

The Discovery Fund

The Discovery Managed Growth Fund

I Fund Strategy I

- The Fund adopts a truly multi asset approach to investing, looking beyond the traditional portfolio asset classes of equities, bonds and cash to include alternatives such as absolute return strategies, structured products, private equity, commodities and property.
- We believe equities are the key driver of long term performance for an investment portfolio. By utilising other asset classes that display low or no correlation to equities, within an actively managed portfolio, we are able to offer investors a percentage of the upside that long term equity investing offers whilst significantly reducing the inevitable short term volatility associated with this asset class.
- We are aiming to achieve a positive return regardless of the prevailing market conditions. The Fund offers the potential for some downside protection during periods of volatility in global equity markets, ensuring a smoother ride in pursuit of long term growth.

I Fund Objectives I

To provide long term capital growth from a portfolio of global investments.

Performance Record



■ Discovery Managed Gth TR [-12.8]
23/10/2006 - 30/06/2010 © Financial Express Holdings 2010

Discrete Annual Performance (%)

Share Type	2010(YTD)	2009	2008	2007	2006
Accumulation	0.8	25.7	-35.9	5.8	-

Discrete Annual Performance to Quarter End 30 June 2010 (%)

Share Type	30/06/2009	30/06/2008	30/06/2007	30/06/2006	30/06/2005
Accumulation	18.3	-24.1	-8.5	-	-

Cumulative Performance to 30 June 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Accumulation	-4.2	0.8	18.3	-17.9	-

Quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested.

Source: Financial Express. 14/07/2010

| Key Fund Facts |

Fund Size:	£6.16m
Launch Date:	23 October 2006
Sector:	IMA Unclassified
Min. Investment:	£3,000, \$5,000, €5,000

| Top 10 Holdings |

	%
Cash	12.80
CAZENOVE ABS EQTY RED PTG PFD SHS	5.13
SCHRODER INCOME MAXIMISER	4.82
BLACKROCK AM UK BLK GOLD & GENERAL	4.48
FIRST STATE INV GREATER CHINA GROWT	4.22
GOLDMAN SACHS INTL CERT 25/06/12(EM	4.09
INVESCO ASIA TRUST ORD GBP0.10	3.66
INVESTEC FUND MGRS GLOBAL ENERGY A	3.55
FIRST STATE ASIA PACIFIC LEADERS	3.45
ALTERNATIVE ALPHA WHITE TIGER ASIA	3.20
TOTAL	49.4

| Asset Allocation |

	%
Global Equity	28.2
Absolute Return	18.1
Commodities	13.1
UK Equity	11.2
Corporate Bond	11.2
Property	8.9
Cash	6.6
Private Equity	2.7

| International Equity Breakdown |

	%
Asia	11.2
China	5.5
Europe	2.8
BRIC	2.7
Japan	2.5
US	2.5
Global Emerging Markets	1.0

The Discovery Fund

The Discovery Managed Growth Fund

Fund developments and comments



Discovery Managed Growth Fund, Fund Manager: John Husselbee

June's sporting ups and downs also seemed to be reflected in the stock market as it fluctuated over the course of the month. The beginning saw a relief rally from May's market lows but this slowly abated as economic news and events led investors to once again question the stability of the global recovery. Such has been the pattern this

entire year.

Fueling the swings in sentiment has been three main concerns: a slowdown in China's growth; sovereign defaults; tighter banking regulation.

Among the events that exacerbated concerns in June included Hungary announcing it was in a similar situation to Greece, and then quickly taking it back; a softening in US employment data; the UK's emergency Budget; China's move to away from a dollar peg in its currency; a suspension of BP's dividend and the environmental disaster it continued to contend with; and sterling strength. Against this back drop of seemingly negative events, corporate profits have remained strong and equity market valuations, particularly relative to bonds, still look attractive.

With opposing sentiments warring with each piece of news and continued political and economic volatility, markets will stay choppy in the near term. We expect parts of Europe will fall back into a recession in the coming months, causing markets to re-price. However, such a scenario is not likely to push the US into recession and the UK is also expected to avoid a double dip, although we are more wary there.

Like the swinging sentiment on global recovery and growth expectations, the UK market is similarly mixed in its outlook. The coalition government's emergency Budget was well heralded so its tough measures posed little surprise to the markets. We support the measures taken in the Budget - it is what is needed and in the long term it will be a good thing for the UK economy.

With such mixed messages in the market, we have looked to balance out your portfolio in a barbell asset allocation. On the one side are asset classes well suited for a deflationary environment, which remains a threat, versus those that will fare well in an inflationary climate, which is also indicated. Investments well suited to the former scenario include bond and absolute return funds as well as gold and other alternative asset classes while equities and commodities are better suited in an inflationary environment. In the short term we may consider moving into more inflationary trades but would only do so on an opportunistic basis, such as further market falls.

The debate wages on with regards to global growth with bond managers believing it has peaked and equity managers still optimistic that what we are experiencing is simply a soft patch and growth will soon resume. Although bond managers are pricing in a worst case scenario and equity managers are slightly more optimistic, in our experience bond managers tend to be right more often than not. Therefore while we remain poised to take advantage of any market dips, even with a barbell strategy we are somewhat defensive.

Fund Information

Annual Management Charge	1.5% £ shares, 1.6% \$/€ shares
Initial Charge	5.27%
Accounting Dates	31 Jan, 31 Jul
Payment Dates	31 May, 30 Sept
Valuation Point	12 noon, daily
Sedol	£: B1G2HC7, \$: B1G2HD8, €: B1G2HF0
Share Class	£/US\$/€ Accumulation
Published Price	www.thediscoveryfund.co.uk The Financial Times
ISA eligible	Yes, stocks & shares

Investment Team

I North Investment Partners I

North is an independent, specialist multi manager investment company created to work in partnership with clients, to help deliver bespoke investment solutions. North was launched in August 2005 and quickly established itself as a leading provider of innovative, top performing investment management expertise.

I John Husselbee, Chief Executive I

John Husselbee is Chief Executive of North, where he and his team have fund management responsibility for over £245 million of assets. John has over twenty years' investment experience. Before launching North, John was Director of Multi Manager Investment at Henderson Global Investors, where he was responsible for a full range of mutual fund portfolios and products totalling over £750m. He joined Henderson in 1996 from Rothschilds Asset Management where he was responsible for the launch and ongoing management of their portfolio management service. John is a well respected industry commentator and sits on the selection committee for the prestigious Investment Week Fund Manager of the Year Awards.

This document is issued by **Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE**. Premier Fund Managers Limited and Premier Portfolio Managers Limited are both members of the Premier Asset Management Marketing Group, authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is an ISA manager and markets a number of funds. Premier Fund Managers Limited, also an ISA manager, provides investment management services to Premier Portfolio Managers Limited and for other clients and investment funds. 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. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus which is available on request. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.