

# Premier Castlefield Monthly Equity Income Fund

## Premier Castlefield Fund OEIC



### i Fund Strategy i

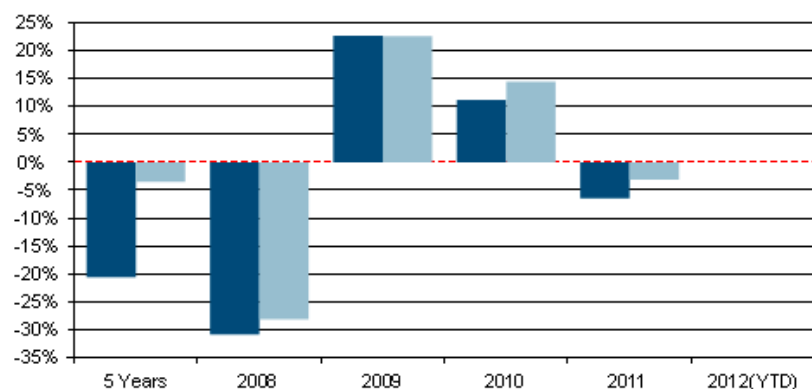
The investment process incorporates a four-stage approach, encompassing both quantitative and qualitative analysis.

- 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



■ Premier Cfield Mthly Eq TR  
■ IMA UK Equity Income TR

Powered by data from FE

Performance is based on Charity Income shares.

### Discrete Annual Performance (%)

Share Type	2012(YTD)	2011	2010	2009	2008
Income	-	-6.4	11.3	22.8	-30.9

### Discrete Annual Performance to Quarter End 31 December 2011 (%)

Share Type	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Income	-6.4	11.3	22.8	-30.9	-10.1

### Cumulative Performance to 31 December 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	5.1	-5.3	-6.4	27.8	-20.7
Official Sector	6.0	-5.4	-2.9	36.7	-3.5

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. 11/01/2012

### | Key Facts |

<b>Fund Size:</b>	£4.4m
<b>Launch Date:</b>	02 May 2006
<b>Historic Yield:</b>	Charity Inc 6.6%, General Inc 6.7%, Inst Inc 6.6%
<b>Sector:</b>	IMA UK Equity Income

### | Top 10 Holdings |

	%
ROYAL DUTCH SHELL 'B'ORD EUR0.07	8.94
VODAFONE GROUP ORD USD0.11428571	8.09
BP ORD USD0.25	5.88
GLAXOSMITHKLINE ORD GBP0.25	4.73
NATIONAL GRID ORD GBP0.113953	4.52
IMPERIAL TOBACCO ORD GBP0.10	4.20
GO-AHEAD GROUP ORD GBP0.10	3.94
ISHARES FTSE UK DIVIDEND PLUS	3.83
HSBC HLDGS ORD USD0.50(UK REG)	3.70
UNITED UTILITIES GROUP ORD GBP0.05	3.56
<b>TOTAL</b>	<b>51.39</b>

### | Asset Allocation |

	%
Cash/Other	19.43
Oil and Gas Producers	15.16
Travel & Leisure	12.10
Mobile Telecomms	9.75
Gas, Water & Multi-utilities	8.27
Pharmaceuticals & Biotechnolgy	8.15
Financial Services	7.98
Collectives	7.44
Tobacco	6.27
Fixed Line Communications	5.44

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### Fund developments and comments

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

The closing month of 2011 continued the trend of preceding months by behaving anything but serenely. The All-Share index had dipped by almost 3.0% by mid-month, only to rally in the quiet, thinly-traded holiday period. Santa's present to investors was a positive return of 0.8% for December – although, sadly, not even he could deliver a positive return overall. December's moves meant that the index fell 3.5% for 2011 as a whole.

So what led this year-end strength, and should investors now have wind in their sails for 2012? Not quite. The leading sectors were the oil & gas producers, pharmaceuticals, tobacco and mobile telecoms – characterised by huge, global, defensive companies. The top five contributors to the month's return were Royal Dutch Shell, Glaxo, Vodafone and the two tobacco names, Imperial & BATS. Meanwhile, Mining was far and away the worst performing sector, while Rio Tinto, BHP Billiton, Xstrata & Anglo-American were among the top five fallers. Not much cyclical optimism on show, then.

But this presents something of a conundrum – the FTSE All-Share advancing in value based on the strength of share prices of companies that typically weather economic downturns better than most. 'Buy shares, times are tough' isn't the usual mantra from the world of finance. The reality, though, is perhaps quite understandable. The global economic picture is, at best, mixed. The ongoing travails of the Eurozone and fears about banking system liquidity and sovereign solvency are material concerns. In such circumstances, the attractions of sound balance sheets, healthy dividend streams and undemanding valuations are obvious, and as good a place as any to shelter until the outlook clears. In fact, given the nature of equity markets, investor optimism will return well ahead of the sun shining. Fortunately for investors, the markets are not like Jupiter's Great Red Spot – a storm raging for at least 180 years. We know that our storm will eventually blow over.

Activity during the month included the addition of telecoms group BT and the support services specialist Mitie Group whilst reducing holdings in the large banking and life assurance stocks HSBC and Prudential.

### 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>	<a href="http://www.thecastlefieldfunds.co.uk">www.thecastlefieldfunds.co.uk</a>
<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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