

# Castlefield Investments



Premier Castlefield Funds  
Interim Report and Financial Statements (Unaudited)  
For the period from 1st March 2008 to 31st August 2008

# INDEX

## Management and Administration

Registered Office and Directors .....	2
Company Information .....	2
Statement of Authorised Corporate Director's and Depository's Responsibilities .....	2
Report of the ACD to the Shareholders .....	3
Directors' Statement .....	3
About the Investment Adviser .....	4
Market Review .....	4
Investment Objective and Policy and Investment Review of Premier Castlefield UK Equity Fund .....	5
Investment Objective and Policy and Investment Review of Premier Castlefield Global Equity Fund .....	6
Investment Objective and Policy and Investment Review of Premier Castlefield Monthly Equity Income Fund .....	7
Investment Objective and Policy and Investment Review of Premier Castlefield UK Alpha Fund .....	8
Investment Objective and Policy and Investment Review of Premier Castlefield UK Smaller Companies Fund .....	9

## Premier Castlefield Funds Aggregated Financial Statements

Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	10
Notes to the Aggregated Financial Statements .....	11-12

## Premier Castlefield UK Equity Fund

Comparative Tables .....	13
Total Expense Ratios .....	13
Portfolio of Investments .....	14-15
Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	16
Summary of Material Portfolio Changes .....	17
Notes to the Financial Statements .....	17-20
Distribution Tables .....	20-21

## Premier Castlefield Global Equity Fund

Comparative Tables .....	22
Total Expense Ratios .....	22
Portfolio of Investments .....	23
Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	24
Summary of Material Portfolio Changes .....	25
Notes to the Financial Statements .....	25-28
Distribution Tables .....	28

## Premier Castlefield Monthly Equity Income Fund

Comparative Tables .....	29
Total Expense Ratios .....	29
Portfolio of Investments .....	30-31
Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	32
Summary of Material Portfolio Changes .....	33
Notes to the Financial Statements .....	33-36
Distribution Tables .....	36-37

## Premier Castlefield UK Alpha Fund

Comparative Tables .....	38
Total Expense Ratios .....	38
Portfolio of Investments .....	39-40
Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	41
Summary of Material Portfolio Changes .....	42
Notes to the Financial Statements .....	42-45
Distribution Tables .....	45

## Premier Castlefield UK Smaller Companies Fund

Comparative Tables .....	46
Total Expense Ratios .....	46
Portfolio of Investments .....	47-48
Statement of Total Return, Statement of Change in Shareholders' Net Assets & Balance Sheet .....	49
Summary of Material Portfolio Changes .....	50
Notes to the Financial Statements .....	50-53
Distribution Tables .....	53

## MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director (“ACD”) and registered office of the Premier Castlefield Funds (“the Company”):

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,  
Guildford, Surrey, GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority (“FSA”) and is a member of the Investment Management Association (“IMA”). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

**DIRECTORS OF THE ACD:** Mike O’Shea (Chairman)  
Neil Macpherson (Finance Director)  
Simon Weldon (Managing Director, Sales and Marketing)  
Mark Friend (Managing Director, Operations)  
Mike Hammond (IFA Sales Director)

**INVESTMENT ADVISER:** Castlefield Investment Partners LLP is the Investment Adviser to the Premier Castlefield UK Equity Fund, the Premier Castlefield Global Equity Fund, the Premier Castlefield Monthly Equity Income Fund, the Premier Castlefield UK Alpha Fund and the Premier Castlefield Smaller Companies Fund.

**DEPOSITARY:** The Royal Bank of Scotland plc  
Trustee & Depositary Services  
The Broadstone,  
50 South Gyle Crescent,  
Edinburgh, EH12 9UZ

**AUDITORS:** Grant Thornton UK LLP  
30 Finsbury Square,  
London, EC2P 2YU

**ADMINISTRATORS & REGISTRAR:** Northern Trust International Fund  
Administration Services (UK) Limited and  
Northern Trust Global Services Limited  
PO Box 55736, 50 Bank Street,  
Canary Wharf,  
London, E14 1BT

### COMPANY INFORMATION

The Company is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000234 and authorised by the FSA with effect from 14th May 2003. Shareholders are not liable for the debts of the Company. At the period end the Company contained five sub-funds, the Premier Castlefield UK Equity Fund, the Premier Castlefield Global Equity Fund, the Premier Castlefield Monthly Equity Income Fund, the Premier Castlefield UK Alpha Fund and the Premier Castlefield UK Smaller Companies Fund.

The Company is a UCITS scheme which complies with the FSA’s Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

### STATEMENT OF ACD AND DEPOSITARY’S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE SCHEME

The Open-Ended Investment Companies Regulations 2001 and the FSA’s Collective Investment Schemes sourcebook (“the Regulations”) require the ACD to prepare accounts for each annual accounting period together with half-yearly reports, which give a true and fair view of the financial position of the scheme as at the end of the period and of the net income and the net gains or losses on the property of the scheme for the period then ended. In preparing the accounts, the ACD is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to ‘Financial Statements of Authorised Funds’, issued by the IMA in December 2005 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The ACD is responsible for the management of the Fund in accordance with its Instrument of Incorporation, the Prospectus and the Regulations.

The Depositary is responsible for safeguarding the property of the scheme and must take reasonable care to ensure that the scheme is managed by the ACD in compliance with the Regulations and the provisions of the Instrument of Incorporation and Prospectus.

The ACD and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the unaudited financial statements of the Company for the period from 29th February 2008 to 31st August 2008.

The Company is a UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The Investment Objectives and Policies of each sub-fund of the Company are covered in the investment reviews for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 2.

In the future there may be other sub-funds of the umbrella Company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the umbrella Company.

Where a fund invests in other collective investment schemes, the maximum annual management fee that may be charged to that collective investment scheme is 5% of the net asset value of such a scheme, however, it is expected that the actual annual management fee will not exceed 2%.

### DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the Directors of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

31st October 2008

## ABOUT THE INVESTMENT ADVISER

Castlefield Investment Partners LLP (CIP) is an organisation specialising in the provision of investment management and advice to institutional-type investors, the majority of whom are charitable organisations. Company pension schemes and wealthy private individuals make up the balance of the underlying client base. The principals of the business formerly worked together as the senior executives of the specialist fund management arm of a major merchant and private bank. Now working in partnership with both an independent asset management company and a significant, grant-making charitable foundation, CIP offers clients the benefits of boutique-like business focus, linked to the comfort that stable external investors can provide. As a consequence of the charitable foundation's equity interest, 17.5% of CIP's profits are recycled back into the charitable sector each year.

## MARKET REVIEW

This has been a demanding six months for investors with significant volatility resulting from rising energy prices, a flow of economic data, much of it negative, and of course the seemingly endless crisis within the global financial system. The beginning of the period saw investors increasingly nervous as the global credit crisis continued to intensify. Renewed concerns that sub-prime exposure at the US investment banks would be a problem emerged as the Q1 reporting season drew nearer and in order to try and maintain the stability of the financial system, the US Federal Reserve (the Fed) announced further measures aimed at boosting liquidity in the money markets and cut rates by an additional 0.75% bringing the total easing since August to a full 3.0%. Within Europe, fears that the continued crisis would further impact the investment banks weighed on sentiment and this culminated with a shock announcement when UBS confirmed it would be writing down further mortgage related assets and would carry out a large rights issue.

In April, US confidence in the banking system improved after Lehman Brothers announced it had raised \$4bn from the sale of new shares. However, downbeat testimony from Fed Chairman Ben Bernanke and General Electric reporting its first quarterly loss in five years meant equities quickly moved lower. Although the Fed eased monetary policy at the end of the month by a further quarter-point as expected, its accompanying policy statement gave less hope of further imminent cuts. Unfortunately, with the European Central Bank determined not to relax monetary policy the euro rose to a succession of record highs against the dollar and the pound, export oriented stocks under some pressure. Into early summer and US equities moved lower as a rise in unemployment figures, record high oil prices and further negative news from the US banking sector all combined to drive sentiment lower. The ensuing sell-off sent the Dow to a near two year low and the Fed warned that interest rates might have to rise to curb inflation. The price of crude continued to hit new highs and the news of another slump in house prices exacerbated the gloom. July was very much a month of two halves for equity markets. Initially shares moved lower on anxiety over the health of the US financial system and as oil prices posted a fresh peak above \$147 per barrel. Persistent speculation that Fannie Mae and Freddie Mac, the state-sponsored US mortgage lenders, might be forced to raise billions of dollars of additional capital further unsettled investors, but sentiment improved dramatically in the second half of the month as the oil price went into reverse dropping below \$125 and better than expected results from some key banks helped ease fears about that sector.

Most of the main indices ended the last month of the review period modestly higher although volatility was a gain a recurring feature. One of the main themes was the sudden weakening of Sterling against a number of currencies but especially the dollar. Prompted by a reappraisal of interest rate expectations founded on the continued weakness of the UK economy, this had the effect of boosting returns for sterling-based investors. Also, investors gradually reconciled themselves to the likelihood that there would be some form of state intervention in order to prop up the mortgage market as a crisis of confidence continued to surround Fannie Mae and Freddie Mac of the US.

# PREMIER CASTLEFIELD UK EQUITY FUND

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Premier Castlefield UK Equity Fund is to generate a combination of current income and long-term capital growth by investing principally in a portfolio of UK equities and/or collective investment schemes, although money market instruments, deposits, warrants, derivatives (for hedging purposes) and other permitted investments and transactions may be invested in. The aim is to achieve a total return in excess of that generated by the FTSE All-Share Index.

## INVESTMENT REVIEW

### INVESTMENT PHILOSOPHY AND PROCESS

Over a number of years, we have developed a disciplined approach to investment in the Premier Castlefield UK Equity Fund, representing a blend of top-down and bottom-up elements, with a tilt towards the latter. This allows for the construction of an actively managed and risk controlled portfolio. We are neither value nor growth investors, but rather retain a flexibility to react to fundamental changes in market conditions, as global and sector specific influences impinge upon the domestic investment picture. Our style could best be described as pragmatic, seeking value but also prepared to recognise and pay for growth at a sensible price. We dislike unnecessary risk and take steps to manage this aspect carefully within the Portfolio. In essence, our investment style is based around selecting stocks with which we and our shareholders can feel comfortable. We seek investments whose value is not fully recognised by the market in general and source situations where we see positive internal or external change that should lead to an upwards re-rating of the company within the market. For this reason, we continually strive to thoroughly understand each company, via fundamental analysis and research. We believe that our style should consistently add value and lead to steady out performance. Therefore, we view the Premier Castlefield UK Equity Fund as being well suited to those investors seeking a core domestic equity fund within a long term Portfolio.

### PERFORMANCE

During the reporting period, the Fund has achieved a total return fall of 2.8% against a total return of the benchmark FTSE All Share Index fall of 2.3%.

The period was a volatile one for indices, but the Fund performed generally in line with the FTSE All Share benchmark throughout the six months.

### MARKET REVIEW

A number of themes played out over the course of the six months under review. At the start of the period, commodity prices were continuing the strong upwards trajectory that they had been following for the previous few years. Apparent strong demand in emerging markets for raw materials led some commentators to talk about the possibility that these developing regions were decoupling from the developed economies of the West and Japan. At the same time, further write-downs at investment banks led to weakness in the financial sector with Credit Suisse and Deutsche Bank posting their first quarterly losses in 5 years.

Action by the Monetary Policy Committee (MPC) to alleviate some of the problems in the financial sector led it to ease the base rate from 5.25% to 5% in April. From here, however, the bank was increasingly constrained by high inflation figures which resulted in the investment community concluding that the bank would be unable to ease rates again until at least the autumn. The rally in markets prompted by the easing petered out during the course of May. By June, further declines in house prices and increases in commodity prices combined to squeeze the disposable income of consumers. A period of damaging stagflation, that is, a stagnant or slowing economy combined with high inflation, appeared increasingly likely and the main indices recorded double-digit falls during the month.

July saw these gloomy predictions for the global economy finally impact upon expectations for growth and commodity prices began to ease. The price of crude, which peaked during the month at \$146 a barrel, fell to \$124 a barrel by the end of July. At the same time an increasing number of rumours began to circulate about the financial strength of a number of US institutions.

By the end of August, the price of crude had almost come full-circle, falling to \$114 a barrel, within touching distance of the level at which it started the period. Also, the US government sponsored mortgage entities, Fannie Mae and Freddie Mac, had been compelled to release statements attempting to bolster confidence in their ongoing viability.

## PORTFOLIO ACTIVITY

There was a healthy level of activity over the six months, with the overall theme of trades taking the portfolio stance in a more defensive direction. To this end, we sold down Northgate, the van hire company with exposure to the troubled Spanish construction sector. Rising oil prices and fragile consumer sentiment made us increasingly concerned over prospects for civil aviation and we therefore heavily reduced Meggitt and exited Rolls-Royce, both with exposure to this sector. Although we did increase exposure to HSBC and to Royal Bank of Scotland, we sold down Barclays and also, at the end of August, Lloyds TSB. We viewed the food retailer Tesco as having rather less defensive characteristics in the current environment as we suspect many customers will be starting to shop with Aldi, Netto and their like. Margin pressures seem likely to be a feature whilst, the non food retail interests will be suffering in a difficult high street.

## OUTLOOK

With further clarity now being reached on the future of the US financial institutions Fannie Mae and Freddie Mac (post the end of this reporting period) following the intervention of the US government to explicitly guarantee their mortgage bonds, a significant source of uncertainty has been removed from the global financial system. This positive has been superseded by further negative news in the shape of the bankruptcy protection move of US investment bank, Lehman. What this does underline is that volatility will remain a feature until we see some signs of a recovery in moribund economies such as the UK or US. Self evidently, investors will also hope for an end to negative events within the financial sector, but that prospect remains highly uncertain at the time of writing.

Source: Castlefield Investment Partners LLP, September 2008.

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.

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Premier Castlefield Global Equity Fund is predominately to generate long term capital growth by investing principally in a portfolio of non-UK equities and/or collective investment schemes, although money market instruments, deposits, warrants, derivatives (for hedging purposes) and other permitted investments and transactions may also be invested in. The aim is to achieve a total return in excess of that generated by the FTSE World ex UK Index.

## INVESTMENT REVIEW

### INVESTMENT PHILOSOPHY AND PROCESS

Although technically able to invest directly in non-UK equities, we pursue a 'multi-manager' approach in managing the Premier Castlefield Global Equity Fund, selecting and monitoring other investment funds, each of which offers a particular regional exposure or area of expertise. This is in recognition of the fact that no one investment house can consistently be the best at managing all types of assets over all time periods. We have developed a methodology which looks for consistency of investment performance against a fund's particular benchmark, across discrete time periods. Of particular importance is an understanding of how this consistent performance was achieved and whether this is likely to be repeatable. This involves prospective and current managers completing a detailed questionnaire and submitting a one to one interview about how their fund is managed. For each geographical region, we look to select both 'core' and 'satellite' funds i.e., funds with some predictability of returns against their benchmark and those where perhaps more individual manager or team 'flair' is likely to show through. Apart from the effort required to select and manage other funds, our skills are concentrated on taking active asset allocation decisions relative to the benchmark, the FTSE World ex UK Index. The result is a methodology which hopes to capture consistent out-performance of the benchmark, whilst minimising the risk of under-performance over any time period.

### PERFORMANCE

Over the six month reporting period, the Fund has achieved a total return fall of 2.9% against a total return of the benchmark FTSE World ex UK Index of 2.1%.

### MARKET REVIEW

March saw investors increasingly nervous as the global credit crisis continued to intensify. This, and continued high commodity prices, caused the Dow to sink to its lowest level since October 2006 before recovering to end March almost unchanged. In order to try and maintain the stability of the financial system, the Federal Reserve (Fed) announced further measures aimed at boosting liquidity in the money markets and cut rates by an additional 0.75% bringing the total easing since August to a full 3.0%. Within Europe, fears that the continued crisis would further impact the investment banks weighed on sentiment despite sector heavyweights such as UBS having raised fresh capital in February. This culminated with the shock announcement that UBS was writing down a further \$19bn of mortgage related assets and would carry out a rights issue. The Japanese market was impacted by continued strength of the Japanese yen. Although the credit crisis in other countries has largely left Asian financial institutions unscathed, the aggressive interest rate cuts by Western central banks has resulted in the yen strengthening against most other major currencies.

A growing belief that the worst of the credit crisis had already been seen, combined with better than expected company results, meant that April was a better month for global equity markets. In the US, confidence in the banking system improved after Lehman Brothers announced it had raised \$4bn from the sale of new shares. However, downbeat testimony from the Fed Chairman and General Electric reporting its first quarterly loss in five years meant equities quickly moved lower. Although the Fed eased monetary policy at the end of the month by a further quarter-point, its accompanying policy statement gave less hope of further imminent cuts. Nevertheless, the S&P 500 was 4.8% higher by month end. Unfortunately, with the European Central Bank determined not to relax monetary policy, the euro rose to a succession of record highs against the dollar and sterling, putting car makers and other export oriented stocks under pressure. However by month end, the German DAX Index was 6.3% higher whilst the French CAC40 was up 6.2%.

In early summer, US equities moved lower as a rise in unemployment figures, record high oil prices and further negative news from the US banking sector all depressed investors. The Fed warned that interest rates might have to rise to curb inflation as the price of crude continued to hit new highs and the news of another slump in house prices exacerbated the gloom, and the S&P 500 was 8.6% lower in June as a result. July was very much a month of two halves for equity markets. Initially shares moved lower on anxiety over the health of the US financial system and as oil prices posted a fresh peak above \$147 per barrel. Persistent speculation that Fannie Mae and Freddie Mac, the state-sponsored US mortgage lenders, might be forced to raise additional capital further unsettled investors, but sentiment improved dramatically in the second half of the month as the oil price went into reverse, dropping below \$125, and better than expected results from key banks helped ease fears over that sector. In Europe, climbing oil prices and fresh write-down concerns at financial institutions led to further share price weakness. Encouraging results from industrial groups such as Arcelor Mittal and Siemens provided cause for optimism. As the price of oil began to fall from the mid-month point, optimism about global demand sparked a revival in Tokyo, with the Nikkei climbing 6.7% over the next five sessions. The index moderated towards the end of the month to leave the Nikkei 225 down a net 0.8% in July.

Most of the main indices ended the last month of the review period modestly higher although volatility was again a recurring feature. One of the main themes was the sudden weakening of sterling against a number of currencies but especially the dollar. Also, investors gradually reconciled themselves to the likelihood that there would be some form of state intervention in order to prop up the mortgage market as a crisis of confidence continued to surround Fannie Mae and Freddie Mac of the US. In dollar terms, the S&P 500 was up 1.2% for August. European equity markets were again mixed in August, however, European equities enjoyed a more positive end to the month, in line with Wall Street. Japanese equities were the worst performer amongst the developed markets in August. The month began poorly as shares in Tokyo eased on weak US economic data, however, as fears about a US recession started to recede, the Nikkei rebounded with export-oriented stocks leading the way. The benchmark Nikkei 225 was 2.3% lower on the month, although with the yen moving in line with the dollar, sterling-based investors enjoyed gains of more than 5%.

### PORTFOLIO ACTIVITY

There was a reasonable level of activity during the six months being reviewed, with monies being raised primarily from the US and Japan during June, this against a background of deepening market uncertainty. This selling continued in July before funds started to find their way back into equities. Purchases were modest and opportunistic and via index tracking Exchange Traded Funds, again mainly in the US and Japan. The portfolio ran a reasonable cash level for much of the period, this helping it to weather some of the market volatility.

### OUTLOOK

With further clarity now being reached on the future of the US financial institutions Fannie Mae and Freddie Mac (post the end of this reporting period) following the intervention of the US government to explicitly guarantee their mortgage bonds, a significant source of uncertainty has been removed from the global financial system. This positive has been superseded by further negative news in the shape of the bankruptcy protection move of US investment bank, Lehman. What this does underline is that volatility will remain a feature until we see some signs of a recovery in moribund economies such as the UK or US. Self evidently, investors will also hope for an end to negative events within the financial sector, but that prospect remains highly uncertain at the time of writing.

Source: Castlefield Investment Partners LLP, September 2008.

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



# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## INVESTMENT OBJECTIVE AND 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.

## INVESTMENT REVIEW

### 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

The current economic backdrop has not been particularly helpful for high yielding equities. Moreover, the strong relative performance from lower yielding sectors, such as the mining sector, has made it difficult for higher yielding funds to keep pace with the overall market.

In the period under review, the Fund produced a fall of 8.7% compared to a total return fall of 4.9% from the IMA UK Equity Income Sector and a fall of 2.3% for the FTSE All Share Index.

### MARKET REVIEW

The ongoing crisis in credit markets and increased concerns about recession provided a difficult backdrop for equities during the period under review. Markets were weak from the outset as investors reacted to soft economic data from both sides of the Atlantic. In the US, news that mortgage delinquencies had hit a record high in the fourth quarter, and a larger than expected fall in non-farm payrolls, exasperated fears of a recession. Rising commodity prices, a weakening dollar and the crisis at Bear Stearns sent equities sharply lower. On 17 March, the FTSE 100 Index hit a low of 5414, then its lowest level since November 2005.

From here, markets began to recover as investors reacted positively to the Federal Reserve's unexpected 75 basis point cut in interest rates. Positive results from a number of banks helped boost sentiment further and shares continued upwards for the remainder of the month.

Positive corporate news continued in April as a number of companies reported better than expected results. Sentiment improved further when the Bank of England announced plans to inject £50bn into the interbank funding market in order to ease liquidity. This, combined with hopes that the crisis in the banking sector was nearing an end, resulted in the benchmark indices enjoying their largest gains since April 2003.

May started well as investors responded to better than expected first quarter results from HSBC. Oil and mining stocks advanced on the back of rumours of renewed corporate activity and expectations of strong future demand for raw materials. Markets continued to push ahead until the 19 May when the FTSE 100 Index reached a four month high of 6376, the highest point reached during the period under review.

Share prices moved swiftly into reverse as investors became concerned about the growing upside risk to inflation and the future direction of interest rates. Financial stocks led the market down when it emerged that Moody's had awarded incorrect triple-A ratings to billions of dollars worth of complex European debt products. Bank stocks came under further pressure as concerns grew that the recent cash calls in the sector might fail to attract sufficient support.

Markets continued down in June. Falling oil prices impacted the heavyweight oil sector while rising unemployment in the USA raised concerns about the possibility of recession and contributed to investor's woes. Minutes from the Monetary Policy Committee (MPC) did little to ease concerns when it emerged that the Committee had discussed the possibility of raising interest rates. This, in conjunction with poor corporate results, kept downward pressure on markets for the remainder of the month.

Sentiment continued to deteriorate in August as headline inflation recorded a sharp increase and TPG pulled its offer to inject £179m into Bradford & Bingley. Growing concerns about the financial health of US mortgage agencies, Fannie Mae and Freddie Mac, help push the FTSE 100 Index down to a low of 5071 on 16 August. This was 25% below the high point reached in October 2007 and the lowest point reached during the period under review.

Markets managed to recover some lost ground in the final trading days of August and finished the period slightly above the lows.

### PORTFOLIO ACTIVITY

During the period under review, British Land, the real estate company, was added to the Fund. The company has 99% occupancy levels with long average lease lengths. In addition the group is well financed with an average loan maturity of 12.6 years fixed at 5.28%. Following a long period of sector underperformance, the stock offered a yield approaching 4%.

BP, the integrated oil company, was also added to the Fund. The company is currently benefitting from a strong oil price and a pickup in volume growth. In addition, BP recently increased its dividend by 31% as management reduced the ongoing share buyback programme in favour of dividend payments. As a result, the shares have one of the highest yields in the sector.

Bradford & Bingley was sold following continued deterioration in the group's core "buy to let" market. In addition, the impact of the credit crunch combined with recent credit downgrades will increase the company's funding costs. Both of these factors will result in further margin compression and put increased pressure on an already weak balance sheet.

DSG International was sold following the announcement of a 50% cut in the final dividend. The outlook for the group is uncertain as a result of continued deterioration in consumer confidence and increased competition. Although management has been proactive in implementing a restructuring programme in response to current market conditions, the benefits are not expected to impact the bottom line until 2010.

### OUTLOOK

The long term outlook for UK equities remains positive and a number of sectors currently look cheap against historic valuations. However, in the short term, equities are likely to remain volatile until some stability emerges in global credit markets.

Source: Castlefield Investment Partners LLP, September 2008.

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.



# PREMIER CASTLEFIELD UK ALPHA FUND

## INVESTMENT OBJECTIVE AND 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 sub-fund will look to achieve this by actively investing in those companies, primarily within the UK where the Investment Adviser believes there are above average opportunities for growth.

## INVESTMENT REVIEW

### INVESTMENT PHILOSOPHY AND PROCESS

The remit of the Premier Castlefield UK Alpha Fund is to achieve a total return in excess of the benchmark FTSE All-Share index. The sub-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 sub-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

Over the reporting period, the Fund has achieved a total return fall of 6.8% against a total return of the benchmark FTSE All Share Index which fell by 2.3%.

The period was a volatile one with the Fund outperforming the Index through the first three months as investors became more confident about the global economic outlook. During the second half of the period, sliding commodity prices and further concerns surrounding the US financial system led to falling indices with the Fund underperforming in this environment.

### MARKET REVIEW

In another volatile period for investors, a number of themes played out over the course of the six months under review. At the start of the period, commodity prices were continuing the strong upwards trajectory that they had been following for the previous few years. Apparent strong demand in emerging markets for raw materials led some commentators to talk about the possibility that these developing regions were decoupling from the developed economies of the West and Japan. At the same time, further write-downs at investment banks led to weakness in the financial sector with Credit Suisse and Deutsche Bank posting their first quarterly losses in 5 years.

Action by the Monetary Policy Committee (MPC) to alleviate some of the problems in the financial sector led it to ease monetary policy from 5.25% to 5% in April. However, the bank was increasingly constrained by high inflation figures which resulted in the investment community concluding that the bank would be unable to ease rates again until at least the autumn. The rally in markets prompted by the easing petered out during the course of May. By June, further declines in house prices and increases in commodity prices combined to squeeze the disposable income of consumers. A period of damaging stagflation, that is, a stagnant or slowing economy, combined with high inflation appeared increasingly likely and the main indices recorded double-digit falls during the month.

July saw these dire predictions for the global economy finally impact upon expectations for growth and commodity prices began to ease. The price of crude, which peaked during the month at \$146 a barrel, fell to \$124 a barrel by the end of July. At the same time an increasing number of rumours began to circulate about the financial strength of a number of US institutions.

By the end of August, the price of crude had almost come full-circle, falling to \$114 a barrel, within touching distance of the level at which it started the period. Also, the US government sponsored mortgage entities, Fannie Mae and Freddie Mac, had been compelled to release statements attempting to bolster confidence in their ongoing viability.

## PORTFOLIO ACTIVITY

During the period, a number of new holdings were introduced which we feel will be able to outperform in the current economic climate. The oil services group Petrofac was added to the portfolio in mid-March. The group is involved in the engineering construction, consulting and procurement sectors for the global oil and gas majors as well as the national oil companies of the OPEC nations. It should be a beneficiary of continued high levels of capital investment by the oil majors as well as building up a portfolio of its own oil reserves through partnering contracts on established oil fields.

This addition to the portfolio was funded through the sale of the remainder of the holding in SABMiller. The stock had outperformed given its relative defensive merits, however, rising grain and energy prices as well as stiffening competition as a result of Merging and Acquisition (M&A) activity amongst its peers had not been reflected in the share price and the remainder of the holding was sold.

An underweight position in Royal Bank of Scotland (RBS) was added to and the rights entitlement taken up which now leaves the portfolio overweight in this bank, although still underweight the banking sector. As the group has been quicker than many of its peers to address its capital position, the bank has had a relatively successful rights issue whilst others still need to raise further capital or have had to issue shares at steeper discounts. Although the financial sector still faces headwinds both in the UK and US, where RBS also has operations, the group should outperform peers as it is in position of greater flexibility to grow its business as conditions improve.

Most recently, a new holding in IG Group was added to the portfolio. The group is a spread betting and contracts-for-difference (CFD) provider operating in a number of global markets. The group has been successful at signing up customers in new jurisdictions by tailoring its offering to local markets. The group should benefit from current market volatility which tends to stimulate customer activity whilst it is itself not exposed to the underlying direction of the market. A strong balance sheet with net cash should also enable it to weather the current climate while investor sentiment remains negative towards those companies perceived to be at risk from the need to refinance their borrowings.

## OUTLOOK

With further news flow emerging almost daily about the future of US financial institutions, further market volatility appears inevitable in the short term. However, these developments are likely to be a net positive for investor sentiment as a number of areas of uncertainty are gradually removed. Post the end of this reporting period, Fannie Mae and Freddie Mac have undergone a de-facto nationalisation following the intervention of the US government to explicitly guarantee their mortgage bonds. The more recent collapse of Lehman Brothers is likely to be a more complex affair as market participants and regulators work to unwind the broker's exposures. This may well result in considerable asset price volatility as large volumes of illiquid instruments are disposed of, and the impact this has on other financial groups remains to be seen. Looking further ahead, if commodity prices remain at lower levels it should be a net positive for global demand growth and a return to a focus on fundamentals should benefit the Fund.

Source: Castlefield Investment Partners LLP, September 2008.  
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.

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Premier Castlefield UK Smaller Companies Fund is to invest primarily for long term capital growth. The sub-fund will look to achieve this by investing predominantly in shares in smaller UK companies including those listed on the Alternative Investment Market.

## INVESTMENT REVIEW

### 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 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 under review, the Premier Castlefield UK Smaller Companies Fund recorded a total return fall of 13.2% compared to a total return from the benchmark\* fall of 12.7% and the IMA UK Smaller Companies Sector average total return fall of 8.1%.

### MARKET REVIEW

A number of themes played out over the course of the six months under review. At the start of the period, commodity prices were continuing the strong upwards trajectory that they had been following for the previous few years. Apparent strong demand in emerging markets for raw materials led some commentators to talk about the possibility that these developing regions were decoupling from the developed economies of the West and Japan. At the same time, further write-downs at investment banks led to weakness in the financial sector with Credit Suisse and Deutsche Bank posting their first quarterly losses in 5 years

Action by the Monetary Policy Committee (MPC) to alleviate some of the problems in the financial sector led it to ease monetary policy from 5.25% to 5% in April. From here, however, the bank was increasingly constrained by high inflation figures which resulted in the investment community concluding that the bank would be unable to ease rates again until at least the autumn. The rally in markets prompted by the easing petered out during the course of May. By June, further declines in house prices and increases in commodity prices combined to squeeze the disposable income of consumers. A period of damaging stagflation, that is, a stagnant or slowing economy combined with high inflation appeared increasingly likely and the main indices recorded double-digit falls during the month.

July saw these gloomy predictions for the global economy finally impact upon expectations for growth and commodity prices began to ease. The price of crude, which peaked during the month at \$146 a barrel, fell to \$124 a barrel by the end of July. At the same time an increasing number of rumours began to circulate about the financial strength of a number of US institutions.

By the end of August, the price of crude had almost come full-circle, falling to \$114 a barrel, within touching distance of the level at which it started the period. Also, the US government sponsored mortgage entities, Fannie Mae and Freddie Mac, had been compelled to release statements attempting to bolster confidence in their ongoing viability.

### PORTFOLIO ACTIVITY

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 limited due to difficult market conditions. Two AiM listed stocks Bowleven and 1st Property Online were reduced into strength in the last six months. Reductions were also made in two other large holdings – Clarkson and VT Group. However, all of these stocks remain attractive and continue to be important holdings for the Fund. Funds raised were re-invested into four new holdings. T Clarke is an electrical engineering and contracting company. The company has continued to win new business across a wide range of sectors despite the difficult economic environment and is attractively valued. A small holding was established in Enfis. Enfis is involved in the design of solid state lighting for multiple applications. Solid state lighting is considerably more efficient than conventional incandescent lighting and is also non-polluting. Intec Telecom Systems is a leading provider of billing and operating support systems to the global telecoms industry. Intec continues to win major contracts in what is clearly a long term growth market.

Stanley Gibbons is involved in dealing in stamps, historic autographs and related memorabilia. The company has good growth prospects and is attractively valued with a decent yield.

### OUTLOOK

Further clarity has been reached on the future of the US financial markets with government assistance being provided to the major mortgage companies and AIG, a very large insurance company. However considerable uncertainty remains in world markets. Against such a background small companies as a whole are unlikely to make much progress. Typically positive sentiment must return to larger companies before investors begin to focus once again on their smaller counterparts. However on a positive note most companies held in the portfolio have continued to produce positive operating results and look very attractive on valuation terms. This was graphically illustrated after the period end by the agreed takeover of Vebrnet, a significant holding in the Fund, by Standard Life at a premium of around 115%. As confidence returns to world markets, we believe there is considerable upside potential in the Premier Castlefield UK Smaller Companies Fund.

\*Benchmark: FTSE Small Cap ex IIs Index.

Source: Castlefield Investment Partners LLP, September 2008.

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.

# PREMIER CASTLEFIELD FUNDS AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the period to 31st August 2008

	Notes	31/08/08 £'000	31/08/07 £'000
Net (losses)/gains on investments during the period	2	(4,076)	142
Income	3	1,166	952
Expenses	4	(420)	(358)
Finance costs: Interest	6	-	-
Net income before taxation		746	594
Taxation	5	(8)	(12)
Net income after taxation		738	582
Total return before distributions		(3,338)	724
Finance costs: Distributions	6	(803)	(692)
<b>Change in net assets attributable to shareholders</b>		<b>(4,141)</b>	<b>32</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31st August 2008

	Notes	31/08/08 £'000	31/08/07 £'000
Net assets at the start of the period		60,932	56,841
Movements due to sales and repurchases of shares:			
Amounts receivable on issue of shares		1,349	16,325
Less: Amount payable on cancellation of shares		(1,204)	(8,299)
		145	8,026
Dilution levy		1	4
Change in net assets attributable to shareholders (see above)		(4,141)	32
Retained distribution on accumulation shares	6	89	77
Unclaimed distributions		-	14
<b>Net assets at the end of the period</b>		<b>57,026</b>	<b>64,994</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08 £'000	28/02/08 £'000
<b>ASSETS</b>			
Portfolio of Investments		54,148	59,721
Debtors	7	404	411
Cash and bank balances	8	3,123	1,377
<b>Total other assets</b>		<b>3,527</b>	<b>1,788</b>
<b>Total assets</b>		<b>57,675</b>	<b>61,509</b>
<b>LIABILITIES</b>			
Creditors	10	(207)	(337)
Bank overdrafts	9	(96)	(111)
Distributions payable on income shares	6	(346)	(129)
<b>Total liabilities</b>		<b>(649)</b>	<b>(577)</b>
<b>Net assets attributable to shareholders</b>		<b>57,026</b>	<b>60,932</b>

The notes on pages 11 and 12 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD FUNDS AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE AGGREGATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies applied are set out in the notes to the financial statements of each of the sub-funds. The aggregated financial statements represent the summation of the financial statements for each of the sub-funds.

### 2. NET (LOSSES)/GAINS ON INVESTMENTS

The net (losses)/gains on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(4,076)	142
<b>Net (losses)/gains on investments</b>	<b>(4,076)</b>	<b>142</b>

### 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	57	25
Deposit interest	3	2
Franked UK dividends	934	821
Franked REIT income	2	-
Gross unfranked REIT income	4	-
Overseas dividends	37	6
<b>Payments from authorised collective investment schemes:</b>		
- Franked distributions	-	1
- Unfranked distributions	115	91
Renewal commission	14	6
	<b>1,166</b>	<b>952</b>

### 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	62	40
Investment adviser's fee	232	225
	<b>294</b>	<b>265</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	11	11
Safe custody fees	1	1
Transaction charges	2	2
	<b>14</b>	<b>14</b>

### Other expenses:

Auditors' remuneration	8	8
Administration fees	74	42
Registration fees	20	15
Price publication fees	12	6
Printing fee	(2)	8
	<b>112</b>	<b>79</b>
<b>Total expenses</b>	<b>420</b>	<b>358</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Irrecoverable income tax	6	12
Overseas withholding tax	2	-
<b>Total current tax (note 6 (b))</b>	<b>8</b>	<b>12</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income before taxation	746	594
	<b>746</b>	<b>594</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)

	149	119
--	-----	-----

### Effects of:

Franked UK dividends and distributions not subject to taxation	(186)	(164)
Irrecoverable income tax	6	12
Overseas withholding tax	2	-
Expenses not utilised in period	44	45
Tax payable in different periods	(1)	-
Prior period expenses utilised	(6)	-
<b>Current tax charge (note 6 (a))</b>	<b>8</b>	<b>12</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

# PREMIER CASTLEFIELD FUNDS AGGREGATED FINANCIAL STATEMENTS

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
First monthly distribution	10	9
Second monthly distribution	10	9
Third monthly distribution	10	10
Fourth monthly distribution	10	10
Fifth monthly distribution	10	10
Sixth monthly distribution	48	48
First quarter distribution	323	276
First quarter accumulation	51	43
Second quarter distribution	298	239
Second quarter accumulation	38	34
	<b>808</b>	<b>688</b>
Add: Income deducted on cancellation of shares	4	20
Deduct: Income received on issue of shares	(9)	(16)
<b>Net distributions for the period</b>	<b>803</b>	<b>692</b>
Interest	-	-
<b>Total finance costs</b>	<b>803</b>	<b>692</b>

The difference between the net income after taxation and the amounts distributed comprises

Net income after taxation	738	582
Expenses offset against capital	123	124
Income deficit taken to capital	-	21
Undistributed income carried forward	(58)	(35)
<b>Finance costs: Distributions</b>	<b>803</b>	<b>692</b>

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	277	167
Prepaid expenses	63	72
Recoverable income tax	-	3
Sales awaiting settlement	64	169
	<b>404</b>	<b>411</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Euro	18	14
Sterling	3,105	1,363
<b>Cash and bank balances</b>	<b>3,123</b>	<b>1,377</b>

## 9. BANK OVERDRAFTS

	31/08/08 £'000	28/02/08 £'000
Sterling	96	111
<b>Bank overdrafts</b>	<b>96</b>	<b>111</b>

## 10. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	195	278
Amounts payable for cancellation of shares	5	22
Purchases awaiting settlement	7	37
	<b>207</b>	<b>337</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 14. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/08/08 £'000	31/08/07 £'000
Purchases in period before transaction costs	3,596	15,632
Commissions	8	13
Taxes	8	12
<b>Total purchase costs</b>	<b>16</b>	<b>25</b>
<b>Gross purchases total</b>	<b>3,612</b>	<b>15,657</b>

Analysis of total sale costs:

Gross sales before transaction costs	4,170	7,112
Commissions	(2)	-
Taxes	(1)	-
<b>Total sale costs</b>	<b>(3)</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>4,167</b>	<b>7,112</b>

# PREMIER CASTLEFIELD UK EQUITY FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>General Shares - Income</b>		
2005 <sup>1</sup>	204.41	173.55
2006	232.79	199.66
2007	251.24	219.03
2008 <sup>2</sup>	234.00	184.74
<b>General Shares - Accumulation</b>		
2003 <sup>3</sup>	161.34	154.92
2004	173.55	154.25
2005	208.81	173.38
2006	244.90	206.43
2007	265.50	233.10
2008 <sup>2</sup>	252.00	201.64
<b>Institutional Shares - Income</b>		
2006 <sup>4</sup>	235.80	199.75
2007	254.17	221.79
2008 <sup>2</sup>	237.10	187.47
<b>Institutional Shares - Accumulation</b>		
2006 <sup>5</sup>	246.79	206.68
2007	268.16	235.63
2008 <sup>2</sup>	255.23	204.77
<b>Charity Shares - Income</b>		
2003 <sup>6</sup>	161.41	149.44
2004	169.08	151.26
2005	198.86	168.35
2006	228.99	194.34
2007	246.95	215.39
2008 <sup>2</sup>	230.44	182.26
<b>Charity Shares - Accumulation</b>		
2007 <sup>7</sup>	247.91	217.87
2008 <sup>2</sup>	236.10	189.55
<b>Income/Accumulation Record</b>		
Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>General Shares - Income</b>		
2005 <sup>1</sup>	4.7443	26.74
2006	3.4137	19.24
2007	5.0714	25.58
2008 <sup>2</sup>	4.6585	26.26
<b>General Shares - Accumulation</b>		
2003 <sup>3</sup>	0.5800	3.72
2004	4.2887	27.53
2005	4.7893	30.74
2006	4.9234	31.61
2007	5.4356	34.89
2008 <sup>2</sup>	5.1510	33.04
<b>Institutional Shares - Income</b>		
2006 <sup>4</sup>	3.9088	18.75
2007	5.6165	26.94
2008 <sup>2</sup>	5.1087	24.51
<b>Institutional Shares - Accumulation</b>		
2006 <sup>5</sup>	3.6788	15.92
2007	6.0777	26.29
2008 <sup>2</sup>	5.6716	24.54

### Charity Shares - Income

2003 <sup>6</sup>	0.8526	5.54
2004	4.4749	29.08
2005	4.8575	31.57
2006	4.5101	29.31
2007	5.6064	36.43
2008 <sup>2</sup>	5.2908	34.38

### Charity Shares - Accumulation

2007 <sup>7</sup>	5.4009	22.16
2008 <sup>2</sup>	5.8079	23.83

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>General Shares - Income</b>			
28/02/2007	857	233.34	34,070,127
28/02/2008	959	219.45	30,374,556
31/08/2008	522	204.81	29,034,070
<b>General Shares - Accumulation</b>			
28/02/2007	32,632	246.06	34,070,127
28/02/2008	32,694	236.81	30,374,566
31/08/2008	32,296	225.59	29,034,070
<b>Institutional Shares - Income</b>			
28/02/2007	2,602,835	235.75	34,070,127
28/02/2008	2,992,379	222.39	30,374,556
31/08/2008	3,319,699	207.90	29,034,070
<b>Institutional Shares - Accumulation</b>			
28/02/2007	1,801,867	248.16	34,070,127
28/02/2008	1,737,143	240.03	30,374,556
31/08/2008	1,736,748	229.24	29,034,070
<b>Charity Shares - Income</b>			
28/02/2007	10,205,868	229.02	34,070,127
28/02/2008	9,004,570	216.14	30,374,556
31/08/2008	8,940,227	202.13	29,034,070
<b>Charity Shares - Accumulation</b>			
28/02/2007	2,921	229.32	34,070,127
28/02/2008	3,471	222.17	30,374,556
31/08/2008	3,044	212.70	29,034,070

<sup>1</sup> From 1st February 2005 to 31st December 2005.

<sup>2</sup> To 31st August 2008.

<sup>3</sup> From 5th November 2003 to 31st December 2003.

<sup>4</sup> From 1st June 2006 to 31st December 2006.

<sup>5</sup> From 25th April 2006 to 31st December 2006.

<sup>6</sup> From 1st September 2003 to 31st December 2003.

<sup>7</sup> From 26th February 2007 to 31st December 2007.

## TOTAL EXPENSE RATIOS (TERs)

	28/02/08
General Shares	1.55%
Institutional Shares	1.05%
Charity Shares	0.95%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

# PREMIER CASTLEFIELD UK EQUITY FUND

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>EQUITIES - EUROPE 0.53% (0.78%)</b>				<b>General Financial 4.89% (3.00%)</b>		
	<b>Banks 0.53% (0.78%)</b>			38,331	3i	348	1.20
32,218	Anglo Irish Bank	153	0.53	30,162	Intermediate Capital	414	1.43
		<u>153</u>	<u>0.53</u>	92,771	New Star Asset Management	96	0.33
				100,509	Man Group	562	1.93
						<u>1,420</u>	<u>4.89</u>
	<b>EQUITIES - UNITED KINGDOM 91.45% (93.88%)</b>				<b>Life Insurance 2.67% (2.68%)</b>		
	<b>BASIC MATERIALS 10.45% (9.38%)</b>			65,456	Prudential	357	1.23
	<b>Mining 10.45% (9.38%)</b>			165,680	Standard Life	417	1.44
24,718	Anglo American	736	2.54			<u>774</u>	<u>2.67</u>
55,405	BHP Billiton	965	3.32		<b>Real Estate 0.65% (0.00%)</b>		
19,192	Rio Tinto	1,020	3.51	25,093	British Land	188	0.65
10,133	Xstrata	312	1.08			<u>188</u>	<u>0.65</u>
		<u>3,033</u>	<u>10.45</u>				
	<b>CONSUMER GOODS 6.63% (6.92%)</b>				<b>HEALTH CARE 5.81% (4.86%)</b>		
	<b>Beverages 2.53% (2.58%)</b>				<b>Health Care Equipment &amp; Services 1.72% (1.67%)</b>		
73,257	Diageo	736	2.53	76,650	Smith & Nephew	500	1.72
		<u>736</u>	<u>2.53</u>			<u>500</u>	<u>1.72</u>
	<b>Food Producers 2.81% (3.08%)</b>				<b>Pharmaceuticals &amp; Biotechnology 4.09% (3.19%)</b>		
82,426	Tate & Lyle	368	1.27	19,120	AstraZeneca	514	1.77
30,494	Unilever	448	1.54	52,525	GlaxoSmithKline	674	2.32
		<u>816</u>	<u>2.81</u>			<u>1,188</u>	<u>4.09</u>
	<b>Household Goods 1.29% (1.26%)</b>				<b>INDUSTRIALS 11.43% (15.69%)</b>		
13,649	Reckitt Benckiser	375	1.29		<b>Aerospace &amp; Defence 0.92% (4.11%)</b>		
		<u>375</u>	<u>1.29</u>	116,460	Meggitt	268	0.92
						<u>268</u>	<u>0.92</u>
	<b>CONSUMER SERVICES 4.17% (6.29%)</b>				<b>Industrial Engineering 2.41% (2.27%)</b>		
	<b>Food &amp; Drug Retailers 1.01% (2.03%)</b>			142,200	Bodycote	314	1.08
76,851	Tesco	294	1.01	40,310	Charter	378	1.30
		<u>294</u>	<u>1.01</u>	2,281	Mondi	8	0.03
						<u>700</u>	<u>2.41</u>
	<b>Media and Entertainment 2.25% (3.25%)</b>				<b>Industrial Transportation 1.99% (2.99%)</b>		
53,263	Pearson	358	1.24	33,770	Forth Ports	579	1.99
50,116	United Business Media	294	1.01			<u>579</u>	<u>1.99</u>
		<u>652</u>	<u>2.25</u>		<b>Support Services 6.11% (6.32%)</b>		
	<b>Travel and Leisure 0.91% (1.01%)</b>			594,148	Ashtead	453	1.56
23,420	Whitbread	264	0.91	40,179	Atkins (WS)	370	1.27
		<u>264</u>	<u>0.91</u>	63,689	Capita	450	1.55
				83,620	Experian	347	1.20
				49,230	Grafton	153	0.53
						<u>1,773</u>	<u>6.11</u>
	<b>FINANCIALS 21.88% (20.79%)</b>						
	<b>Banks 13.67% (15.11%)</b>						
60,820	HBOS	191	0.66				
215,675	HSBC	1,861	6.41				
53,690	Standard Chartered	793	2.73				
481,440	The Royal Bank of Scotland	1,125	3.87				
		<u>3,970</u>	<u>13.67</u>				



## PREMIER CASTLEFIELD UK EQUITY FUND

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>OIL &amp; GAS 19.32% (19.02%)</b>		
	<b>Oil &amp; Gas Producers 16.87% (15.92%)</b>		
95,507	BG	1,150	3.96
354,698	BP	1,874	6.45
99,883	Royal Dutch Shell 'B'	1,877	6.46
		<b>4,901</b>	<b>16.87</b>
	<b>Oil Equipment, Services &amp; Distribution 2.45% (3.10%)</b>		
151,651	John Wood	710	2.45
		<b>710</b>	<b>2.45</b>
	<b>TELECOMMUNICATIONS 7.35% (6.60%)</b>		
	<b>Mobile Telecommunications 7.35% (6.60%)</b>		
143,957	Inmarsat	726	2.50
1,002,164	Vodafone	1,408	4.85
		<b>2,134</b>	<b>7.35</b>
	<b>UTILITIES 4.41% (4.33%)</b>		
	<b>Electricity 2.66% (2.59%)</b>		
52,986	Scottish & Southern Energy	771	2.66
		<b>771</b>	<b>2.66</b>
	<b>Gas, Water &amp; Multiutilities 1.75% (1.74%)</b>		
70,574	National Grid	507	1.75
		<b>507</b>	<b>1.75</b>
	<b>EXCHANGE TRADED FUNDS 2.01% (3.06%)</b>		
	<b>United Kingdom 2.01% (3.06%)</b>		
103,499	iShares FTSE 100	583	2.01
		<b>583</b>	<b>2.01</b>
	<b>Total Value of Investments</b>	<b>27,289</b>	<b>93.99</b>
	<b>Net Other Assets</b>	<b>1,745</b>	<b>6.01</b>
	<b>Total Net Assets</b>	<b>29,034</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated.  
 Figures in brackets represent sector distribution at 28th February 2008.

# PREMIER CASTLEFIELD UK EQUITY FUND

## STATEMENT OF TOTAL RETURN

For the period to 31 August 2008

	Notes	31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
Net losses on investments during the period	2		(1,966)		(58)
Income	3	722		666	
Expenses	4	(144)		(161)	
Finance costs: Interest	6	-		-	
Net income before taxation		578		505	
Taxation	5	(3)		-	
Net income after taxation			575		505
Total return before distributions			(1,391)		447
Finance costs: Distributions	6		(647)		(585)
<b>Change in net assets attributable to shareholders</b>			<b>(2,038)</b>		<b>(138)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31 August 2008

	Notes	31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
<b>Net assets at the start of the period</b>			30,375		34,070
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		1,083		2,820	
Less: Amount payable on cancellation of shares		(476)		(3,824)	
			607		(1,004)
Dilution levy			1		-
Change in net assets attributable to shareholders (see above)			(2,038)		(138)
Retained distribution on accumulation shares	6		89		77
Unclaimed distributions			-		14
<b>Net assets at the end of the period</b>			<b>29,034</b>		<b>33,019</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	28/02/08
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments		27,289	29,681
Debtors	7	186	279
Cash and bank balances	8	1,843	569
<b>Total other assets</b>		<b>2,029</b>	<b>848</b>
<b>Total assets</b>		<b>29,318</b>	<b>30,529</b>
<b>LIABILITIES</b>			
Creditors	9	(43)	(74)
Distributions payable on income shares	6	(241)	(80)
<b>Total liabilities</b>		<b>(284)</b>	<b>(154)</b>
<b>Net assets attributable to shareholders</b>		<b>29,034</b>	<b>30,375</b>

The notes on pages 17 to 20 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD UK EQUITY FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

As at 31st August 2008

Purchases	Cost £'000	Note
The Royal Bank of Scotland	600	
Man Group	594	
Xstrata	364	
HSBC	357	
Vodafone	345	
British Land	228	
Anglo American	194	
BP	144	
<b>Total purchases during the period</b>	<b>2,826</b>	<b>14</b>
Sales	Proceeds £'000	
Rolls-Royce	614	
Barclays	390	
John Wood	340	
WPP	312	
iShares FTSE 100	287	
Lloyds TSB	282	
Tesco	266	
Anglo American	223	
Meggitt	174	
Northgate	142	
Charter	83	
BG	61	
Inmarsat	35	
Standard Life	20	
Rolls-Royce B shares	14	
<b>Total sales during the period</b>	<b>3,243</b>	<b>14</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period and at minimum the top 20 purchases and sales during the period. There were 8 purchases and 15 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Accumulation of income relating to accumulation units or shares held in collective investment schemes is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Bank interest, underwriting commission and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 50% of the sub-fund's expenses are to be borne by capital and 50% are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of investments managed by the ACD is their single price and the fair value of investments which are managed by other management groups is their contractual bid price.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# PREMIER CASTLEFIELD UK EQUITY FUND

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(1,966)	(58)
<b>Net losses on investments</b>	<b>(1,966)</b>	<b>(58)</b>

## 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	30	15
Franked UK dividends	641	635
Franked REIT income	1	-
Gross unfranked REIT income	3	-
Overseas dividends	32	6
<b>Payments from authorised collective investment schemes:</b>		
- Franked distributions	-	1
- Unfranked distributions	15	9
	<b>722</b>	<b>666</b>

## 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	15	10
Investment adviser's fee	104	117
	<b>119</b>	<b>127</b>

### Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	5	6
Safe custody fees	1	1
Transaction charges	-	1
	<b>6</b>	<b>8</b>

### Other expenses:

Auditors' remuneration	1	1
Administration fees	13	17
Registration fees	4	4
Printing fees	(1)	1
Price publication fees	2	3
	<b>19</b>	<b>26</b>

<b>Total expenses</b>	<b>144</b>	<b>161</b>
-----------------------	------------	------------

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Irrecoverable income tax	1	-
Overseas withholding tax	2	-
<b>Total current tax (note 5 (b))</b>	<b>3</b>	<b>-</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income before taxation	578	505
	<b>578</b>	<b>505</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	116	101

### Effects of:

Franked UK dividends and distributions not subject to taxation	(128)	(127)
Irrecoverable income tax	1	-
Overseas withholding tax	2	-
Expenses not utilised in period	13	26
Tax payable in different periods	(1)	-
<b>Current tax charge (note 6 (a))</b>	<b>3</b>	<b>-</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £207,554 (28th February 2008: £194,716) arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
First quarter distribution	323	276
First quarter accumulation	51	43
Second quarter distribution	241	225
Second quarter accumulation	38	34
	<b>653</b>	<b>578</b>
Add: Income deducted on cancellation of shares	3	20
Deduct: Income received on issue of shares	(9)	(13)
<b>Net distributions for the period</b>	<b>647</b>	<b>585</b>
Interest	-	-
<b>Total finance costs</b>	<b>647</b>	<b>585</b>

# PREMIER CASTLEFIELD UK EQUITY FUND

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	575	505
Expenses offset against capital	72	80
<b>Finance costs: Distributions</b>	<b>647</b>	<b>585</b>

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	178	103
Prepaid expenses	5	7
Sales awaiting settlement	3	169
	<b>186</b>	<b>279</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Euro	17	10
Sterling	1,826	559
<b>Cash and bank balances</b>	<b>1,843</b>	<b>569</b>

## 9. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	43	71
Amounts payable for cancellation of shares	-	3
	<b>43</b>	<b>74</b>

## 10. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") is 0.1% subject to a minimum of £20,000 per annum and is payable monthly. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 18. The balance outstanding at the period end was £nil (28th February 2008: £nil).

### Investment Adviser

The ACD has appointed Castlefield Investment Partners LLP to provide investment management and advisory services to the ACD.

### Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and

the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 18. There was nothing due to the Depository at the period end (28th February 2008: £nil).

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 12. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 5, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Other than cash and bank balances there was no direct foreign currency exposure within the sub-fund at the balance sheet date.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the majority of financial assets are in either equity shares or collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 16.

### Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

# PREMIER CASTLEFIELD UK EQUITY FUND

## 13. SHARE CLASSES

The sub-fund currently has three classes of share, General, Institutional and Charity. The annual investment adviser's fee on each share class is as follows:

General Shares: 1.25%  
 Institutional Shares: 0.75%  
 Charity Shares: 0.65%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 13. The distribution per share class is given in the distribution tables on this page and page 21.

## 14. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/08/08 £'000	31/08/07 £'000
Purchases in period before transaction costs	2,814	3,916
Commissions	6	6
Taxes	6	8
<b>Total purchase costs</b>	<b>12</b>	<b>14</b>
<b>Gross purchases total</b>	<b>2,826</b>	<b>3,930</b>

Analysis of total sale costs:

Gross sales before transaction costs	3,244	5,196
Commissions	(1)	-
<b>Total sale costs</b>	<b>(1)</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>3,243</b>	<b>5,196</b>

## DISTRIBUTION TABLES

For the period from 29th February 2008 to 31st May 2008

### General Income Shares

	Net		Distribution	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.4349	-	2.4349	2.1421
Group 2	2.4349	-	2.4349	2.1421

### General Accumulation Shares

	Net		Accumulation	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.6659	-	2.6659	2.2564
Group 2	2.6659	-	2.6659	2.2564

### Institutional Income Shares

	Net		Distribution	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.5875	-	2.5875	2.2897
Group 2	0.8290	1.7585	2.5875	2.2897

### Institutional Accumulation Shares

	Net		Accumulation	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.8565	-	2.8565	2.4401
Group 2	2.8565	-	2.8565	2.4401

### Charity Income Shares

	Net		Distribution	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.6209	-	2.6209	2.2976
Group 2	0.8795	1.7414	2.6209	2.2976

### Charity Accumulation Shares

	Net		Accumulation	
	Income	Equalisation	Paid	Paid
			27/08/08	27/08/07
Group 1	2.8658	-	2.8658	2.3114
Group 2	2.8658	-	2.8658	2.3114

For the period from 1st June 2008 to 31st August 2008

### General Income Shares

	Net		Distribution	
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	1.7605	-	1.7605	1.6781
Group 2	1.7605	-	1.7605	1.6781

### General Accumulation Shares

	Net		Accumulation	
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	1.9945	-	1.9945	1.7999
Group 2	1.9945	-	1.9945	1.7999

### Institutional Income Shares

	Net		Distribution	
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	1.9222	-	1.9222	1.9031
Group 2	1.3738	0.5484	1.9222	1.9031

## PREMIER CASTLEFIELD UK EQUITY FUND

### Institutional Accumulation Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	2.1679	-	2.1679	1.9038
Group 2	2.1679	-	2.1679	1.9038

### Charity Income Shares

	Net		Distribution	Distribution
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	1.9773	-	1.9773	1.7868
Group 2	1.4826	0.4947	1.9773	1.7868

### Charity Accumulation Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable	Paid
			27/11/08	27/11/07
Group 1	2.2288	-	2.2288	1.8383
Group 2	2.2288	-	2.2288	1.8383



# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>General Shares - Income</b>		
2003 <sup>1</sup>	126.49	111.11
2004	131.58	116.78
2005	162.51	128.42
2006	173.29	149.45
2007	181.06	151.74
2008 <sup>2</sup>	175.11	146.98
<b>Institutional Shares - Income</b>		
2006 <sup>3</sup>	167.49	152.66
2007	183.67	165.01
2008 <sup>2</sup>	177.84	149.61
<b>Charity Shares - Income</b>		
2006 <sup>4</sup>	167.25	152.38
2007	183.42	164.76
2008 <sup>2</sup>	177.78	149.62

### Income Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>General Shares - Income</b>		
2003 <sup>1</sup>	-	-
2004	-	-
2005	-	-
2006	-	-
2007	-	-
2008 <sup>2</sup>	0.1876	1.22
<b>Institutional Shares - Income</b>		
2006 <sup>3</sup>	-	-
2007	-	-
2008 <sup>2</sup>	0.2035	1.32
<b>Charity Shares - Income</b>		
2006 <sup>4</sup>	-	-
2007	-	-
2008 <sup>2</sup>	0.2532	1.64

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>General Shares - Income</b>			
28/02/2007	91,930	167.29	18,645,699
28/02/2008	71,087	164.50	17,838,370
31/08/2008	70,480	159.10	17,252,410
<b>Institutional Shares - Income</b>			
28/02/2007	1,654,101	170.62	18,645,699
28/02/2008	1,862,277	167.19	17,838,370
31/08/2008	1,992,721	161.65	17,252,410
<b>Charity Shares - Income</b>			
28/02/2007	9,194,561	170.42	18,645,699
28/02/2008	8,739,089	167.16	17,838,370
31/08/2008	8,609,797	161.67	17,252,410

<sup>1</sup> From 5th June 2003 to 31st December 2003.

<sup>2</sup> To 31st August 2008.

<sup>3</sup> From 21st July 2006 to 31st December 2006.

<sup>4</sup> From 24th July 2006 to 31st December 2006.

## TOTAL EXPENSE RATIOS (TERs)

28/02/08

General Shares	2.77%
Institutional Shares	2.27%
Charity Shares	2.17%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes.

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 76.40% (80.01%)</b>			
<b>Asia 3.63% (4.32%)</b>			
153,494	Baring Eastern	627	3.63
		<b>627</b>	<b>3.63</b>
<b>Emerging Market 4.16% (4.32%)</b>			
219,077	First State Global Emerging Markets 'B' <sup>1</sup>	717	4.16
		<b>717</b>	<b>4.16</b>
<b>Europe 24.27% (24.47%)</b>			
50,756	Baring European Growth	429	2.49
246,271	JPMorgan Europe 'A' <sup>1</sup>	1,792	10.39
17,672	MFS Meridian Continental European Equity	1,966	11.39
		<b>4,187</b>	<b>24.27</b>
<b>Japan 3.93% (5.44%)</b>			
221,250	AXA Framlington Japan	484	2.81
200,208	Baring Japan Growth <sup>1</sup>	193	1.12
		<b>677</b>	<b>3.93</b>
<b>United States 40.41% (41.46%)</b>			
905,954	Baillie Gifford American 'B'	1,520	8.81
223,539	M&G American Sterling 'A'	1,562	9.05
297,913	Prudential North American 'A'	857	4.97
3,551,656	Standard Life North American <sup>1</sup>	3,033	17.58
		<b>6,972</b>	<b>40.41</b>
<b>EXCHANGE TRADED FUNDS 17.53% (19.21%)</b>			
<b>Europe 5.03% (5.25%)</b>			
32,100	iShares DJ Euro Stoxx 50	868	5.03
		<b>868</b>	<b>5.03</b>
<b>Far East 4.82% (5.70%)</b>			
42,000	iShares MSCI Far East ex-Japan	832	4.82
		<b>832</b>	<b>4.82</b>
<b>Japan 2.10% (2.45%)</b>			
58,000	iShares MSCI Japan	363	2.10
		<b>363</b>	<b>2.10</b>
<b>United States 5.58% (5.81%)</b>			
136,307	iShares S&P 500	962	5.58
		<b>962</b>	<b>5.58</b>
<b>Total Value of Investments</b>		<b>16,205</b>	<b>93.93</b>
<b>Net Other Assets</b>		<b>1,047</b>	<b>6.07</b>
<b>Total Net Assets</b>		<b>17,252</b>	<b>100.00</b>

<sup>1</sup>Accumulation shares/units.

Figures in brackets represent sector distribution at 28th February 2008.

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## STATEMENT OF TOTAL RETURN

For the period to 31st August 2008

	Notes	31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
Net losses on investments during the period	2		(595)		(45)
Income	3	128		93	
Expenses	4	(96)		(98)	
Finance costs: Interest	6	-		-	
Net income/(expense) before taxation		32		(5)	
Taxation	5	(5)		(12)	
Net income/(expense) after taxation			27		(17)
Total return before distributions			(568)		(62)
Finance costs: Distributions	6		(26)		-
<b>Change in net assets attributable to shareholders</b>			<b>(594)</b>		<b>(62)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31st August 2008

	31/08/08		31/08/07	
	£'000	£'000	£'000	£'000
<b>Net assets at the start of the period</b>		<b>17,838</b>		<b>18,646</b>
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares		237		823
Less: Amount payable on cancellation of shares		(229)		(940)
		8		(117)
<b>Change in net assets attributable to shareholders (see above)</b>		<b>(594)</b>		<b>(62)</b>
<b>Net assets at the end of the period</b>		<b>17,252</b>		<b>18,467</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	28/02/08
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments		16,205	17,699
Debtors	7	102	105
Cash and bank balances	8	1,055	234
<b>Total other assets</b>		<b>1,157</b>	<b>339</b>
<b>Total assets</b>		<b>17,362</b>	<b>18,038</b>
<b>LIABILITIES</b>			
Creditors	10	(46)	(89)
Bank overdrafts	9	(38)	(111)
Distributions payable on income shares	6	(26)	-
<b>Total liabilities</b>		<b>(110)</b>	<b>(200)</b>
<b>Net assets attributable to shareholders</b>		<b>17,252</b>	<b>17,838</b>

The notes on pages 25 to 28 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

As at 31st August 2008

Purchases	Cost £'000	Note
iShares S&P 500	103	
iShares MSCI Japan	97	
iShares MSCI Far East ex-Japan	39	
<b>Total purchases during the period</b>	<b>239</b>	<b>15</b>
Sales	Proceeds £'000	
Prudential North American 'A'	451	
Baring Japan Growth <sup>1</sup>	250	
iShares S&P 500	191	
iShares MSCI Japan	164	
iShares MSCI Far East Ex-Japan	90	
<b>Total sales during the period</b>	<b>1,146</b>	<b>15</b>

<sup>1</sup> Accumulation shares/units.

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period and at minimum the top 20 purchases and sales during the period. There were 3 purchases and 5 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Accumulation of income relating to accumulation units or shares held in collective investment schemes is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Bank interest, underwriting commission and other income are recognised on an accruals basis.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of investments managed by the ACD is their single price and the fair value of investments which are managed by other management groups is their contractual bid price.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(595)	(45)
<b>Net losses on investments</b>	<b>(595)</b>	<b>(45)</b>

## 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	14	5
<b>Payments from authorised collective investment schemes:</b>		
- Unfranked distributions	100	82
Renewal commission	14	6
	<b>128</b>	<b>93</b>

## 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	12	10
Investment adviser's fee	58	63
	<b>70</b>	<b>73</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	3	3
	<b>3</b>	<b>3</b>
<b>Other expenses:</b>		
Auditors' remuneration	1	1
Administration fees	21	15
Registration fees	2	3
Printing fees	(5)	1
Price publication fees	4	2
	<b>23</b>	<b>22</b>
<b>Total expenses</b>	<b>96</b>	<b>98</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Irrecoverable income tax	5	12
<b>Total current tax (note 5 (b))</b>	<b>5</b>	<b>12</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income/(expense) before taxation	32	(5)
	<b>32</b>	<b>(5)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	6	(1)
<b>Effects of:</b>		
Irrecoverable income tax	5	12
Expenses not utilised in period	-	1
Prior period expenses utilised	(6)	-
<b>Current tax charge (note 5 (a))</b>	<b>5</b>	<b>12</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £37,312 (28th February 2008: £43,418) arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
Interim distribution	26	-
	<b>26</b>	<b>-</b>
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	-	-
<b>Net distribution for the period</b>	<b>26</b>	<b>-</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>26</b>	<b>-</b>

# PREMIER CASTLEFIELD GLOBAL EQUITY FUND

The difference between the net income after taxation and the amounts distributed comprises:

Net income/(expense) after taxation	27	(17)
Expenses offset against capital	(1)	-
Income deficit taken to capital	-	17

<b>Finance costs: Distributions</b>	<b>26</b>	<b>-</b>
-------------------------------------	-----------	----------

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	44	41
Prepaid expenses	58	61
Recoverable income tax	-	3
	<b>102</b>	<b>105</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Euro	-	3
Sterling	1,055	231
<b>Cash and bank balances</b>	<b>1,055</b>	<b>234</b>

## 9. BANK OVERDRAFTS

	31/08/08 £'000	28/02/08 £'000
Sterling	38	111
<b>Bank overdrafts</b>	<b>38</b>	<b>111</b>

## 10. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	39	55
Purchases awaiting settlement	7	34
	<b>46</b>	<b>89</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") is 0.1% subject to a minimum of £20,000 per annum and is payable monthly. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 26. The balance outstanding at the period end was £nil (28th February 2008: £nil).

### Investment Adviser

The ACD has appointed Castlefield Investment Partners LLP to provide investment management and advisory services to the ACD.

## Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 26. There was nothing due to the Depository at the period end (28th February 2008: £nil).

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 13. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 6, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Other than cash and bank balances and bank overdrafts there was no direct foreign currency exposure within the sub-fund at the balance sheet date. However, there was significant foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

## Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 24.

## Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

## 14. SHARE CLASSES

The sub-fund currently has three classes of share, General, Institutional and Charity. The annual investment adviser's fee on each share class is as follows:

General Shares: 1.25%  
 Institutional Shares: 0.75%  
 Charity Shares: 0.65%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 22. The distribution per share class is given in the distribution tables below.

## 15. PORTFOLIO TRANSACTION COSTS

As the sub-fund mainly invests in collective investment schemes, there are no material transaction costs.

## DISTRIBUTION TABLES

For the period from 29th February 2008 to 31st August 2008

### First interim dividend distribution in pence per share

#### General Income Shares

	Net		Distribution Payable	Distribution Paid
	Income	Equalisation	27/11/08	27/11/07
Group 1	0.1876	-	0.1876	-
Group 2	0.1876	-	0.1876	-

#### Institutional Income Shares

	Net		Distribution Payable	Distribution Paid
	Income	Equalisation	27/11/08	27/11/07
Group 1	0.2035	-	0.2035	-
Group 2	0.2017	0.0018	0.2035	-

#### Charity Income Shares

	Net		Distribution Payable	Distribution Paid
	Income	Equalisation	27/11/08	27/11/07
Group 1	0.2532	-	0.2532	-
Group 2	0.2525	0.0007	0.2532	-



# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>General Shares - Income</b>		
2006 <sup>1</sup>	114.56	112.04
2007	120.31	95.99
2008 <sup>2</sup>	99.41	70.33
<b>Institutional Shares - Income</b>		
2006 <sup>3</sup>	115.03	105.91
2007	120.58	96.37
2008 <sup>2</sup>	99.87	70.70
<b>Charity Shares - Income</b>		
2006 <sup>4</sup>	114.56	93.14
2007	118.74	94.96
2008 <sup>2</sup>	98.43	69.60

### Income Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>General Shares - Income</b>		
2006 <sup>1</sup>	-	-
2007	4.1836	37.34
2008 <sup>2</sup>	3.7729	33.67
<b>Institutional Shares - Income</b>		
2006 <sup>3</sup>	-	-
2007	4.6095	43.42
2008 <sup>2</sup>	4.0043	37.72
<b>Charity Shares - Income</b>		
2006 <sup>4</sup>	1.3680	13.68
2007	5.6678	56.68
2008 <sup>2</sup>	4.1211	41.21

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>General Shares - Income</b>			
28/02/2007	6,226	111.45	4,125,052
28/02/2008	22,814	88.27	3,333,748
31/08/2008	21,965	74.95	2,855,653
<b>Institutional Shares - Income</b>			
28/02/2007	3,142	111.49	4,125,052
28/02/2008	49,618	86.81	3,333,748
31/08/2008	1,309	75.03	2,855,653
<b>Charity Shares - Income</b>			
28/02/2007	3,747,186	109.81	4,125,052
28/02/2008	3,752,086	87.17	3,333,748
31/08/2008	3,751,230	74.26	2,855,653

<sup>1</sup> From 13th December 2006 to 31st December 2006.

<sup>2</sup> To 31st August 2008.

<sup>3</sup> From 6th October 2006 to 31st December 2006.

<sup>4</sup> From 2nd May 2006 to 31st December 2006.

## TOTAL EXPENSE RATIOS (TERs)

	28/02/08
General Income Shares	2.98%
Institutional Income Shares	2.48%
Charity Income Shares	2.23%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes.

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>BASIC MATERIALS 0.91% (0.65%)</b>				<b>Life Insurance 2.87% (1.21%)</b>		
	<b>Mining 0.91% (0.65%)</b>			9,750	Aviva	50	1.75
14,421	ATH Resources	26	0.91	31,688	Legal & General	32	1.12
		<b>26</b>	<b>0.91</b>			<b>82</b>	<b>2.87</b>
	<b>CONSUMER GOODS 4.84% (10.75%)</b>				<b>Nonlife Insurance 7.73% (6.59%)</b>		
	<b>Automobiles &amp; Parts 1.05% (1.02%)</b>			41,531	BRIT Insurance	81	2.84
12,023	GKN	30	1.05	25,863	Chaucer	17	0.60
		<b>30</b>	<b>1.05</b>	22,945	Jardine Lloyd Thompson	104	3.62
	<b>Food Producers 2.00% (7.01%)</b>			12,675	Royal & Sun Alliance	19	0.67
65,525	Premier Foods	57	2.00			<b>221</b>	<b>7.73</b>
		<b>57</b>	<b>2.00</b>		<b>Real Estate 1.61% (1.02%)</b>		
	<b>General Retailers 0.32% (1.37%)</b>			3,400	British Land	26	0.91
3,341	SCS Upholstery	-	-	19,612	Wichford	20	0.70
14,888	Topps Tiles	9	0.32			<b>46</b>	<b>1.61</b>
		<b>9</b>	<b>0.32</b>		<b>HEALTHCARE 2.91% (0.00%)</b>		
	<b>Media 0.56% (1.41%)</b>				<b>Pharmaceuticals &amp; Biotechnology 2.91% (0.00%)</b>		
2,308	Pearson	16	0.56	3,100	AstraZeneca	83	2.91
		<b>16</b>	<b>0.56</b>			<b>83</b>	<b>2.91</b>
	<b>Personal &amp; Household Goods 0.35% (0.68%)</b>				<b>INDUSTRIALS 11.56% (15.17%)</b>		
84,694	Airea	10	0.35		<b>Construction &amp; Materials 0.46% (1.24%)</b>		
		<b>10</b>	<b>0.35</b>	14,904	Tolent	13	0.46
	<b>Travel &amp; Leisure 0.56% (1.55%)</b>					<b>13</b>	<b>0.46</b>
3,695	HolidayBreak	16	0.56		<b>Electronic &amp; Electrical Equipment 1.61% (3.88%)</b>		
		<b>16</b>	<b>0.56</b>	24,398	Abacus	5	0.18
	<b>FINANCIALS 29.41% (29.26%)</b>			40,377	Stadium	21	0.73
	<b>Banks 13.24% (15.37%)</b>			8,411	XP Power	20	0.70
18,401	Alliance & Leicester	60	2.10			<b>46</b>	<b>1.61</b>
10,263	Barclays	36	1.26		<b>General Industrials 1.37% (1.60%)</b>		
14,200	HSBC	123	4.31	10,163	Smith (DS)	13	0.46
36,462	Lloyds TSB	111	3.89	17,701	Tomkins	26	0.91
58,000	London Scottish Bank	4	0.14			<b>39</b>	<b>1.37</b>
18,910	Royal Bank of Scotland	44	1.54		<b>Industrial Engineering 0.95% (1.33%)</b>		
		<b>378</b>	<b>13.24</b>	5,768	Chamberlin & Hill	9	0.32
	<b>General Financial 3.96% (5.07%)</b>			11,123	Melrose	18	0.63
4,121	Arbuthnot Banking	13	0.46			<b>27</b>	<b>0.95</b>
11,563	Cattles	14	0.49		<b>Industrial Transportation 3.26% (2.30%)</b>		
7,787	Provident Financial	71	2.48	37,588	TDG	93	3.26
4,221	S&U	15	0.53			<b>93</b>	<b>3.26</b>
		<b>113</b>	<b>3.96</b>				

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>Support Services 3.91% (4.82%)</b>		
7,042	BPP	31	1.09
28,549	Dawson	18	0.63
9,770	Johnson Service	2	0.07
19,327	Northern Recruitment	7	0.25
17,471	Premier Farnell	34	1.17
27,309	Rentokil Initial	20	0.70
		112	3.91
	<b>OIL &amp; GAS 6.69% (0.00%)</b>		
	<b>Oil &amp; Gas Producers 6.69% (0.00%)</b>		
7,600	Royal Dutch Shell	144	5.04
9,000	BP	47	1.65
		191	6.69
	<b>TELECOMMUNICATIONS 12.57% (8.37%)</b>		
	<b>Fixed Line Telecommunications 4.87% (5.82%)</b>		
80,398	BT	139	4.87
		139	4.87
	<b>Mobile Telecommunications 7.70% (2.55%)</b>		
155,982	Vodafone	220	7.70
		220	7.70
	<b>UTILITIES 28.27% (29.13%)</b>		
	<b>Electricity 6.27% (10.08%)</b>		
12,404	Scottish & Southern Energy	179	6.27
		179	6.27
	<b>Gas, Water &amp; Multi-utilities 22.00% (19.05%)</b>		
26,559	National Grid	190	6.65
43,057	Northumbrian Water	133	4.66
10,099	Severn Trent	138	4.83
20,508	United Utilities	168	5.86
		629	22.00
	<b>Total Value of Investments</b>	2,775	97.16
	<b>Net Other Assets</b>	81	2.84
	<b>Total Net Assets</b>	2,856	100.00

All investments are ordinary shares unless otherwise stated.  
 Figures in brackets represent sector distribution at 28th February 2008.

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## STATEMENT OF TOTAL RETURN

For the period to 31st August 2008

	Notes	31/08/08 £'000	31/08/07 £'000
Net losses on investments during the period	2	(444)	(144)
Income	3	156	130
Expenses	4	(50)	(43)
Finance costs: Interest	6	-	-
Net income before taxation		106	87
Taxation	5	-	-
Net income after taxation		106	87
Total return before distributions		(338)	(57)
Finance costs: Distributions	6	(98)	(95)
<b>Change in net assets attributable to shareholders</b>		<b>(436)</b>	<b>(152)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31st August 2008

	31/08/08 £'000	31/08/07 £'000
<b>Net assets at the start of the period</b>	<b>3,334</b>	<b>4,125</b>
Movements due to sales and repurchases of shares:		
Amounts receivable on issue of shares	1	91
Less: Amount payable on cancellation of shares	(43)	-
	(42)	91
Change in net assets attributable to shareholders (see above)	(436)	(152)
<b>Net assets at the end of the period</b>	<b>2,856</b>	<b>4,064</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08 £'000	28/02/08 £'000
<b>ASSETS</b>			
Portfolio of Investments		2,775	3,222
Debtors	7	29	11
Cash and bank balances	8	138	195
<b>Total other assets</b>		<b>167</b>	<b>206</b>
<b>Total assets</b>		<b>2,942</b>	<b>3,428</b>
<b>LIABILITIES</b>			
Creditors	9	(38)	(45)
Distributions payable on income shares	6	(48)	(49)
<b>Total liabilities</b>		<b>(86)</b>	<b>(94)</b>
<b>Net assets attributable to shareholders</b>		<b>2,856</b>	<b>3,334</b>

The notes on pages 33 to 36 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period to 31st August 2008

Purchases	Cost £'000	Note
BP	50	
British Land	31	
Melrose	24	
Northumbrian Water	15	
<b>Total purchases during the period</b>	<b>120</b>	<b>14</b>
Sales	Proceeds £'000	
Royal Bank Of Scotland	30	
United Utilities	23	
FKI	16	
Bradford & Bingley	15	
DSG International	10	
<b>Total sales during the period</b>	<b>94</b>	<b>14</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period and at minimum the top 20 purchases and sales during the period. There were 4 purchases and 5 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest, interest on debt securities, underwriting commission and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by capital.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(444)	(144)
<b>Net losses on investments</b>	<b>(444)</b>	<b>(144)</b>

## 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	3	4
Franked UK dividends	153	126
	<b>156</b>	<b>130</b>

## 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	10	10
Investment adviser's fee	12	17
	<b>22</b>	<b>27</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	1	1
	<b>1</b>	<b>1</b>
<b>Other expenses:</b>		
Auditors' remuneration	1	2
Administration fees	15	10
Registration fees	2	2
Printing fees	5	-
Price publication fees	4	1
	<b>27</b>	<b>15</b>
<b>Total expenses</b>	<b>50</b>	<b>43</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Corporation tax	-	-
<b>Total current tax (note 5 (b))</b>	<b>-</b>	<b>-</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income before taxation	106	87
	<b>106</b>	<b>87</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	21	17
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(31)	(25)
Expenses not utilised in period	10	8
<b>Current tax charge (note 5 (a))</b>	<b>-</b>	<b>-</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £40,603 (28th February 2008: £31,358) arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
First monthly distribution	10	9
Second monthly distribution	10	9
Third monthly distribution	10	10
Fourth monthly distribution	10	10
Fifth monthly distribution	10	10
Sixth monthly distribution	48	48
	<b>98</b>	<b>96</b>
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	-	(1)
<b>Net distribution for the period</b>	<b>98</b>	<b>95</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>98</b>	<b>95</b>

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	106	87
Expenses offset against capital	50	43
Undistributed income carried forward	(58)	(35)
<b>Finance costs: Distributions</b>	<b>98</b>	<b>95</b>

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	29	7
Prepaid expenses	-	4
	<b>29</b>	<b>11</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Sterling	138	195
<b>Cash and bank balances</b>	<b>138</b>	<b>195</b>

## 9. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	38	45
	<b>38</b>	<b>45</b>

## 10. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") is 0.1% subject to a minimum of £20,000 per annum and is payable monthly. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 34. The balance outstanding at the period end was £nil (28th February 2008: £nil).

### Investment Adviser

The ACD has appointed Castlefield Investment Partners LLP to provide investment management and advisory services to the ACD.

### Depositary

The sub-fund's Depositary is The Royal Bank of Scotland plc. The Depositary is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depositary has full power under the Depositary agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. It has delegated custody services to The Northern Trust Company. The Depositary received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depositary from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depositary.

The total remuneration payable to the Depositary out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depositary's services are disclosed in note 4 on page 34. There was nothing due to the Depositary at the period end (28th February 2008: £nil).

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 12. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 7, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Other than cash and bank balances there was no direct foreign currency exposure within the sub-fund at the balance sheet date.

### Interest Rate Risk

The majority of the sub-fund's assets comprise equity shares which do not pay interest (28th February 2008: same).

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 32.

### Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.



# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

## 13. SHARE CLASSES

The sub-fund currently has three classes of share, General, Institutional and Charity. The annual investment adviser's fee on each share class is as follows:

General Shares: 1.50%

Institutional Shares: 1.00%

Charity Shares: 0.75%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 29. The distribution per share class is given in the distribution tables on this page and page 37.

## 14. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/08/08 £'000	31/08/07 £'000
Purchases in period before transaction costs	120	615
Commissions	-	2
Taxes	-	1
<b>Total purchase costs</b>	<b>-</b>	<b>3</b>
<b>Gross purchases total</b>	<b>120</b>	<b>618</b>

Analysis of total sale costs:

Gross sales before transaction costs	94	695
Commissions	-	-
<b>Total sale costs</b>	<b>-</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>94</b>	<b>695</b>

## DISTRIBUTION TABLES

For the period from 29th February 2008 to 31st March 2008

First Monthly Interim distribution in pence per share

General Shares

			Distribution Paid 27/04/08	Distribution Paid 27/04/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Institutional Shares

			Distribution Paid 27/04/08	Distribution Paid 27/04/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Charity Shares

			Distribution Paid 27/04/08	Distribution Paid 27/04/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

For the period from 1st April 2008 to 30th April 2008

Second Monthly Interim distribution in pence per share

General Shares

			Distribution Paid 27/05/08	Distribution Paid 27/05/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Institutional Shares

			Distribution Paid 27/05/08	Distribution Paid 27/05/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Charity Shares

			Distribution Paid 27/05/08	Distribution Paid 27/05/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

For the period from 1st May 2008 to 31st May 2008

Third Monthly Interim distribution in pence per share

General Shares

			Distribution Paid 27/06/08	Distribution Paid 27/06/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Institutional Shares

			Distribution Paid 27/06/08	Distribution Paid 27/06/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

Charity Shares

			Distribution Paid 27/06/08	Distribution Paid 27/06/07
	Net Income	Equalisation		
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

# PREMIER CASTLEFIELD MONTHLY EQUITY INCOME FUND

For the period from 1st June 2008 to 30th June 2008

## Fourth Monthly Interim distribution in pence per share

### General Shares

	Net Income	Equalisation	Distribution Paid 27/07/08	Distribution Paid 27/07/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

### Institutional Shares

	Net Income	Equalisation	Distribution Paid 27/07/08	Distribution Paid 27/07/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

### Charity Shares

	Net Income	Equalisation	Distribution Paid 27/07/08	Distribution Paid 27/07/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

For the period from 1st July 2008 to 31st July 2008

## Fifth Monthly Interim distribution in pence per share

### General Shares

	Net Income	Equalisation	Distribution Paid 27/08/08	Distribution Paid 27/08/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

### Institutional Shares

	Net Income	Equalisation	Distribution Paid 27/08/08	Distribution Paid 27/08/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

### Charity Shares

	Net Income	Equalisation	Distribution Paid 27/08/08	Distribution Paid 27/08/07
Group 1	0.2633	-	0.2633	0.2508
Group 2	0.2633	-	0.2633	0.2508

For the period from 1st August 2008 to 31st August 2008

## Sixth Monthly Interim distribution in pence per share

### General Shares

	Net Income	Equalisation	Distribution Paid 27/09/08 <sup>1</sup>	Distribution Paid 27/09/07
Group 1	1.2633	-	1.2633	1.2508
Group 2	1.2633	-	1.2633	1.2508

### Institutional Shares

	Net Income	Equalisation	Distribution Paid 27/09/08 <sup>1</sup>	Distribution Paid 27/09/07
Group 1	1.2633	-	1.2633	1.2508
Group 2	1.2633	-	1.2633	1.2508

### Charity Shares

	Net Income	Equalisation	Distribution Paid 27/09/08 <sup>1</sup>	Distribution Paid 27/09/07
Group 1	1.2633	-	1.2633	1.2508
Group 2	1.2633	-	1.2633	1.2508

<sup>1</sup>Please note that the sixth monthly interim distribution was paid in two parts. The first was a smoothed payment of 0.2633p per share class paid on 27th September 2008. The second was an additional payment of 1.0000p per share class paid to coincide with the other Premier Castlefield funds interim payments on 27th November 2008.

# PREMIER CASTLEFIELD UK ALPHA FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>General Shares - Income</b>		
2007 <sup>1</sup>	343.42	298.50
2008 <sup>2</sup>	333.93	256.25
<b>General Shares - Accumulation</b>		
2007 <sup>1</sup>	344.55	299.56
2008 <sup>2</sup>	334.77	256.95
<b>Institutional Shares - Income</b>		
2007 <sup>3</sup>	335.60	300.43
2008 <sup>2</sup>	337.02	258.88
<b>Institutional Shares - Accumulation</b>		
2007 <sup>4</sup>	344.81	301.42
2008 <sup>2</sup>	337.74	259.44

### Income/Accumulation Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>General Shares - Income</b>		
2007 <sup>1</sup>	0.8338	2.43
2008 <sup>2</sup>	1.1710	3.41
<b>General Shares - Accumulation</b>		
2007 <sup>1</sup>	0.5064	1.47
2008 <sup>2</sup>	1.3683	3.97
<b>Institutional Shares - Income</b>		
2007 <sup>3</sup>	0.7465	2.22
2008 <sup>2</sup>	1.9177	5.70
<b>Institutional Shares - Accumulation</b>		
2007 <sup>4</sup>	1.1130	3.35
2008 <sup>2</sup>	2.0002	6.02

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>General Shares - Income</b>			
28/02/2008	822,914	312.17	4,160,329
31/08/2008	760,627	283.66	3,599,060
<b>General Shares - Accumulation</b>			
28/02/2008	1,460	312.96	4,160,329
31/08/2008	1,177	285.86	3,599,060
<b>Institutional Shares - Income</b>			
28/02/2008	500,615	314.80	4,160,329
31/08/2008	499,517	286.05	3,599,060
<b>Institutional Shares - Accumulation</b>			
28/02/2008	3,470	315.46	4,160,329
31/08/2008	3,188	288.68	3,599,060

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

<sup>2</sup> To 31st August 2008.

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

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

## TOTAL EXPENSE RATIOS (TERs)

	28/02/08
General Shares	2.77%
Institutional Shares	2.27%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

# PREMIER CASTLEFIELD UK ALPHA FUND

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>EQUITIES - EUROPE 1.78% (1.85%)</b>				<b>General Financial 10.92% (9.13%)</b>		
	<b>Banks 1.78% (1.85%)</b>				<b>Life Insurance 2.06% (2.09%)</b>		
13,595	Anglo Irish Bank	64	1.78	100,000	Finance Ireland loan note	100	2.78
		<b>64</b>	<b>1.78</b>	83,333	Finance Ireland Wts	-	0.00
				20,865	IG Group	72	2.00
				8,168	Intermediate Capital	112	3.11
				19,372	Man Group	108	3.00
				283,500	Tersus Energy	1	0.03
						<b>393</b>	<b>10.92</b>
	<b>EQUITIES - UNITED KINGDOM 98.05% (97.43%)</b>				<b>Real Estate 0.00% (2.07%)</b>		
	<b>BASIC MATERIALS 11.89% (11.13%)</b>				<b>INDUSTRIALS 25.53% (25.29%)</b>		
	<b>Mining 11.89% (11.13%)</b>				<b>Aerospace &amp; Defence 5.00% (5.19%)</b>		
10,033	BHP Billiton	175	4.86	46,319	Meggitt	107	2.97
2,952	Rio Tinto	157	4.36	18,595	Rolls Royce	73	2.03
3,123	Xstrata	96	2.67			<b>180</b>	<b>5.00</b>
		<b>428</b>	<b>11.89</b>		<b>Industrial Engineering 6.11% (5.94%)</b>		
				34,769	Bodycote	77	2.14
				15,285	Charter	143	3.97
				52,500	Turbo Genset Warrant	-	-
						<b>220</b>	<b>6.11</b>
	<b>CONSUMER GOODS 2.25% (5.00%)</b>				<b>Industrial Transportation 2.50% (2.96%)</b>		
	<b>Beverages 0.00% (0.87%)</b>				<b>Support Services 11.92% (11.20%)</b>		
	<b>Food Producers 2.25% (2.28%)</b>			122,588	Ashtead	93	2.58
18,023	Tate & Lyle	81	2.25	23,406	BSS Group	74	2.06
		<b>81</b>	<b>2.25</b>	16,699	Experian	69	1.92
				46,462	Shanks	102	2.83
				35,867	Xchanging	91	2.53
						<b>429</b>	<b>11.92</b>
	<b>Household Goods 0.00% (1.85%)</b>				<b>OIL &amp; GAS 17.22% (14.07%)</b>		
	<b>CONSUMER SERVICES 11.75% (13.65%)</b>				<b>Oil &amp; Gas Producers 9.75% (9.52%)</b>		
	<b>Food &amp; Drug Retailers 2.97% (2.72%)</b>				<b>Oil Equipment, Services &amp; Distribution 7.47% (4.55%)</b>		
27,873	Tesco	107	2.97	14,330	BG Group	172	4.78
		<b>107</b>	<b>2.97</b>	33,964	BP	179	4.97
						<b>351</b>	<b>9.75</b>
	<b>Healthcare 0.75% (0.00%)</b>						
21,620	Southern Cross Healthcare	27	0.75	21,336	Lamprell	101	2.80
		<b>27</b>	<b>0.75</b>	20,539	John Wood	96	2.67
				11,000	Petrofac	72	2.00
						<b>269</b>	<b>7.47</b>
	<b>General Retailers 0.00% (1.92%)</b>						
	<b>Media &amp; Entertainment 4.47% (5.10%)</b>						
12,077	Pearson	81	2.25				
13,593	United Business Media	80	2.22				
		<b>161</b>	<b>4.47</b>				
	<b>Travel &amp; Leisure 3.56% (3.91%)</b>						
17,920	Millenium and Copthorne	55	1.53				
6,441	Whitbread	73	2.03				
		<b>128</b>	<b>3.56</b>				
	<b>FINANCIALS 18.96% (19.54%)</b>						
	<b>Banks 5.98% (6.25%)</b>						
6,228	Standard Chartered	92	2.56				
52,707	The Royal Bank of Scotland	123	3.42				
		<b>215</b>	<b>5.98</b>				

## PREMIER CASTLEFIELD UK ALPHA FUND

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>TECHNOLOGY 2.64% (2.55%)</b>		
	<b>Software &amp; Computer Services 2.64% (2.55%)</b>		
6,488	Aveva	95	2.64
		<b>95</b>	<b>2.64</b>
	<b>TELECOMMUNICATIONS 5.06% (3.00%)</b>		
	<b>Mobile Telecommunications 5.06% (3.00%)</b>		
129,527	Vodafone	182	5.06
		<b>182</b>	<b>5.06</b>
	<b>UTILITIES 2.75% (3.20%)</b>		
	<b>Electricity 2.75% (3.20%)</b>		
6,828	Scottish and Southern Energy	99	2.75
		<b>99</b>	<b>2.75</b>
	<b>EQUITIES - UNITED STATES 0.00% (0.00%)</b>		
	<b>TELECOMMUNICATIONS 0.00% (0.00%)</b>		
200	Worldcom <sup>1</sup>	-	-
5,020	Worldcom Common <sup>1</sup>	-	-
		-	-
	<b>Total Value of Investments</b>	<b>3,593</b>	<b>99.83</b>
	<b>Net Other Assets</b>	<b>6</b>	<b>0.17</b>
	<b>Total Net Assets</b>	<b>3,599</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated.  
 Figures in brackets represent ordinary sector distribution at 28th February 2008.

<sup>1</sup> Unlisted or suspended securities.

# PREMIER CASTLEFIELD UK ALPHA FUND

## STATEMENT OF TOTAL RETURN

For the period to 31st August 2008

	Notes	31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
Net losses on investments during the period	2		(371)		(261)
Income	3	82		36	
Expenses	4	(64)		(27)	
Finance costs: Interest	6	-		-	
Net income before taxation		18		9	
Taxation	5	-		-	
Net income after taxation			18		9
Total return before distributions			(353)		(252)
Finance costs: Distributions	6		(19)		(10)
<b>Change in net assets attributable to shareholders</b>			<b>(372)</b>		<b>(262)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31st August 2008

	31/08/08		31/08/07	
	£'000	£'000	£'000	£'000
<b>Net assets at the start of the period</b>		4,160		-
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares	17		4,711	
Less: Amount payable on cancellation of shares	(206)		(423)	
		(189)		4,288
Dilution levy		-		4
Change in net assets attributable to shareholders (see above)		(372)		(262)
<b>Net assets at the end of the period</b>		<b>3,599</b>		<b>4,030</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	28/02/08
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments		3,593	4,130
Debtors	7	12	8
Cash and bank balances	8	57	84
<b>Total other assets</b>		<b>69</b>	<b>92</b>
<b>Total assets</b>		<b>3,662</b>	<b>4,222</b>
<b>LIABILITIES</b>			
Creditors	9	(45)	(62)
Distributions payable on income shares	6	(18)	-
<b>Total liabilities</b>		<b>(63)</b>	<b>(62)</b>
<b>Net assets attributable to shareholders</b>		<b>3,599</b>	<b>4,160</b>

The notes on pages 42 to 45 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD UK ALPHA FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period to 31st August 2008

Purchases	Cost £'000	Note
Southern Cross Healthcare	81	
Vodafone	80	
The Royal Bank of Scotland	69	
IG Group	66	
Petrofac	57	
Anglo Irish Bank	21	
<b>Total purchases during the period</b>	<b>374</b>	<b>14</b>
Sales	Proceeds £'000	
Eco City Vehicles	99	
Land Securities	58	
Aveva	49	
Lloyds TSB	41	
Bodycote	40	
SABMiller	35	
Redrow	34	
BG Group	32	
Man Group	32	
Scottish and Southern Energy	31	
Yell	29	
John Wood	20	
Charter	20	
Forth Ports	17	
<b>Total sales during the period</b>	<b>537</b>	<b>14</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period and at minimum the top 20 purchases and sales during the period. There were 6 purchases and 14 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Overseas income received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Income on unquoted investments is recognised when the right to receive the income is established.

Bank interest, underwriting commission and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

Unquoted investments are shown at the ACD's valuation.

#### Foreign Currencies

Assets and liabilities in currencies other than sterling are translated into sterling at the exchange rates prevailing at noon on the last working day of the accounting period. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date. Where forward positions in currencies are held, these are translated at the appropriate forward rate. Any resulting exchange differences in these forward positions are disclosed in net gains/(losses) on investments in the Statement of Total Return.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

Withholding tax on overseas dividends is accounted for on an accruals basis.

# PREMIER CASTLEFIELD UK ALPHA FUND

## Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

## Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(371)	(261)
<b>Net losses on investments</b>	<b>(371)</b>	<b>(261)</b>

## 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	7	1
Deposit interest	3	2
Franked UK dividends	66	33
Franked REIT income	1	-
Gross unfranked REIT income	1	-
Overseas dividends	4	-
	<b>82</b>	<b>36</b>

## 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	13	5
Investment adviser's fee	26	12
	<b>39</b>	<b>17</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	1	-
Transaction charges	1	1
	<b>2</b>	<b>1</b>
<b>Other expenses:</b>		
Auditors' remuneration	2	2
Administration fees	15	-
Registration fees	5	4
Printing Fees	1	3
	<b>23</b>	<b>9</b>
<b>Total expenses</b>	<b>64</b>	<b>27</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Corporation tax	-	-
<b>Total current tax (note 5 (b))</b>	<b>-</b>	<b>-</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income before taxation	18	9
	<b>18</b>	<b>9</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)

	31/08/08 £'000	31/08/07 £'000
Effects of:		
Franked UK dividends and distributions not subject to taxation	(13)	(7)
Expenses not utilised in period	9	5
<b>Current tax charge (note 5 (a))</b>	<b>-</b>	<b>-</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £29,411 (28th February 2008: £19,813) arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
Interim distribution	18	10
	<b>18</b>	<b>10</b>
Add: Income deducted on cancellation of shares	1	-
Deduct: Income received on issue of shares	-	-
<b>Net distribution for the period</b>	<b>19</b>	<b>10</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>19</b>	<b>10</b>

The difference between the net income after taxation and the amounts distributed comprises:

	31/08/08 £'000	31/08/07 £'000
Net income after taxation	18	9
Expenses offset against capital	1	1
<b>Finance costs: Distributions</b>	<b>19</b>	<b>10</b>



# PREMIER CASTLEFIELD UK ALPHA FUND

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	12	8
	<b>12</b>	<b>8</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Euro	1	1
Sterling	56	83
<b>Cash and bank balances</b>	<b>57</b>	<b>84</b>

## 9. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	42	59
Amounts payable for cancellation of shares	3	-
Purchases awaiting settlement	-	3
	<b>45</b>	<b>62</b>

## 10. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") is 0.1% subject to a minimum of £20,000 per annum and is payable monthly. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 43. The balance outstanding at the period end was £nil (28th February 2008: £nil).

### Investment Adviser

The ACD has appointed Castlefield Investment Partners LLP to provide investment management and advisory services to the ACD.

### Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges. Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 43. There was nothing

due to the Depository at the period end (28th February 2008: £nil).

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 12. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 8, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

Currency exposure as at 31st August 2008

	Portfolio of investments £'000	Net Other Assets £'000	Total £'000	Total exposure %
Currency				
Euro	64	1	65	1.81
Sterling	3,529	5	3,534	98.19
<b>Total</b>	<b>3,593</b>	<b>6</b>	<b>3,599</b>	<b>100.00</b>

Currency exposure as at 28th February 2008

	Portfolio of investments £'000	Net Other Assets £'000	Total £'000	Total exposure %
Currency				
Euro	77	-	77	1.85
Sterling	4,053	30	4,083	99.15
<b>Total</b>	<b>4,130</b>	<b>30</b>	<b>4,160</b>	<b>100.00</b>

### Interest Rate Risk

The majority of the sub-fund's assets comprise equity shares which do not pay interest (2007: same).

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser and sub-Investment Adviser as an acceptable counterparty and from recognised product providers.

# PREMIER CASTLEFIELD UK ALPHA FUND

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 41.

## Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

## 13. SHARE CLASSES

The sub-fund currently has two classes of share, General and Institutional. The annual investment adviser's fee on each share class is as follows:

General Shares: 1.50%

Institutional Shares: 0.75%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 38. The distribution per share class is given in the distribution tables opposite.

## 14. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/08/08 £'000	31/08/07 £'000
Purchases in period before transaction costs	372	4,838
Commissions	-	4
Taxes	2	2
<b>Total purchase costs</b>	<b>2</b>	<b>6</b>
<b>Gross purchases total</b>	<b>374</b>	<b>4,844</b>
Analysis of total sale costs:		
Gross sales before transaction costs	537	599
Commissions	-	-
<b>Total sale costs</b>	<b>-</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>537</b>	<b>599</b>

## DISTRIBUTION TABLES

For the period from 29th February 2008 to 31st August 2008

First interim dividend distribution in pence per share

### General Income Shares

	Net Income	Equalisation	Distribution Payable 27/11/08	Distribution Paid 27/11/07
Group 1	1.1710	-	1.1710	0.8338
Group 2	0.4669	0.7041	1.1710	0.8338

### General Accumulation Shares

	Net Income	Equalisation	Accumulation Payable 27/11/08	Accumulation Paid 27/11/07
Group 1	1.3683	-	1.3683	0.5064
Group 2	1.3683	-	1.3683	0.5064

### Institutional Income Shares

	Net Income	Equalisation	Distribution Payable 27/11/08	Distribution Paid 27/11/07
Group 1	1.9177	-	1.9177	0.7465
Group 2	1.9177	-	1.9177	0.7465

### Institutional Accumulation Shares

	Net Income	Equalisation	Accumulation Payable 27/11/08	Accumulation Paid 27/11/07
Group 1	2.0002	-	2.0002	1.1130
Group 2	2.0002	-	2.0002	1.1130

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>General Shares - Income</b>		
2007 <sup>1</sup>	260.68	232.14
2008 <sup>2</sup>	240.03	188.64
<b>General Shares - Accumulation</b>		
2007 <sup>3</sup>	259.55	232.14
2008 <sup>2</sup>	240.03	188.64
<b>Institutional Shares - Income</b>		
2007 <sup>4</sup>	260.76	232.35
2008 <sup>2</sup>	240.59	189.68
<b>Institutional Shares - Accumulation</b>		
2007 <sup>5</sup>	260.76	232.78
2008 <sup>2</sup>	240.91	189.92

### Income/Accumulation Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>General Shares - Income</b>		
2007 <sup>1</sup>	-	-
2008 <sup>2</sup>	0.2829	1.12
<b>General Shares - Accumulation</b>		
2007 <sup>3</sup>	-	-
2008 <sup>2</sup>	0.4239	1.64
<b>Institutional Shares - Income</b>		
2007 <sup>4</sup>	0.3305	1.31
2008 <sup>2</sup>	0.8367	3.32
<b>Institutional Shares - Accumulation</b>		
2007 <sup>5</sup>	0.2249	0.91
2008 <sup>2</sup>	0.8429	3.41

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>General Shares - Income</b>			
28/02/2008	1,071,896	222.72	5,225,123
31/08/2008	971,861	191.95	4,285,124
<b>General Shares - Accumulation</b>			
28/02/2008	2,540	222.80	5,225,123
31/08/2008	3,489	192.24	4,285,124
<b>Institutional Shares - Income</b>			
28/02/2008	1,264,104	223.19	5,225,123
31/08/2008	1,248,552	192.57	4,285,124
<b>Institutional Shares - Accumulation</b>			
28/02/2008	4,852	223.47	5,225,123
31/08/2008	4,455	193.66	4,285,124

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

<sup>2</sup> To 31st August 2008.

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

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

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

## TOTAL EXPENSE RATIOS (TERs)

	28/02/08
General shares	3.08%
Institutional shares	2.58%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>ALTERNATIVE ENERGY 1.21% (0.00%)</b>				<b>Non-Life Insurance 7.65% (6.82%)</b>		
	<b>Alternative Fuels 1.21% (0.00%)</b>				Chaucer	69	1.61
106,666	Hydrodec <sup>1</sup>	52	1.21	100,000	Lancashire <sup>1</sup>	63	1.47
		52	1.21	65,000	Personal <sup>1</sup>	196	4.57
	<b>BASIC MATERIALS 5.02% (5.88%)</b>					328	7.65
	<b>Chemicals 5.02% (5.88%)</b>				<b>Real Estate 5.55% (4.31%)</b>		
230,000	Carclo	195	4.55	1,402,693	1st Property Online <sup>1</sup>	238	5.55
70,000	D1 Oils <sup>1</sup>	20	0.47			238	5.55
		215	5.02		<b>INDUSTRIALS 12.10% (9.48%)</b>		
	<b>CONSUMER GOODS 4.99% (6.68%)</b>				<b>Aerospace &amp; Defense 8.32% (8.06%)</b>		
	<b>Automobiles &amp; Parts 0.84% (1.09%)</b>				Hampson Industries	109	2.54
300,000	Azure Dynamics <sup>1</sup>	36	0.84	62,500	VT Group	247	5.78
		36	0.84	40,000		356	8.32
	<b>Household Goods 1.07% (2.24%)</b>				<b>Construction &amp; Materials 3.03% (1.42%)</b>		
50,000	Omega International <sup>1</sup>	46	1.07	40,000	Clarke (T)	64	1.49
		46	1.07	65,000	Low & Bonar	66	1.54
	<b>Leisure Goods 3.08% (3.35%)</b>					130	3.03
90,000	Hornby	132	3.08		<b>Electronic &amp; Electrical Equipment 0.75% (0.00%)</b>		
		132	3.08	40,000	Enfis <sup>1</sup>	32	0.75
	<b>CONSUMER SERVICES 6.32% (5.60%)</b>					32	0.75
	<b>General Retailers 1.21% (0.00%)</b>				<b>GENERAL INDUSTRIALS 15.85% (18.28%)</b>		
194,000	Homebuy <sup>2</sup>	-	-		<b>Industrial Engineering 4.81% (4.69%)</b>		
29,000	Stanley Gibbons <sup>1</sup>	52	1.21	600,000	Imagelinx <sup>1</sup>	9	0.21
		52	1.21	29,300	Lincat <sup>1</sup>	164	3.83
	<b>Media and Entertainment 3.34% (4.13%)</b>			105,000	Turbo Power Systems Warrant <sup>1</sup>	-	-
35,000	Bloomsbury Publishing	59	1.38	1,900,000	Turbo Power Systems <sup>1</sup>	33	0.77
85,000	Cello <sup>1</sup>	57	1.33			206	4.81
170,000	Pixel Interactive Media <sup>1</sup>	27	0.63		<b>Industrial Transportation 4.88% (4.13%)</b>		
		143	3.34	20,000	Clarkson	209	4.88
	<b>Travel &amp; Leisure 1.77% (1.47%)</b>					209	4.88
50,000	888 Holdings	76	1.77		<b>Support Services 6.16% (9.46%)</b>		
		76	1.77	20,000	BPP	87	2.03
	<b>FINANCIALS 27.11% (24.12%)</b>			450,000	Business Direct <sup>1</sup>	1	0.02
	<b>General Financial 13.91% (12.99%)</b>			1,000,000	Financial Payment Systems <sup>1</sup>	4	0.09
565,000	ALL IPO <sup>1</sup>	6	0.14	155,000	Tanfield <sup>1</sup>	12	0.28
65,000	Charles Stanley	136	3.17	65,000	VP	160	3.74
20,000	Liontrust Asset Management	49	1.14			264	6.16
65,000	London Capital <sup>1</sup>	208	4.86		<b>OIL &amp; GAS 4.59% (7.27%)</b>		
60,000	Mattioli Woods <sup>1</sup>	159	3.71		<b>Oil &amp; Gas Producers 4.15% (6.50%)</b>		
1,000,000	Parkmead <sup>1</sup>	38	0.89	39,001	Forum Energy <sup>1</sup>	19	0.44
		596	13.91	70,000	BowLeven <sup>1</sup>	159	3.71
						178	4.15

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>Oil Equipment, Services &amp; Distribution 0.44% (0.77%)</b>		
79,900	Sovereign Oilfield <sup>1</sup>	19	0.44
		<b>19</b>	<b>0.44</b>
	<b>TECHNOLOGY 22.83% (18.17%)</b>		
	<b>Software &amp; Computer Services 19.49% (18.17%)</b>		
50,000	Alterian	61	1.42
725,000	GB Group	246	5.75
1,000,000	IDOX <sup>1</sup>	135	3.15
150,000	Intec Telecom Systems	65	1.52
2,500,000	Intelligent Environments <sup>1</sup>	194	4.53
200,000	The Innovation Group	31	0.72
86,000	Vechnet <sup>1</sup>	103	2.40
		<b>835</b>	<b>19.49</b>
	<b>Technology Hardware &amp; Equipment 3.34% (3.16%)</b>		
1,000,000	IQE <sup>1</sup>	143	3.34
		<b>143</b>	<b>3.34</b>
	<b>Total Value of Investments</b>	<b>4,286</b>	<b>100.02</b>
	<b>Net Other Liabilities</b>	<b>(1)</b>	<b>(0.02)</b>
	<b>Total Net Assets</b>	<b>4,285</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated.  
 Figures in brackets represent sector distribution at 28th February 2008.

<sup>1</sup> Quoted as the Alternative Investment Market.

<sup>2</sup> Unlisted or suspended securities.

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## STATEMENT OF TOTAL RETURN

For the period to 31st August 2008

	Notes	31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
Net (losses)/gains on investments during the period	2		(700)		650
Income	3	78		27	
Expenses	4	(66)		(29)	
Finance costs: Interest	6	-		-	
Net income/(expense) before taxation		12		(2)	
Taxation	5	-		-	
Net income/(expense) after taxation			12		(2)
Total return before distributions			(688)		648
Finance costs: Distributions	6		(13)		(2)
<b>Change in net assets attributable to shareholders</b>			<b>(701)</b>		<b>646</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 31st August 2008

		31/08/08		31/08/07	
		£'000	£'000	£'000	£'000
Net assets at the start of the period			5,225		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares	11			7,880	
Less: Amount payable on cancellation of shares		(250)		(3,112)	
			(239)		4,768
Change in net assets attributable to shareholders (see above)			(701)		646
<b>Net assets at the end of the period</b>			<b>4,285</b>		<b>5,414</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08		28/02/08	
		£'000	£'000	£'000	£'000
<b>ASSETS</b>					
Portfolio of Investments			4,286		4,989
Debtors	7		75		8
Cash and bank balances	8		30		295
<b>Total other assets</b>			<b>105</b>		<b>303</b>
<b>Total assets</b>			<b>4,391</b>		<b>5,292</b>
<b>LIABILITIES</b>					
Creditors	10		(35)		(67)
Bank overdrafts	9		(58)		-
Distributions payable on income shares	6		(13)		-
<b>Total liabilities</b>			<b>(106)</b>		<b>(67)</b>
<b>Net assets attributable to shareholders</b>			<b>4,285</b>		<b>5,225</b>

The notes on pages 50 to 53 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
31st October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period to 31st August 2008

Purchases	Cost £'000	Note
Intec Telecom Systems	71	
Clarke (T)	68	
Stanley Gibbons	50	
Thus	44	
Enfis	42	
Hampson Industries	17	
<b>Total purchases during the period</b>	<b>292</b>	<b>15</b>
Sales	Proceeds £'000	
BowLeven	115	
VT Group	61	
Thus	48	
Clarkson	48	
1st Property Online	22	
<b>Total sales during the period</b>	<b>294</b>	<b>15</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period and at minimum the top 20 purchases and sales during the period. There were 6 purchases and 5 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest, underwriting commission and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

Unquoted investments are shown at the ACD's valuation.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## 2. NET (LOSSES)/GAINS ON INVESTMENTS

The net (losses)/gains on investments during the period comprise:

	31/08/08 £'000	31/08/07 £'000
Non-derivative securities	(700)	650
<b>Net (losses)/gains on investments</b>	<b>(700)</b>	<b>650</b>

## 3. INCOME

	31/08/08 £'000	31/08/07 £'000
Bank interest	3	-
Franked UK dividends	74	27
Overseas dividends	1	-
	<b>78</b>	<b>27</b>

## 4. EXPENSES

	31/08/08 £'000	31/08/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	12	5
Investment adviser's fee	32	16
	<b>44</b>	<b>21</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	1	1
Transaction charges	1	-
	<b>2</b>	<b>1</b>
<b>Other expenses:</b>		
Auditors' remuneration	3	2
Administration fees	10	-
Registration fees	7	2
Printing fees	(2)	3
Price publication fees	2	-
	<b>20</b>	<b>7</b>
<b>Total expenses</b>	<b>66</b>	<b>29</b>

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000	31/08/07 £'000
<b>Current tax:</b>		
Corporation tax	-	-
<b>Total current tax (note 5 (b))</b>	<b>-</b>	<b>-</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000	31/08/07 £'000
Net income/(expense) before taxation	12	(2)
	<b>12</b>	<b>(2)</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)

2	-
---	---

**Effects of:**

Franked UK dividends and distributions not subject to taxation	(14)	(5)
Expenses not utilised in period	12	5

**Current tax charge (note 5 (a))**

-	-
---	---

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £32,062 (28th February 2008: £19,904) arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000	31/08/07 £'000
Interim distribution	13	4
	<b>13</b>	<b>4</b>
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	-	(2)
<b>Net distribution for the period</b>	<b>13</b>	<b>2</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>13</b>	<b>2</b>

The difference between the net income after taxation and the amounts distributed comprises:

Net income/(expense) after taxation	12	(2)
Expenses offset against capital	1	-
Income deficit taken to capital	-	4
<b>Finance costs: Distributions</b>	<b>13</b>	<b>2</b>



# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## 7. DEBTORS

	31/08/08 £'000	28/02/08 £'000
Accrued income	14	8
Sales awaiting settlement	61	-
	<u>75</u>	<u>8</u>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000	28/02/08 £'000
Sterling	30	295
Cash and bank balances	<u>30</u>	<u>295</u>

## 9. BANK OVERDRAFTS

	31/08/08 £'000	28/02/08 £'000
Sterling	58	-
Bank overdrafts	<u>58</u>	<u>-</u>

## 10. CREDITORS

	31/08/08 £'000	28/02/08 £'000
Accrued expenses	33	48
Amounts payable for cancellation of shares	2	19
	<u>35</u>	<u>67</u>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") is 0.1% subject to a minimum of £20,000 per annum and is payable monthly. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 51. The balance outstanding at the period end was £nil (28th February 2008: £6,242).

### Investment Adviser

The ACD has appointed Castlefield Investment Partners LLP to provide investment management and advisory services to the ACD.

### Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 51. There was nothing due to the Depository at the period end (28th February 2008: £140).

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date (28th February 2008: nil).

## 13. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 9, the main risks arising from the sub-fund's financial instruments are market price, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Interest Rate Risk

The majority of the sub-fund's assets comprise equity shares which do not pay interest (28th February 2008: same).

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 49.

### Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

# PREMIER CASTLEFIELD UK SMALLER COMPANIES FUND

## 14. SHARE CLASSES

The sub-fund currently has two classes of share, General and Institutional. The annual investment adviser's fee on each share class is as follows:

General Shares: 1.50%  
 Institutional Shares: 0.75%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 46. The distribution per share class is given in the distribution tables opposite.

## 15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/08/08 £'000	31/08/07 £'000
Purchases in period before transaction costs	290	6,263
Commissions	2	1
Taxes	-	1
<b>Total purchase costs</b>	<b>2</b>	<b>2</b>
<b>Gross purchases total</b>	<b>292</b>	<b>6,265</b>
Analysis of total sale costs:		
Gross sales before transaction costs	295	622
Commissions	(1)	-
<b>Total sale costs</b>	<b>(1)</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>294</b>	<b>622</b>

## DISTRIBUTION TABLES

For the period from 29th February 2008 to 31st August 2008

Interim dividend distribution in pence per share

### General Income Shares

	Net Income	Equalisation	Distribution Payable 27/11/08	Distribution Paid 27/11/07
Group 1	0.2829	-	0.2829	-
Group 2	0.2677	0.0152	0.2829	-

### General Accumulation Shares

	Net Income	Equalisation	Accumulation Payable 27/11/08	Accumulation Paid 27/11/07
Group 1	0.4239	-	0.4239	-
Group 2	0.3732	0.0507	0.4239	-

### Institutional Income Shares

	Net Income	Equalisation	Distribution Payable 27/11/08	Distribution Paid 27/11/07
Group 1	0.8367	-	0.8367	0.3305
Group 2	0.8367	-	0.8367	0.3305

### Institutional Accumulation Shares

	Net Income	Equalisation	Accumulation Payable 27/11/08	Accumulation Paid 27/11/07
Group 1	0.8429	-	0.8429	0.2249
Group 2	0.8429	-	0.8429	0.2249

## Administration Queries

Premier Portfolio Managers Limited  
PO BOX 55736,  
50 Bank Street, Canary Wharf,  
London E14 1BT  
Tel: 0845 605 63 63

## Further Information

Premier Portfolio Managers Limited  
Eastgate Court, High Street,  
Guildford, Surrey GU1 3DE  
Tel: 01483 306 090  
Fax: 01483 300 845  
email: [enquiries@premierfunds.co.uk](mailto:enquiries@premierfunds.co.uk)  
Web: [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk)



## This document is issued by:

Premier Portfolio Managers Limited  
Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority. Premier Portfolio Managers Limited is a PEP and ISA manager and markets a number of funds. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. Premier Portfolio Managers Limited is also a member of the Investment Management Association.

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 invested. Exchange rates will also cause the value of underlying investments to fall or rise. Tax concessions are not guaranteed and may be changed at any time; their value will depend on your individual circumstances. For your protection when dealing, your call may be recorded and monitored. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Large print documents are available on request from the above Guildford address.