

Premier Castlefield UK Smaller Companies Fund

INTERIM SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:
FOR THE PERIOD FROM 1 MARCH 2009 TO 31 AUGUST 2009

NET ASSET VALUES (In pence per share)

General Income

31 August 2009	173.06
28 February 2009	122.14
NAV % change	+41.69%

General Accumulation

31 August 2009	173.54
28 February 2009	122.86
NAV % change	+41.25%

Institutional Income

31 August 2009	173.55
28 February 2009	123.06
NAV % change	+41.03%

Institutional Accumulation

31 August 2009	175.26
28 February 2009	123.46
NAV % change	+41.96%

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 ¹	260.68	232.14
2008	240.03	126.93
2009 ⁵	177.06	123.63

General Accumulation	High	Low
2007 ²	259.55	232.14
2008	240.03	126.60
2009 ⁵	177.45	123.31

Institutional Income	High	Low
2007 ³	260.76	232.35
2008	240.59	127.78
2009 ⁵	178.75	124.58

Institutional Accumulation	High	Low
2007 ⁴	260.76	232.78
2008	240.91	128.20
2009 ⁵	179.87	124.99

¹ From 4 June 2007 to 31 December 2007

² From 17 July 2007 to 31 December 2007

³ From 19 June 2007 to 31 December 2007

⁴ From 13 June 2007 to 31 December 2007

⁵ To 31 August 2009

Interim Dividend Distributions (In pence per share)

General Income

XD DATE	Paid on	Distribution
31 August 2009	27 November 2009	0.6697

General Accumulation

XD DATE	Paid on	Distribution
31 August 2009	27 November 2009	0.6712

Institutional Income

XD DATE	Paid on	Distribution
31 August 2009	27 November 2009	0.6761

Institutional Accumulation

XD DATE	Paid on	Distribution
31 August 2009	27 November 2009	0.6802

XD DATES

28 February (final)
31 August (interim)

DISTRIBUTION DATES

27 May (final)
27 November (interim)

TOTAL EXPENSE RATIO

28 February 2009

General Shares	3.17%
Institutional Shares	2.67%

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 2009 3.20%

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

The investment philosophy of the Premier Castlefield UK Smaller Companies Fund is to invest in well managed UK smaller companies that are financially sound, have a distinct and sustainable competitive advantage and are capable of long term growth.

The investment process involves a thorough appraisal of a company's management, a detailed financial review and an assessment of its market position and the competitive environment.

PERFORMANCE

Over the reporting period, the Premier Castlefield UK Smaller Companies Fund recorded a total return of 41.75%, compared to a total return from the benchmark FTSE Small Cap ex ITs Index of 70.30% and the IMA UK Smaller Companies sector total return of 41.62%. The

underperformance against the benchmark can be attributed to the fact that the initial stages of recovery in the stock market usually see the lower quality recovery stocks and 'bombed-out' cyclical move sharply higher while quality growth stocks underperform.

MARKET REVIEW

Early gloom relating to the global economy started to lift early in March, helped in no small part by the Bank of England moving interest rates to new record lows of 0.5% whilst also announcing a programme of quantitative easing that included an extensive purchase programme involving gilts and corporate bonds. Rallying commodity prices and generally positive corporate results saw the FTSE 100 regain 4,000 in April and continue to make progress in May.

The new found mood of optimism faltered slightly during June, with the Bank of England governor attempting to dampen expectations over the strength and timing of any recovery. International influences were also not entirely positive with a surprise fall in US consumer confidence and fresh concerns over the demand for Chinese metals pulling indices back.

July saw a pick up in the pace of market recovery, this after a mixed first few days. Investors took heart from unexpectedly good rises in both UK and US purchasing manager indices and a flurry of robust earnings from key US companies, including Goldman Sachs, Morgan Stanley and Intel. During the month, the FTSE 100 matched an historic record by rising for eleven consecutive trading days, adding 11.1% to its value. The final month of the review period saw further very useful progress, extending the FTSE 100 recovery from March's lows to almost 40%. Investors took heart from upbeat US data and the Bank of England's decision to extend its asset purchase programme, whilst domestic retail sales and house price data added to the favourable backdrop.

The small companies sector has participated fully in the recovery in share prices as many companies have demonstrated resilience in earnings due to early action on cutting costs.

PORTFOLIO ACTIVITY

Two holdings were sold during the period under review. Azure Dynamics was sold following an announcement from the company that it was cancelling its London listing while BPP was subject to a cash takeover.

Further progress was made in reducing the portfolio's exposure to the AiM market to a target level of around 40%, although this progress was again limited due to difficult market conditions. Two AiM listed stocks, Intelligent Environments and London Capital Group, were reduced into strength in the last six months. Reductions were also made in one other large holding - VT Group. However, all of these stocks remain attractive and continue to be important holdings for the Fund. Funds raised were re-invested into six new holdings. British Polythene Industries is involved in recycling polythene and the supply of agricultural film products and packaging for the protection of food and other goods. The company



INVESTMENT OBJECTIVE & POLICY

THE INVESTMENT OBJECTIVE OF THE PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND IS TO INVEST PRIMARILY FOR LONG-TERM CAPITAL GROWTH, INVESTING PREDOMINANTLY IN SHARES IN SMALLER UK COMPANIES INCLUDING THOSE LISTED ON THE ALTERNATIVE INVESTMENT MARKET.

TOP TEN HOLDINGS AS AT 31/08/2009	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2009	% OF NAV
Carclo	6.09%	VT Group	7.54%
First Property	5.74%	London Capital	6.88%
Intelligent Environments	5.47%	Intelligent Environments	6.80%
Personal	4.83%	Personal	5.83%
Charles Stanley	4.34%	Mattioli Woods	5.48%
IQE	4.32%	First Property	5.44%
VT Group	4.23%	GB Group	5.21%
GB Group	3.85%	Carclo	5.17%
Clarkson	3.82%	Charles Stanley	4.12%
VP	3.64%	Clarkson	3.69%

INVESTMENT PROFILE AS AT 31/08/2009		INVESTMENT PROFILE AS AT 28/02/2009	
Industrials	28.70%	Financials	35.32%
Financials	26.76%	Technology	19.63%
Technology	22.57%	General Industrials	15.59%
Oil and Gas	6.72%	Industrials	12.62%
Basic Materials	6.20%	Consumer Services	6.37%
Net other assets	9.05%	Net other assets	10.47%

should benefit in the current year from reduced raw material and energy costs and its high operational gearing will see strong profits growth in future as the economy recovers. Brulines is the market leader in providing real time monitoring systems and data management services for the UK leisure sector. Costain is an international construction and civil engineering company with activities across a number of sectors. The company has had a tough time over the last few years but has had considerable success recently in winning large contracts. Faroe Petroleum is an oil and gas group focusing on exploration, development and production opportunities in the North Sea. Imagination Technologies is an IT hardware company providing 'system on chip' technology to most of the world's leading chip companies. Rheochem is an oil services business supplying drilling fluids that also has an interesting exploration and production portfolio in the North Sea. In addition, the holdings in Bowleven and Enfis were increased.

OUTLOOK

As highlighted earlier, companies were quick to cut costs in the early stages of the crisis. Most of the holdings in the Premier Castlefield UK Smaller Companies Fund have come through the problems of the last few months relatively unscathed and are well placed to grow earnings strongly as the recovery gathers pace. Although the Fund has made a strong recovery from the lows earlier in 2009, we believe there is further upside in coming months.

Source: Castlefield Investment Partners LLP, September 2009. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

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. The Fund

invests in smaller companies that are less liquid than larger companies which means that fluctuations in price may be greater than for larger companies.

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 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

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REPORT AND ACCOUNTS

Copies of the Interim Long-Form Report and Financial Statements of this Fund are available free of charge on request.

Please contact the ACD on 0845 230 9033 or visit
www.thecastlefieldfunds.co.uk

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