

## Premier Castlefield UK Smaller Companies 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	237.94
28 February 2011	255.12
NAV % change	-6.73%

#### General Accumulation

31 August 2011	238.39
28 February 2011	255.69
NAV % change	-6.77%

#### Institutional Income

31 August 2011	238.44
28 February 2011	255.71
NAV % change	-6.75%

#### Institutional Accumulation

31 August 2011	-
28 February 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>	260.68	232.14
2008	240.03	126.93
2009	190.66	123.63
2010	259.56	176.71
2011 <sup>2</sup>	274.83	222.16

#### General Accumulation

	High	Low
2007 <sup>3</sup>	259.55	232.14
2008	240.03	126.60
2009	191.09	123.31
2010	206.13	177.11
2011 <sup>2</sup>	275.47	222.54

#### Institutional Income

	High	Low
2007 <sup>4</sup>	260.76	232.35
2008	240.59	127.78
2009	191.46	124.58
2010	260.21	177.12
2011 <sup>2</sup>	275.98	223.19

#### Institutional Accumulation

	High	Low
2007 <sup>5</sup>	260.76	232.78
2008	240.91	128.20
2009	193.83	124.99
2010	265.47	180.27
2011 <sup>2</sup>	275.21	257.33

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

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

<sup>3</sup> From 17 July 2007 to 31 December 2007

<sup>4</sup> From 19 June 2007 to 31 December 2007

<sup>5</sup> From 13 June 2007 to 31 December 2007

### DIVIDEND DISTRIBUTIONS (In pence per share)

#### General Income

XD DATE	Paid on	Distribution
31 Aug 2011	27 Nov 2011	0.0459

#### General Accumulation

XD DATE	Paid on	Distribution
31 Aug 2011	27 Nov 2011	-

#### Institutional Income

XD DATE	Paid on	Distribution
31 Aug 2011	27 Nov 2011	0.7204

#### Institutional Accumulation

XD DATE	Paid on	Distribution
31 Aug 2011	27 Nov 2011	-

### XD DATES

28 February 2011 (final)

31 August 2011 (interim)

### DISTRIBUTION DATES

27 May 2011 (final)

27 November 2011 (interim)

### TOTAL EXPENSE RATIO

28 February 2011

General Shares	3.07%
Institutional Shares	2.57%

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 investment philosophy of the Premier Castlefield UK Smaller Companies Fund is to identify well managed UK smaller companies that are financially sound and 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

For the period from 1 March to 31 August 2011, the Premier Castlefield UK Smaller Companies

Fund, as measured by the General Income shares, recorded a total return of -6.7% compared to a total return of -7.7% from the IMA UK Smaller Companies sector.

### Portfolio Activity

Four holdings were sold during the period under review. Lincat was subject to a cash takeover at a healthy premium. Imagination Technologies was sold following a very strong run in the share price that had seen the company's market capitalisation rise to well over £1 billion, meaning that it was no longer a small company. Liontrust and British Polythene Industries were sold as the outlook for both companies was challenging.

### OUTLOOK

The direction of UK smaller companies' share prices in the next few months will be dictated largely by the major geo-political issues that are affecting world markets at the current time. However, results from many UK smaller companies have been encouraging given the economic environment in which they are operating. We continue to invest in well-managed, UK smaller companies with strong balance sheets and believe that such companies are best placed to weather whatever wider global economic issues arise in coming months. The holdings in the portfolio are attractively valued and, as investors become more relaxed about markets, we believe that the Premier Castlefield UK Smaller Companies Fund will participate fully in the recovery.

Source: Castlefield Investment Partners LLP, 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).

### 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

## 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 31/08/2011	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2011	% OF NAV
First Property	6.60%	IQE	6.74%
GB Group	5.21%	Carclo	6.09%
Carclo	5.05%	First Property	5.94%
IQE	4.85%	Bowleven	5.39%
IDOX	4.55%	GB Group	4.56%
Personal Group	4.04%	Lincat	4.54%
Charles Stanley Group	4.00%	Charles Stanley Group	4.19%
Avon Rubber	3.75%	IDOX	3.66%
Clarkson	3.66%	Personal Group	3.53%
Faroe Petroleum	3.66%	Parkmead Group	3.49%

## INVESTMENT PROFILE AS AT 31/08/2011

Financials	25.72%
Technology	20.45%
General Industrials	11.71%
Oil and Gas	10.39%
Consumer Goods	8.34%
Net Other Assets	23.39%

## INVESTMENT PROFILE AS AT 28/02/2011

Financials	25.76%
Technology	23.03%
General Industrials	16.38%
Oil and Gas	11.26%
Industrials	6.29%
Net other assets	17.28%

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 INFORMATION

With effect from 1 May 2011, the ACD's annual management charge will be calculated with the administrators fee to form a single combined charge. This combined charge will be 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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 website: 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)