

Premier Castlefield Managed Multi-Asset Fund

Premier Castlefield Fund OEIC



| Proposed Fund Strategy |

In aiming to produce positive capital returns, whilst also seeking to control the magnitude of any losses, the Fund will invest in a wide range of asset classes. This potentially will include: UK and overseas equities, fixed interest, cash, commodities, hedge funds, private equity, property and other assets as appropriate. The majority of equity based investment is anticipated to be via structured products*. Zero dividend shares will also be utilised when appropriate.**

Please see the Fund Developments and Comments section below for more details about structured products and zero dividend shares.

No historical performance information is available for this Fund. Performance data will not be shown until the Fund is over 12 months old.

| Proposed Fund Objective |

To produce a positive annualised return over the long term.

Fund developments and comments

Investment Managers: David Soutar, Managing Partner and Mark Elliott, Partner, Fund Manager

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.

The global economic picture continues to be, at best, mixed. The on-going 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. That may well have implications for how the fund is positioned, but for now, safety, coupled with some nimbleness is the key.

For the Fund itself, price volatility continued to be modest, but forward progress was not quite achieved, this despite positive contributions from several areas, most notably the collection of index linked bonds and Zero Dividend Preference shares. Activity during the month included a moderation of index linked bond exposure, by selling down a proportion of the iShares Barc Cap Index Linked exchange traded fund (etf), reinvesting within the individual 2017 Index Linked gilt issue. This served to lower the average life of bond holdings and so reduce portfolio sensitivity to any correction in the gains enjoyed to date.

Over the period, we also sold down the entirety of the portfolio gold exposure (via an etf), having noted its performance in preceding weeks was becoming less like the safe haven the metal had previously been. We are still positive on the fundamentals of gold, but are happy to exit for now, with a view to reinvesting later.

| Key Fund Facts |

Fund Size:	£7.2m
Launch Date:	6 June 2003 (Restructured 1 March 2011)
Sector:	IMA Cautious Managed
Benchmark:	UK Consumer Price Index
Historic Yield:	Inst. inc. 0.0, Ret. inc. 0.0, Ret. acc. 0.2

| Top 10 Holdings |

	%
Cash	10.20
SGA SOC GEN ACCEPT CALL WTS 27/03	10.13
ROYAL BANK OF SCOT VAN CT212098	9.13
IGNIS ASSET MGMT ABST RTN GOVT BD I	5.59
JP MORGAN PRIV EQU 2017 ZERO DIV PR	5.32
UK COMMERCIAL PROP ORD GBP0.25	4.42
UK(GOVT OF) 2.5% I/L STK 26/07/16 G	4.12
UK(GOVT OF) 1.25% I/L STK 22/11/17	3.93
ISHARES JPM BNDS	3.88
DB X-TRACKERS SICAV SONIA TOTAL RET	3.88
TOTAL	60.6

| Typical Asset Allocation |

	%
Structured Products	19.20
Index Linked Gilts,	15.87
Gilts/Gilt Funds	14.42
Zero Dividend Pref Shares	11.01
Cash	10.48
Commercial Property	7.39
Other	8.22
Corporate Bonds	5.66
Cash / Cash Fund	3.87
Emerging Market Bond Funds	3.87

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Investment Team

I Castlefield Investment Partners LLP (Castlefield) I

Castlefield manages a range of assets on behalf of charities, pension schemes and private individuals. Headquartered in Manchester, it also has representation in Scotland. It manages both directly-invested portfolios for its own clients plus the assets of a range of authorised OEIC sub-funds, on behalf of a wide range of underlying investors. It is authorised and regulated by the Financial Services Authority. Castlefield Investment Partners LLP is the Investment Adviser of the Premier Castlefield Fund OEIC.

I David Soutar, Managing Partner I

David is the lead manager of the Premier Castlefield Managed Multi-Asset Fund. As well as assisting his fellow joint Managing Partner in looking after the affairs of the business, he is active in the day to day oversight of the majority of the firm's client portfolios. He has 24 years of experience, covering institutional and private client mandates. He is a Fellow of the Securities Institute and a member of the CFA (UK) Institute.

I Mark Elliott, Partner, Fund Manager I

Mark will contribute to the investment process as required and will cover management of the Fund in David's absence. His principal duties cover management of the Premier Castlefield UK Alpha and UK Equity funds and he jointly manages the Premier Castlefield Monthly Income Fund with David. He is an Honours graduate of Leeds University and is a CFA charterholder.

Fund Information

Initial Charge	3.5% General Shares, 0% Institutional Shares
Investment Adviser Fee	1.25% pa General (1.5%pa from 01.05.11)
Investment Adviser Fee	0% Institutional (1%pa from 01.05.11)
Annual Management Charge	Combined ACD & Admin fee 0.2%pa (Min £45,000pa)
Accounting Dates	28 Feb, 31 Aug
Payment Dates	27 May, 27 Nov
Valuation Point	12 noon, daily
Sedol	General 3314979, Institutional B12V148
Share Class	General Income & Institutional Income
Published Price	www.thecastlefieldfunds.co.uk
ISA eligible	Yes, stocks & shares
Min. Investment	£500 General, £250,000 Institutional £50pm (General only)

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