARE ABOVE AVERAGE OPPORTUNITIES FOR GROWTH.

TOP TEN HOLDINGS AS AT 31/08/2011	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2011	% OF NAV
BG Group	6.92%	BG Group	6.91%
Rio Tinto	5.30%	Vodafone	5.54%
BP	4.99%	BP	5.41%
Standard Chartered	4.51%	Rio Tinto	5.32%
Lamprell	4.43%	Standard Chartered	4.64%
Meggitt	4.22%	BHP Billiton	4.05%
Sportingbet	3.59%	John Wood Group	3.61%
Aveva	3.05%	Meggitt	3.60%
BHP Billiton	3.01%	Charter International	3.52%
IG	2.97%	Intermediate Capital	3.40%

  

INVESTMENT PROFILE AS AT 31/08/2011		INVESTMENT PROFILE AS AT 28/02/2011	
Oil and Gas	24.62%	Oil and Gas	23.09%
Consumer Services	17.30%	Financials	20.10%
Financials	16.55%	Industrials	19.47%
Industrials	15.75%	Consumer Services	15.63%
Basic Materials	8.31%	Basic Materials	9.37%
Net other assets	17.47%	Net other assets	9.30%

### 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.

### 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.

### IMPORTANT NOTES

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

The Royal Bank of Scotland Group plc transferred its Trustee and Depositary services to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as Depositary of the Fund on 30 September 2011.

On 31 July 2011, KPMG Audit Plc replaced Grant Thornton UK LLP as auditor for Premier Castlefield Funds.

### 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.

### 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,  
 Trustee & Depositary Services  
 The Broadstone,  
 50 South Gyle Crescent,  
 Edinburgh, EH12 9UZ

### ADMINISTRATOR AND REGISTRAR

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

### AUDITOR

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

### 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 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)