

# Premier Castlefield Monthly Equity Income Fund

## Premier Castlefield Fund OEIC



### i Fund Strategy i

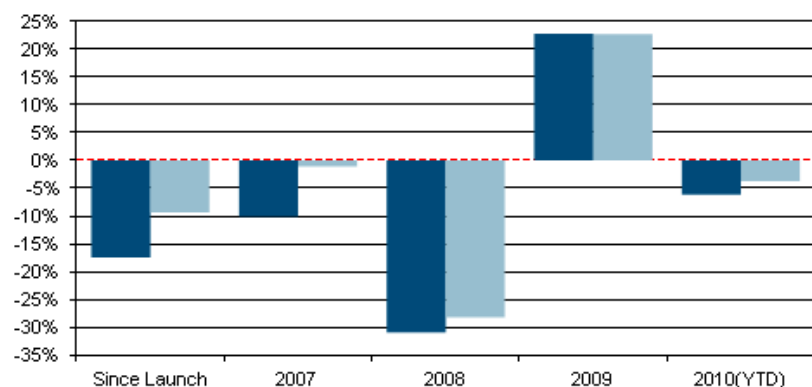
The investment process incorporates a four-stage approach, encompassing both quantitative and qualitative analysis.

- Stocks are run through a stock screening model to identify companies that meet specific criteria - high yielding stocks with good dividend cover, healthy free cash flow and consistency of earnings growth.
- Stocks are split into core income stocks, income growth stocks or high income stocks. We employ a weighted ratio approach, where the importance of each particular ratio varies dependant on the category.
- A disciplined fundamental analysis of each company is carried out 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.
- Model the portfolio to assess the total returns going forward. The purpose of this is to attain the highest income achievable with the strongest dividend growth possible.

### Fund Objectives

The Premier Castlefield Monthly Equity Income Fund aims to generate a relatively high level of current income, together with income growth and some capital growth over the long term.

### Performance Record



■ Cfield Mthly Eq TR  
■ IMA UK Equity Income TR

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Performance is based on Charity Income shares.

### Discrete Annual Performance (%)

Share Type	2010(YTD)	2009	2008	2007	2006
Income	-6.2	22.8	-30.9	-10.1	-

### 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
Income	15.4	-13.0	-29.7	20.4	-

### Cumulative Performance to 30 June 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-8.3	-6.2	15.4	-29.5	-
Official Sector	-8.4	-3.7	18.6	-19.4	9.8

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 Facts |

<b>Fund Size:</b>	£4.01m
<b>Launch Date:</b>	02 May 2006
<b>Historic Yield:</b>	Charity Inc: 7.4%, General Inc: 8.0%, Inst Inc: 14.4%
<b>Sector:</b>	IMA UK Equity Income

### | Top 10 Holdings |

	%
ROYAL DUTCH SHELL	8.10
HSBC HLDGS ORD USD0.50(UK REG)	7.63
VODAFONE GROUP	7.47
ASTRAZENECA	4.89
MERCANTILE INVESTMENT TRUST PLC ORD	4.20
GLAXOSMITHKLINE	4.19
BP	4.10
BHP BILLITON PLC USD0.50	3.74
UNITED UTILITIES GROUP ORD GBP0.05	3.64
UNILEVER PLC ORD GBP0.031111	3.50
<b>TOTAL</b>	<b>51.46</b>

### | Asset Allocation |

	%
Other	35.43
Oil & Gas Production	12.35
Banks	9.62
Pharmaceutical & Bio	9.18
Gas, Water & Multi Utilities	8.89
Mobile Telecomms	7.56
Life Assurance	6.87
Tobacco	4.93
Electricity	4.53
Cash	0.64

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### Fund developments and comments

Premier Castlefield Monthly Equity Income Fund, Investment Managers - David Soutar and Mark Elliott

With an emergency budget scheduled for later in the month of June, most of the market was relatively subdued allowing BP to dominate as investors assessed the financial fallout from the still-leaking well in the Gulf of Mexico. When the market resumed trading after the May Day bank holiday, investors had the first chance to react to the news over the extended weekend that the company's latest attempt to stem the leak via a "top-kill" operation had failed. The shares duly fell 13% on the day but losses extended throughout the month leaving the shares down 35% in June alone, contributing over 2% to the 4.85% fall in the wider All Share index for the month.

The flow of macroeconomic news provided little in the way of relief with UK lending figures showing further contraction in unsecured borrowings and US employment data disappointing. On an initial reading the data appeared positive but the 430,000 jobs created were actually largely due to the US government hiring temporary workers to collect census data.

Back on the corporate front, Tesco was weaker after the longstanding Chief Executive Terry Leahy announced his intention to retire early next year. Credited with being the driving force behind the group's advance to be the UK's leading retailer, the announcement of his retirement was earlier than many had assumed.

The budget later in the month confirmed the new coalition government's aim to reduce the deficit with an emphasis on spending cuts. Markets diverged with equity indices retreating on fears that government spending would be curtailed, hitting corporate sector profits but bond markets were more buoyant as the ratings agencies reaffirmed their AAA rating and concerns about the fiscal position for the UK receded. By the end of June, the travails of BP and the impact of the budget meant that the All Share index was down 4.85% with the FTSE 100 bearing the brunt of the decline, down 5.23% compared to the Mid 250, down 2.8%.

During the month the holdings in the retailers Marks & Spencer and Home retail group, the owner of the Homebase and Argos chains were both sold on our concerns about the headwinds facing the UK consumer. The proceeds were in part transferred to the existing holdings in tobacco group Imperial Tobacco and De La Rue, the bank note and security printing specialist, both of which offer attractive yields.

### Fund Information

<b>Investment Adviser Fee</b>	0.75% Charity Shares, 1.50% General Shares
<b>Initial Charge</b>	0% (Charity), 3.5% (General)
<b>Accounting Dates</b>	30/31 of each month
<b>Payment Dates</b>	27 of each month
<b>Valuation Point</b>	12 noon, daily
<b>Sedol</b>	Charity Inc: B13NPD0, General Inc: B13NP85
<b>Share Class</b>	Acc & Inc (Charity, General & Institutional Shares)
<b>Published Price</b>	www.thecastlefieldfunds.co.uk The Financial Times
<b>ISA eligible</b>	Yes, stocks & shares
<b>Min. Investment</b>	£500 / £50pm (General Shares only)

### Investment Team

#### I David Soutar, Joint Managing Partner & Fund Manager I

David has 20 years' investment experience gained from a career spanning both private client and institutional money management. Prior to working for a number of years with John Eckersley at Henry Cooke Lumsden plc and latterly at Solus as Investment Director, he was formerly part of an in-house team managing substantial assets within the superannuation fund of Derbyshire County Council. He has also managed Far Eastern investments within life and pension funds for General Accident, now a constituent part of Aviva plc. He is an Associate of the UK Society of Investment Professionals (the UK member society of the CFA Institute), a member of the European Federation of Financial Analysts and a Fellow of the Securities Institute.

#### I Mark Elliott MChem (Hons) MSI CFA – Partner & Analyst I

Mark is a founding member of the Castlefield team. His role predominantly involves analysis of UK sectors and stocks with over five years' investment experience with the team. Mark is a member of the Securities & Investment Institute and is a charter holder (Chartered Financial Analyst) of the CFA Institute.

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