

# ConBrio B.E.S.T Income Fund

## Interim Short Report

29 February 2012 to 31 August 2012

A sub-fund of the ConBrio funds. The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the period. Copies of the Long-Form Report & Accounts are available free of charge by calling 01483 306 090, or can be downloaded from the website at [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

### Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007	General Income	120.31	95.99
	Institutional Income	120.58	96.37
	Charity Income	118.74	94.96
2008	General Income	99.41	56.78
	Institutional Income	99.87	59.65
	Charity Income	98.43	56.30
2009	General Income	71.18	49.39
	Institutional Income	74.82	48.53
	Charity Income	70.77	49.14
2010	General Income	75.01	63.06
	Institutional Income	75.41	62.89
	Charity Income	75.52	63.26
2011	General Income	75.45	61.51
	Institutional Income	75.44	61.74
	Charity Income	75.98	62.32
2012 <sup>1</sup>	General Income	69.23	60.61
	Institutional Income	69.64	61.03
	Charity Income	70.38	61.70

<sup>1</sup> To 31 August 2012.

### Ongoing Charges Figure (OCF)\*

General Income Shares	3.44%
Institutional Income Shares	2.94%
Charity Income Shares	2.69%

The ongoing charges figure is based on the expenses for the financial year ending 28 February 2012 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).

\* Previously the TER was used to show the annual operating expenses of managing and administering a fund, expressed as a percentage of the fund, designed to help you compare the costs of different funds. This has been replaced by the Ongoing Charges Figure (OCF). This is very similar to the TER and is designed to give you an accurate measure of what it costs to invest in a fund. The main difference between the two is that the OCF includes some additional charges payable to the Custodian and is therefore usually a little higher than the TER for the same fund. The OCF also includes the annual management charge (used to pay the investment manager, fund accountant and fund administrator for example) and other operating costs, such as the fees paid to the Trustee, Auditor and Regulator.

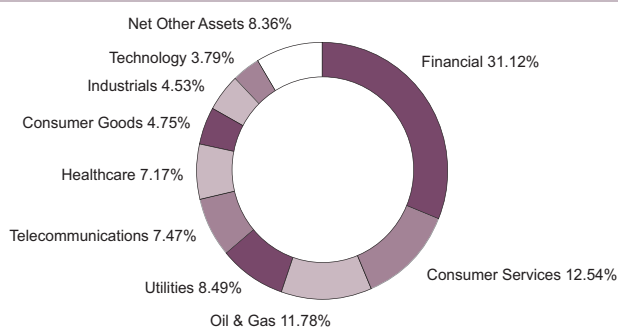
### Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28.02.2011	General Income	71.33
	Institutional Income	71.37
	Charity Income	71.93
28.02.2012	General Income	67.08
	Institutional Income	67.48
	Charity Income	68.17
31.08.2012	General Income	66.64
	Institutional Income	67.20
	Charity Income	67.99

### Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31.03.2012	27.04.2012	General Income	0.2502
		Institutional Income	0.2518
		Charity Income	0.2544
30.04.2012	25.05.2012	General Income	0.2633
		Institutional Income	0.2633
		Charity Income	0.2633
31.05.2012	27.06.2012	General Income	0.2633
		Institutional Income	0.2633
		Charity Income	0.2633
30.06.2012	27.07.2012	General Income	0.2633
		Institutional Income	0.2633
		Charity Income	0.2633
31.07.2012	27.08.2012	General Income	-
		Institutional Income	-
		Charity Income	-
31.08.2012	27.09.2012	General Income	-
		Institutional Income	-
		Charity Income	-
31.08.2012	27.11.2012	General Income	1.0886
		Institutional Income	1.1022
		Charity Income	1.1232

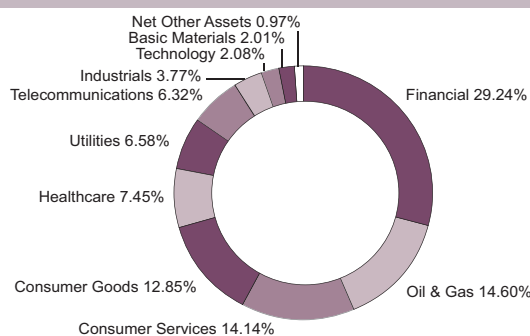
### Asset Allocation as at 31.08.2012



### Top Ten Holdings as at 31.08.2012

BP	5.17%
Royal Dutch Shell B Shares	4.75%
National Grid	4.55%
GlaxoSmithKline	4.22%
British Land	4.18%
Provident Financial	4.05%
HSBC Holdings	3.77%
Unilever	3.52%
Go-Ahead	3.34%
AstraZeneca	2.95%

### Asset Allocation as at 28.02.2012



### Top Ten Holdings as at 28.02.2012

Royal Dutch Shell 'B'	8.33%
BP	6.27%
Imperial Tobacco	6.18%
Vodafone Group	4.64%
National Grid	4.59%
GlaxoSmithKline	4.42%
HSBC Holdings	4.13%
iShares FTSE UK Dividend Plus	4.09%
British Land	3.95%
Provident Financial	3.80%

Investment Review

Performance

During the period under review, the portfolio achieved a return of 2.7% (General Income Shares) against a return of 2.6% for the IMA UK Equity Income peer group.

Portfolio Activity

Within the Fund, activity centred on maximising the yield of the actively traded portfolio of investments. Following shareholder approval in July, the investment policy, income distribution frequency and name of the Fund were all altered, with implications for the activity profile of the Fund. Prior to these changes, the early part of the review period saw purchases of names such as Aviva and Pearson. The former offered a significant headline yield and, despite large fluctuations in capital value driven by general market sentiment surrounding the Eurozone, has not had to raise equity capital as feared in some quarters. Pearson represents one of the UK's leading media companies and should offer a progressive growing dividend stream. Sales around this time included Imperial Tobacco and a trimming of the position in Royal Dutch Shell. A position in Capita was initiated; the environment for support services companies has been much tougher in recent years as government spending is monitored more strictly, but Capita possesses the scale and ability to acquire new businesses to boost growth when organic growth is scarce. The firm is also building a noteworthy progressive dividend track record. More recently, the Fund purchased N Brown, a niche retailer focused primarily on catalogue and internet sales and which offers a healthy and secure dividend. Other

purchases have been made in telecoms group BT and the utility Pennon Group. Meanwhile, as a result of the change in investment policy, the Fund has disinvested from Sportingbet (gambling); BAE Systems (armaments); Marston's (alcohol production) and Filtrona (involvement in cigarette manufacture). All of these names fail to meet the new criteria that apply to the investment selection process.

Outlook

Global economic data has been deteriorating and in much of the Western world, traditional policy tools such as cutting interest rates have already been used up. Debate over whether the UK is officially "in recession" masks the reality of anaemic growth at best. She isn't alone on that front. However, corporate profit margins remain at historic highs while equities sit within touching distance of the peaks of the last few years. Something is likely to give in this scenario. Following a resumption of cuts to market earnings estimates for this calendar year and next, caution around potentially over-inflated profit projections may turn out to be crucial. In addition, political expediency continues to affect market sentiment. But with high-profile elections in the United States and Germany to come, investors may feel optimistic that drastic policy moves – with significant impact on markets – are off the table.

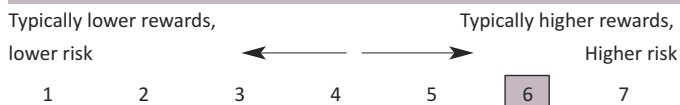
Source: Castlefield Investment Partners, September 2012. Performance data taken from FE Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

Full details are in the Long-Form Report & Accounts, available on request or from our website, [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk)

Important Information

On 18th July 2012, the Company changed its name from the 'Premier Castlefield Funds' to the 'ConBrio Funds'. The 'Premier Castlefield Monthly Equity Income Fund' was renamed the 'ConBrio B.E.S.T Income Fund', and changed its Investment Policy and reduced income distributions from monthly to quarterly.

Risk and Reward Indicator (RRI)



The Fund is ranked as six because it has experienced relatively 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.

The Risk and Reward Indicator demonstrates where the 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.

Fund Facts

**Launch date:** 02 May 2006  
**Ex-dividend dates:** 1 December, 1 March, 1 June and 1 September  
**Income dates:** 27 February, 27 May, 27 August and 27 November

Investment Risks

The Fund holds equities concentrated by location in the UK. Equities, as an asset class, 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.

Investment Objective and Policy

To predominantly generate a relatively high level of current income, together with income growth and some capital growth over the long term. The investment policy of the Fund is to invest 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.

In seeking to achieve the stated investment objective, consideration will be given not only to traditional business and financial criteria, but also to environmental, ethical, social, governance and other similar issues. This is reflected in the name of the Fund where "B.E.S.T." is intended to indicate the investment criteria that will be applied to the Fund: Business, Environmental/Ethical, Social/Governance, and Transparency.

Contact Information

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You should remember that past performance is not a guide to future returns and 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. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Investments in these Funds are typically medium or long term investments. Reference to any particular stock does not constitute a recommendation to buy or sell the stock.

A free, English language copy of the Fund's 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 on the Fund's website, [www.theconbriofunds.co.uk](http://www.theconbriofunds.co.uk) or by calling us on 01483 306090.