

**Fund Objectives**

To provide income together with some long-term capital growth from a portfolio of investments. **With effect from 11 November 2008, the Fund will undergo a change of name to Hurlingham Balanced Portfolio and its new investment objective will be to provide long term capital growth from a portfolio of investments across a broad range of asset classes.**

**Key Facts**

**Fund Size:**  
£2.50m

**Yield:**  
Inc: 5.1%  
Acc: 5.3%

**Launch Date:**  
5 January 2006

**Benchmark:**  
40% FTSE All Share Index  
10% FTSE World ex UK Index  
50% FTSE All Stocks Index

**Sector:**  
Cautious Managed

**Income Dates:**  
28 February, 30 June

**Minimum Initial Investment:**  
£5,000, £100pm

**Initial Charge:**  
5.55%

**Annual Management Charge:**  
1.5%

**ISAable:**  
Yes

**Base Currency:**  
Sterling

**Share Class:**  
Accumulation and Income

**Sedol Code:**  
Accumulation: B0RDSC9  
Income: B0RDSB8

**Valuation Point:**  
12 noon, daily

**Published Price:**  
www.thehurlinghamfund.co.uk  
The Financial Times

**Fund Strategy**

- We aim to add value on a consistent basis by targeting outperformance relative to selected benchmarks, which in turn tends to help us perform well against our peer group. We use our experience, judgment and skill to maximise returns from asset allocation and fund selection.
- Our investment style is a blend of bottom-up and top-down decision making; we carry out detailed research and analysis to pick the funds that make up the portfolio and then make top-down decisions based on macro factors to trade into and out of these funds.
- Our style could also be described as "contrarian", as one of our main methods of adding value is to consistently take profits from funds and/or asset classes that have performed strongly, while channeling investment towards those that have been weak.
- There is a maximum exposure to any one holding of 5%, and to any one investment group the limit is 15%. This means that there will be 20 holdings from at least 7 different management groups.

**Performance Record**



■ Premier Hurlingham Mgd Income TR [-25.6]  
■ IMA Cautious Managed TR [-12.4]  
■ Composite Index Portfolio Benchmark TR [-5.7]  
04/01/2006 - 31/10/2008 © Financial Express Holdings 2008

**Fund Performance**

**Discrete 12 Month Performance Record to Quarter End 30 September 2008**

Share Type	30/09/2007-30/09/2008	30/09/2006-30/09/2007	30/09/2005-30/09/2006	30/09/2004-30/09/2005	30/09/2003-30/09/2004
Income	-16.7 %	2.8 %	-	-	-

**Cumulative Performance Record to 31 October 2008**

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-19.1 %	-24.3 %	-29.4 %	-	-
Official Sector	-12.7 %	-16.5 %	-20.2 %	-7.2 %	11.4 %
Benchmark	-9.2 %	-13.1 %	-14.5 %	0.7 %	23.8 %

**Fund Performance Caveats**

Source: Financial Express Analytics. 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.

Data taken from Financial Express 17/11/2008

## Portfolio Comments

- October was one of the worst months in stock market history, as the effects of the credit crunch tangled with a rapidly deteriorating global economic growth outlook. To add to this, redemptions from hedge funds turned many of them into forced sellers, which added to the widespread pain as they scrambled to get out at any price, regardless of the quality of the underlying investment. The Fund was dragged lower in this dire environment, dropping by 14.1% over the month.
- The Fund's majority weighting in equities was the chief cause of its losses over the month, as equity markets the world over took a pummeling. However, the Fund's weightings in Japan and the US provided some relative support over the period, as the yen and the dollar both climbed dramatically against the pound. Our corporate bonds funds, meanwhile, proved less defensive than hoped, as their holdings in financial companies came under more pressure from the banking crisis.
- In addition to these market issues, the Fund has also been hurt by holding-specific problems during the month. M&G European Leveraged Loans has been the most costly. We bought this fund because the corporate loans market, in which it invests, has historically provided a less volatile alternative to high-yield bonds with lower default rates. However, the asset class was widely held by hedge funds, which have been forced to sell these assets regardless of their quality as they try to meet redemptions. This has pushed the whole loans market dramatically lower, which in turn has taken its toll on our performance for the month.

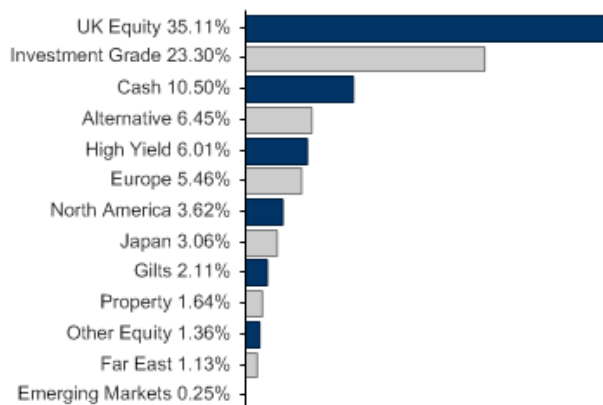
## Fund Strategy

- The immediate outlook for equities and bonds remains unclear. On the one hand, fear is currently gripping markets, which has pushed equity and corporate bond prices down to extremely attractive values, giving them tremendous appeal as long-term investments. Corporate bonds, in particular, look undervalued and are paying a high income to holders while they wait for prices to rise. However, short-term risks are still plentiful, not least the unknown quantity of hedge-fund forced selling, which may lead to more falls in the short term.

Source: Premier Fund Managers Limited

**Please note: With effect from 11 November 2008, 1st Port Asset Management will assume management of the Hurlingham Balanced Portfolio. Full details will follow in the December Factsheet.**

## Asset Allocation



## Top 10 Holdings

Cash	8.89 %
AEGON ASSET MGT UK STERLING CORP BD B INSTLIN	5.53 %
BAILLIE GIFFORD CORPORATE BOND B NET INC	5.49 %
RESOLUTION AM CORPORATE BOND INC	5.21 %
ROYAL LONDON CORPORATE BOND TRUST	5.08 %
HENDERSON GBL INVS PREFERENCE & BD I INCNV	4.93 %
PSIGMA UT MGRS INCOME INSTL INC	4.19 %
GARTMORE FUND MGRS US OPPORTUNITIES RETAIL NAV	3.95 %
MERRILL LYNCH INTL CALL WTS 27/01/12F100E GBP	3.81 %
BABCOCK&BROWN PUB ORD GBP0.0001	3.69 %
<b>TOTAL</b>	<b>50.77 %</b>

## Further Holdings

MARLBOROUGH FD MGR UK LARGE CAP GROWTH AAC
SYMPHONY STRUCTURE GBP NVTG PREF SHS LNKD TO
RENSBURG FD MGMT UK EQUITY INCOME TRUST
RATHBONE UT MGT RATHBONE INCOME INC
SCHRODER UNIT TST INCOME MAXIMISER A INC
AXA FRAMLINGTON MONTHLY INCOME INC
STANDARD LIFE INVS UK EQTY HIGH INC INC INSTL
SOC GEN INV FDS JAPAN COREALPHA PROF ACC
M&G SECURITIES LTD STRAT CORP BD STL A INC NAV
LIONTRUST INV FDS FIRST INCOME
SPECIALIST INVESTM M&G LEVERAGED EURP LOAN D
HAREWOOD STRUCTURE BNP PAR EURP SHIELD ACC NAV
ELDERS INV CO 26A CAPITAL ACCUMULATION V
HSBC INFRASTRUCTUR ORD GBP0.0001
RESOLUTION AM ARGONAUT EURP INC INSTL INC
F&C COMMERCIAL PRO ORD GBP0.01
RWC PARTNERS LTD GLOBAL CONVERTIBLES B
LEGAL & GENERAL UT ALL STOCKS GILT IDX TT DIST
MERRILL LYNCH INTL CALL WTS 30/08/12 SX50 E0 E
FIRST STATE INV ASIA PACIFIC LEADERS B NAV

A list of all the further holdings is available on request

## Investment Team

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### Premier Fund Managers Limited

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Premier Asset Management Limited is a privately owned, dynamic and progressive asset management company that designs and distributes innovative investments, predominantly through financial advisers. Via its FSA regulated subsidiaries, Premier manages a range of authorised UK and offshore funds as well as providing bespoke discretionary management services for discerning private and corporate clients. The Premier Group currently manages just under £1.5 billion of assets (as at 30 September 2008).

### David Hambidge, Investment Director, Pooled Funds

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David has been with Premier since 1987 and specialises in the management of portfolios using collective investment vehicles including OEICs and Investment Trusts. As well as managing retail and institutional mandates, David has been part of the original investment team that set up Premier's Funds of Funds in 1995 and was appointed lead manager in February 1999. This makes him one of the most experienced Funds of Funds managers in the UK.

### Ian Rees, Head of Research, Pooled Funds

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Ian has been with Premier since 2000 and joined the Pooled Funds team in April 2005. Ian was formerly the Senior Research Analyst for Closed End funds and has worked on Global Equity and Utility & Infrastructure. Ian is co-manager on all Premier Funds of Funds portfolios.

### David Thornton, Investment Manager, Pooled Funds

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David joined Premier in May 2006 and currently manages discretionary portfolios covering fixed interest and European sectors. Previously, David worked for several years as an Investment Analyst before becoming an Investment Manager in 2004, with responsibility for five discretionary multi-manager portfolios.

### Simon Evan-Cook, Investment Manager, Pooled Funds

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Simon joined Premier's successful multi-manager team as Investment Analyst in 2007. Before taking this role, Simon had worked closely with the multi-manager team as their Investment Communicator and, prior to joining Premier, had gained industry experience through positions at Rothschild, Gartmore and Fidelity. He has a BSc Honours in Economics and Accounting from Hull University.



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