

Premier Castlefield Monthly Equity Income Fund

ANNUAL SHORT REPORT OF THE AUTHORISED CORPORATE DIRECTOR:
 FOR THE PERIOD FROM 1 MARCH 2009 TO 28 FEBRUARY 2010



NET ASSET VALUES (In pence per share)

General Income	
28 February 2010	71.67
28 February 2009	53.83
NAV % change	+33.14%

Institutional Income

28 February 2010	71.41
28 February 2009	53.05
NAV % change	+34.61%

Charity Income

28 February 2010	68.18
28 February 2009	53.55
NAV % change	+27.32%

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 ¹	114.56	112.04
2007	120.31	95.99
2008	99.41	56.78
2009	71.18	49.39
2010 ²	71.74	67.33

Institutional Income

	High	Low
2006 ³	115.03	105.91
2007	120.58	96.37
2008	99.87	59.65
2009	74.82	48.53
2010 ²	75.41	70.85

Charity Income

	High	Low
2006 ⁴	114.56	93.14
2007	118.74	94.96
2008	98.43	56.30
2009	70.77	49.14
2010 ²	71.32	67.02

¹ From 13 December 2006 to 31 December 2006

² To 28 February 2010

³ From 6 October 2006 to 31 December 2006

⁴ From 2 May 2006 to 31 December 2006

INTERIM DIVIDEND DISTRIBUTIONS (In pence per share)

General Income

XD date	Paid on	Distribution
31 Mar 2009	27 Apr 2009	0.2633
30 Apr 2009	27 May 2009	0.2633
31 May 2009	27 Jun 2009	0.2633
30 Jun 2009	27 Jul 2009	0.2633
31 Jul 2009	27 Aug 2009	0.2633
31 Aug 2009	27 Sep 2009	0.2633
30 Sep 2009	27 Oct 2009	0.2633
31 Oct 2009	27 Nov 2009	1.2633
30 Nov 2009	27 Dec 2009	0.2633
31 Dec 2009	27 Jan 2010	0.2633
31 Jan 2010	27 Feb 2010	0.2633

28 Feb 2010	27 Mar 2010	0.2633
28 Feb 2010	27 May 2010	1.0180

Institutional Income

XD date	Paid on	Distribution
31 Mar 2009	27 Apr 2009	0.2633
30 Apr 2009	27 May 2009	0.2633
31 May 2009	27 Jun 2009	0.2633
30 Jun 2009	27 Jul 2009	0.2633
31 Jul 2009	27 Aug 2009	0.2633
30 Aug 2009	27 Sep 2009	0.2633
30 Sep 2009	27 Oct 2009	0.2633
31 Oct 2009	27 Nov 2009	1.2633
30 Nov 2009	27 Dec 2009	0.2633
31 Dec 2009	27 Jan 2010	0.2633
31 Jan 2010	27 Feb 2010	0.2633
28 Feb 2010	27 Mar 2010	0.2633
28 Feb 2010	27 May 2010	5.1024

Charity Income

XD date	Paid on	Distribution
31 Mar 2009	27 Apr 2009	0.2633
30 Apr 2009	27 May 2009	0.2633
31 May 2009	27 Jun 2009	0.2633
30 Jun 2009	27 Jul 2009	0.2633
31 Jul 2009	27 Aug 2009	0.2633
31 Aug 2009	27 Sep 2009	0.2633
30 Sep 2009	27 Oct 2009	0.2633
31 Oct 2009	27 Nov 2009	1.2633
30 Nov 2009	27 Dec 2009	0.2633
31 Dec 2009	27 Jan 2010	0.2633
31 Jan 2010	27 Feb 2010	0.2633
28 Feb 2010	27 Mar 2010	0.2633
28 Feb 2010	27 May 2010	0.6154

The Fund operates a smoothing policy, whereby a controlled rate is paid monthly until the year end final distribution, where the income remaining is distributed. If income permits then the Fund may distribute an additional amount at the interim date.

XD DATES

28 February (final)
 31 August (Interim)
 Last day of each month (Income accounting dates)

DISTRIBUTION DATES

27 May (final)
 27 of each month (Income accounting dates)

TOTAL EXPENSE RATIO

General Shares
 28 February 2010 3.48%

Institutional Shares
 28 February 2010 2.98%

Charity Shares
 28 February 2010 2.74%

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.

INVESTMENT PHILOSOPHY AND PROCESS

The investment process of the Premier Castlefield Monthly Equity Income Fund incorporates a

four-stage approach, encompassing both quantitative and qualitative analysis. The first step involves running stocks through a stock screening model in order to identify companies that meet specific criteria. We aim to identify high yielding stocks with good dividend cover and healthy free cash flow that can also demonstrate consistency of earnings growth. Stocks that do not meet the criteria do not move to the next stage. Stocks are then split into one of three groups – core income stocks, income growth stocks or high income stocks. Whilst the stock selection methodology is consistent for each group, we employ a weighted ratio approach, where the importance of each particular ratio varies dependant on the category. Once the stocks have been put into the appropriate group, we carry out a disciplined fundamental analysis of each company in order to grade the stocks into one of seven categories. Each category has a specific risk profile and the process should result in the greatest exposure to the least risky stocks. The final stage involves modelling the portfolio to assess the total returns going forward. This involves modelling the exposure to the three groups outlined in stage two. The purpose of this is to attain the highest income achievable with the strongest dividend growth possible.

PERFORMANCE

Over the period under review, the Fund produced a total return of 39.11% in General Income shares, compared to a total return of 37.99% from the IMA UK Equity Income sector.

PORTFOLIO ACTIVITY

A number of new stocks were added to the Fund, including International Power, the power generation company. The Company has interests in 33,211 megawatts (gross) of power generating capacity, located in 21 countries across five regions. Following a 19% increase in the interim dividend, the stock was offering an attractive yield.

Dechra Pharmaceuticals, the veterinary pharmaceuticals company, was added to the Fund. In the short term, the company should benefit from strong sales of Vetoryl and the US launch of Felimazole. In the medium term, profits will be boosted by the termination of EU distribution agreements.

The Fund's exposure to economic recovery was enhanced with the purchase of Home Retail Group, the home and general merchandise retailer. The group is highly cash generative, has a sound balance sheet and is benefitting from a move towards online sales. Moreover, at the time of purchase, the shares were yielding around 4.8%.

Exposure to the retailing sector was enhanced further with the purchase of Marks and Spencer Group, the retailer of clothing, food and home products. In the medium term the company will benefit from restructuring its supply chain and overhauling IT systems. This should result in cost savings of around £250m by 2015/16. The company has also identified online sales and overseas expansion as strong drivers for growth. Other new additions included Unilever, Imperial

INVESTMENT OBJECTIVE & POLICY

THE INVESTMENT OBJECTIVE OF THE PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND IS PREDOMINATELY TO GENERATE A RELATIVELY HIGH LEVEL OF INCOME, TOGETHER WITH INCOME GROWTH AND SOME CAPITAL GROWTH OVER THE LONG-TERM. THIS IS TO BE ACHIEVED BY INVESTING PRINCIPALLY IN A PORTFOLIO OF UK EQUITIES, ALTHOUGH MONEY MARKET INSTRUMENTS, COLLECTIVE INVESTMENT SCHEMES, DEPOSITS, WARRANTS, DERIVATIVES (FOR HEDGING PURPOSES) AND OTHER PERMITTED INVESTMENTS AND TRANSACTIONS MAY ALSO BE INVESTED IN.



TOP TEN HOLDINGS AS AT 28/02/2010	% OF NAV	TOP TEN HOLDINGS AS AT 28/02/2009	% OF NAV
BP	7.55%	Vodafone	8.86%
HSBC	5.53%	National Grid	7.48%
Vodafone	5.02%	Centrica	6.11%
Royal Dutch Shell	4.66%	Royal Dutch Shell	5.23%
GlaxoSmithKline	4.56%	Jardine Lloyd Thompson	4.68%
Scottish & Southern Energy	4.56%	British American Tobacco	4.09%
AstraZeneca	4.51%	BRIT Insurance	3.63%
Unilever	3.84%	Kazakhmys	3.53%
United Utilities	3.84%	HSBC	3.26%
Aviva	3.56%	AstraZeneca	3.12%

INVESTMENT PROFILE AS AT 28/02/2010		INVESTMENT PROFILE AS AT 28/02/2009	
Financials	24.83%	Financials	27.28%
Utilities	19.60%	Utilities	14.51%
Oil and Gas	12.21%	Telecommunications	9.59%
Consumer Goods	11.98%	Consumer Goods	9.13%
Healthcare	9.63%	Industrials	6.93%
Net other assets	21.75%	Net other assets	32.56%

Tobacco Group, Halfords, Severn Trent, Dairy Crest, Experian, Brown (N) Group, Cable & Wireless and Electrocomponents.

OUTLOOK

Although the equity market has made significant gains since the low reached in March 2009, valuations remain attractive. Moreover, accommodating monetary policy should continue to be supportive for investors. Bearing this in mind, a double-dip recession is not anticipated and the outlook for equities remains positive.

Source: Castlefield Investment Partners LLP, April 2010. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

The full Investment Review is available in the Long-form Annual Report & Accounts, which is available on request, or from the Fund's website, 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.

There is no guarantee that a constant level of income will be maintained throughout the year since the ACD will attempt to smooth the monthly distributions paid during the year. This will be achieved by carrying over the income received in a month which has above average income expectations in order to supplement the income received in another month which has a lower level of income.

The value of shares, and any income from them, can go down as well as up and you might get back

less than you invested.

The Fund deducts all charges from capital which may result in the income paid by the Fund being higher than would otherwise be the case and the growth in the capital sum may be constrained.

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.

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 International Fund Administration Services (UK) Limited

Address
 PO Box 55736,
 50 Bank Street,
 Canary Wharf,
 London, E14 1BT

AUDITOR

Grant Thornton UK LLP, Grant Thornton House,
 22 Melton Street, London, NW1 2EP

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
 website: www.castlefield.com
 (Authorised and regulated by the Financial Services Authority)

REPORT AND ACCOUNTS

Copies of the Annual 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.

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