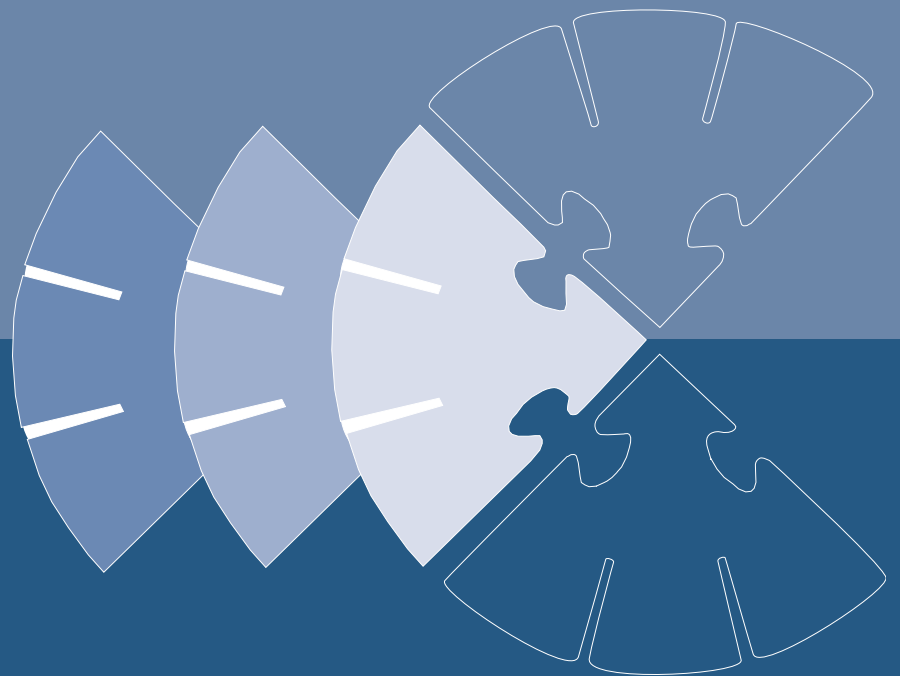


# The Hurlingham Fund

Annual Report & Financial Statements (audited)  
for the period 05 January 2006 to 31 October 2006



# INDEX

## Management and Administration

Registered Office and Directors .....	2
Company Information .....	2
Statement of Authorised Corporate Director's and Depositary's Responsibilities .....	2
Report of the ACD to Shareholders and Directors' Statement .....	3
Report of the Depositary to the Shareholders .....	3
Independent Auditors' Report to the Shareholders .....	4

## The Hurlingham Fund Aggregated Financial Statements

Statement of Total Return & Statement of Change in Shareholders' Net Assets & Balance Sheet .....	5
Notes to the Aggregated Financial Statements .....	6-8

## Hurlingham Managed Income Portfolio

Comparative Tables .....	9
Investment Review .....	9
Portfolio of Investments .....	10
Statement of Total Return & Statement of Change in Shareholders' Net Assets & Balance Sheet .....	11
Summary of Material Portfolio Changes .....	12
Notes to the Financial Statements .....	13-15
Distribution Tables .....	15

## Hurlingham Managed Growth Portfolio

Comparative Tables .....	16
Investment Review .....	16
Portfolio of Investments .....	17
Statement of Total Return & Statement of Change in Shareholders' Net Assets & Balance Sheet .....	18
Summary of Material Portfolio Changes .....	19
Notes to the Financial Statements .....	19-22

## MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director ("ACD") and registered office of The Hurlingham Fund:

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,  
Guildford, Surrey GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority ("FSA") and is a member of the Investment Management Association ("IMA"). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

**DIRECTORS OF THE ACD:** Mike O'Shea (Chairman)  
Neil Macpherson (Finance Director)  
Simon Weldon (Managing Director, Sales and Marketing)  
Mark Friend (Managing Director, Operations)

**INVESTMENT ADVISERS:** Premier Fund Managers Limited is the investment adviser to the Hurlingham Managed Income Portfolio and the Hurlingham Managed Growth Portfolio.

Premier Fund Managers Limited has appointed Close Private Asset Management Limited as sub-adviser to the Hurlingham Managed Growth Portfolio.

**DEPOSITARY:** The Royal Bank of Scotland plc  
Trustee & Depositary Services  
RBS Gogarburn  
P.O. Box 1000  
Edinburgh EH12 1HQ

**AUDITORS:** RSM Robson Rhodes LLP  
30 Finsbury Square, London EC2P 2YU

**ADMINISTRATORS & REGISTRAR:\*** Northern Trust International Fund  
Administration Services (UK) Limited  
and Northern Trust Global Services Limited,  
PO Box 55736, 50 Bank Street,  
Canary Wharf, London E14 1BT

\*Registrar duties were previously undertaken by Ravensborne Registration Services Limited, who assigned these duties to Northern Trust Global Services in March 2006. As at this date, Northern Trust Global Services Limited ceased to act as registrar following the transfer of its registration services to Northern Trust International Fund Administration Services (UK) Limited.

### COMPANY INFORMATION

The Hurlingham Fund is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000421 and authorised by the FSA with effect from 5th January 2006. Shareholders are not liable for the debts of the Company. As the Company was launched on 5th January 2006 and is therefore less than 12 months old, no historical performance data is available. At the period end the Company contained two sub-funds, the Hurlingham Managed Income Portfolio and the Hurlingham Managed Growth Portfolio.

The Company is a non UCITS Retail scheme which complies with the FSA's New Collective Investment Schemes sourcebook and is structured as an umbrella Company so that different Funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

### STATEMENT OF ACD AND DEPOSITARY'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE SCHEME

The Open-Ended Investment Companies Regulations 2001 and the Financial Services Authority New Collective Investment Schemes sourcebook ("the Regulations") require the ACD to prepare accounts for each annual accounting period together with interim reports, which give a true and fair view of the financial position of the Scheme as at the end of the period and of the net income and the net gains or losses on the property of the Scheme for the period then ended. In preparing the accounts, the ACD is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Financial Statements of Authorised Funds, issued by the Investment Management Association in December 2005 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

The ACD is responsible for the management of the Scheme in accordance with its Instrument of Incorporation, the Prospectus and the Regulations.

The Depositary is responsible for safeguarding the property of the Scheme, and must take reasonable care to ensure that the Scheme is managed by the ACD in compliance with the Regulations and the provisions of the Instrument of Incorporation and Prospectus.

The ACD and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## MANAGEMENT AND ADMINISTRATION

### REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole Company Director, presents its report and the audited financial statements of the Company for the period from 5th January 2006 to 31st October 2006.

The Company is a non UCITS Retail Scheme which complies with the New Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The investment objectives, policies and activities of each sub-fund of the Company during the period are covered in the investment reviews for each sub-fund. Each of the sub-funds of an umbrella company should be invested as if it were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 2.

In the future there may be other sub-funds of the umbrella company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the umbrella company.

Where a Fund invests in other collective investment schemes, the maximum annual management fee that may be charged to that collective investment scheme is 5% of the Net Asset Value of such a Scheme, however, it is expected that the actual annual management fee will not exceed 2%.

### DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the Directors of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director of the ACD  
28th February 2007



Mark Friend  
Managing Director, Operations of the ACD

### REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE PERIOD FROM 5TH JANUARY 2006 TO 31ST OCTOBER 2006 FOR THE HURLINGHAM MANAGED INCOME PORTFOLIO AND THE HURLINGHAM MANAGED GROWTH PORTFOLIO, AS SUB-FUNDS OF THE HURLINGHAM FUND ("THE COMPANY").

The Depositary is responsible for the safekeeping of all the property of the ICVC (other than tangible moveable property) which is entrusted to it. It is the duty of the Depositary to take reasonable care to ensure that the ICVC is managed in accordance with the Financial Services Authority's New Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 and the Instrument of Incorporation in relation to the pricing of, and dealings in, shares in the ICVC; the application of the income of the ICVC, and the investment and borrowing powers and restrictions applicable to the ICVC.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the ICVC, it is our opinion that:

- the issue, sale, redemption, cancellation and calculation of the price of the ICVC's shares; and
- the application of the ICVC's income have, in all material respects, been carried out in accordance with the provisions of:
  - the Regulations and
  - the Open-Ended Investment Companies Regulations 2001 and
  - the Instrument of Incorporation of the ICVC

and that, in all material respects, the investment and borrowing powers and restrictions applicable to the ICVC, in accordance with the provision of the Regulations and Instrument of Incorporation, have been observed.

The Royal Bank of Scotland plc  
Trustee & Depositary Services  
28th February 2007

# MANAGEMENT AND ADMINISTRATION

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE HURLINGHAM FUND

We have audited the financial statements on pages 5 to 22, other than the comparative tables, investment objectives and investment reviews on pages 9 and 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the New Collective Investment Schemes sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Authorised Corporate Director and the Auditors

The Authorised Corporate Director's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Management Association, the Financial Services Authority's New Collective Investment Schemes sourcebook, and the Instrument of Incorporation are set out in the Statement of ACD's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Management Association, the Financial Services Authority's New Collective Investment Schemes sourcebook, and the Instrument of Incorporation. We also report to you whether the information given in the Report of the ACD is consistent with the financial statements, and whether we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

In addition we report to you if, in our opinion, proper accounting records for the Company have not been kept, or if the financial statements are not in agreement with those records.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises comparative tables, investment objectives, investment reviews and the Report of the ACD. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authorised Corporate Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31st October 2006 and of the net expense and net gains of the scheme property of the Company for the period then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association in December 2005, the Financial Services Authority's New Collective Investment Schemes sourcebook, and the Instrument of Incorporation; and
- the information given in the Report of the ACD is consistent with the financial statements.

We have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RSM Robson Rhodes LLP

Chartered Accountants and Registered Auditors

London, England

28th February 2007

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the period from 5th January 2006 to 31st October 2006

	notes	31/10/06	
		£'000	£'000
Net gains on investments during the period	2		182
Income	3	79	
Expenses	4	(113)	
Finance costs: Interest	6	<u>(1)</u>	
Net expense before taxation		(35)	
Taxation	5	<u>(2)</u>	
Net expense after taxation			<u>(37)</u>
Total return before distributions			145
Finance costs: Distributions	6		(52)
<b>Change in net assets attributable to shareholders</b>			<u><u>93</u></u>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 5th January 2006 to 31st October 2006

	31/10/06	
	£'000	£'000
<b>Net assets at the start of the period</b>		-
Movements due to sales and repurchases of shares:		
Amounts receivable on issue of shares	7,484	
Less: Amounts payable on cancellation of shares	<u>(221)</u>	
		7,263
Stamp Duty Reserve Tax		(1)
Change in net assets attributable to shareholders (see above)		93
<b>Net assets at the end of the period</b>		<u><u>7,355</u></u>

## BALANCE SHEET

As at 31st October 2006

	notes	31/10/06
		£'000
<b>ASSETS</b>		
Portfolio of Investments		<u>7,160</u>
Debtors	7	218
Cash and bank balances	8	<u>247</u>
<b>Total other assets</b>		<u>465</u>
<b>Total assets</b>		<u><u>7,625</u></u>
<b>LIABILITIES</b>		
Creditors	10	179
Bank overdrafts	9	39
Distribution payable on income shares	6	<u>52</u>
<b>Total liabilities</b>		<u>270</u>
<b>Net assets attributable to shareholders</b>		<u><u>7,355</u></u>

The notes on pages 6-8 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited



Neil Macpherson  
Finance Director of the ACD



Mark Friend  
Managing Director, Operations of the ACD

28th February 2007

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE AGGREGATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the statement of Recommended Practice of Authorised Funds issued by the Investment Management Association in December 2005, the Financial Services Authority's New Collective Investment Schemes sourcebook and the Instrument of Incorporation. As this is the first period end since the launch of the Company, no comparatives are available.

#### Aggregation

The aggregated accounts represent the sum of the individual sub-funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-funds.

#### Income Recognition

Dividends receivable from quoted equity shares and non-equity shares, authorised unit trusts and OEICs are credited to income when the security is quoted ex-distribution. Interest and other income are recognised on an accruals basis. Accumulation of income relating to accumulation units or shares held in underlying funds is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

#### Expenses

For accounting purposes, all expenses (other than SDRT) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after expenses relating to purchase and sale of investments which are borne by capital, and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the Hurlingham Managed Income Portfolio's expenses are to be borne by capital and 100% of the Hurlingham Managed Growth Portfolio's expenses are to be borne by income.

#### Valuations

The valuation point is 12 noon on the last working day of the accounting period. Quoted investments are valued at the bid-market value net of any accrued interest which is included in the Balance Sheet as an income-related item.

Authorised unit trusts are valued at the middle of contractual prices. OEIC sub-funds are valued at the quoted price for those managed by the ACD and at contractual prices for any other sub-funds.

#### Taxation

The charge for corporation tax is based on the results for the period and takes into account taxation deferred or accelerated because of timing differences arising between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, unless such provision is not permitted by Financial Reporting Standard 19.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on the sale or repurchase of shares, which is paid into the Fund and included in the Statement of change in Shareholders' Funds. The levy is intended to cover certain dealing charges not included in the mid-market value of the Fund used in calculating the share price, which could have a diluting effect on the performance of the Fund.

#### Stamp Duty Reserve Tax (SDRT)

The ACD hereby notifies that all expenses arising out of the introduction of SDRT will be charged to the sub-funds. It is the ACD's view that these will not be material.

### 2. NET GAINS ON INVESTMENTS

The net gains on investments during the period comprise:

	31/10/06 £'000
Non-derivative securities	182
<b>Net gains on investments</b>	<b>182</b>

### 3. INCOME

	31/10/06 £'000
Bank interest	5
<b>Distributions from authorised collective investment schemes:</b>	
- Franked income	21
- Unfranked income	53
	<b>79</b>

### 4. EXPENSES

	31/10/06 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	54
	<b>54</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	14
Transaction charges	3
	<b>17</b>
<b>Other expenses:</b>	
Auditors' remuneration	12
Registration fees	11
FSA and other regulatory fees	5
Miscellaneous expenses	14
	<b>42</b>
<b>Total expenses</b>	<b>113</b>

Irrecoverable VAT is included in the above expenses where relevant.

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/10/06 £'000
Current tax:	
Irrecoverable income tax	2
<b>Total current tax (note 5(b))</b>	<b>2</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is higher than the special 20% rate of corporation tax applicable to open ended investment companies (OEICs). The differences are explained below:

	31/10/06 £'000
Net expense before taxation	(35)
	<b>(35)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20%	(7)
<b>Effects of:</b>	
Franked UK dividends not subject to taxation	(4)
Irrecoverable income tax	2
Expenses not deducted for tax purposes	2
Current period expenses not utilised	9
<b>Current tax charge (note 5 (a))</b>	<b>2</b>

Authorised OEICs are exempt from tax on capital gains made within the Fund.

(c) Factors that may affect future tax charges

The sub-fund had not recognised a deferred tax asset of £8,528 arising as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of capital gains or the sub-fund investment profile changes.

## 6. FINANCE COSTS

The distributions take into account income received on the creation of shares and income deducted on cancellation of shares, and comprise:

	31/10/06 £'000
Interim distribution	11
Final distribution	52
	<b>63</b>
Add: Income deducted on cancellation of shares	-
Deduct: Income received on issue of shares	(11)
<b>Net distributions for the period</b>	<b>52</b>
Interest	1
<b>Total finance costs</b>	<b>53</b>

The net distribution figure of £52,000 differs from net income after taxation as shown on the 'statement of total return' of £nil, due to expenses borne by capital of £52,000.

## 7. DEBTORS

	31/10/06 £'000
Accrued income	19
Amounts receivable for issue of shares	128
Income tax recoverable	8
Sales awaiting settlement	63
	<b>218</b>

## 8. CASH AND BANK BALANCES

	31/10/06 £'000
Sterling	247
<b>Cash and bank balances</b>	<b>247</b>

## 9. BANK OVERDRAFTS

	31/10/06 £'000
Sterling	39
<b>Bank overdrafts</b>	<b>39</b>

## 10. CREDITORS

	31/10/06 £'000
Accrued expenses	15
Purchases awaiting settlement	164
	<b>179</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director

The Financial Reporting Standard number 8 (FRS 8) on 'Related Party Disclosures' requires the disclosure of details of material transactions between the Fund and any related parties. Under the FRS, the ACD is deemed to be a related party. All transactions associated with the ACD are disclosed within note 4 on page 6. The balance outstanding at the period end was £nil.

### Investment Advisers

The ACD has appointed the following to provide investment management and advisory services to the ACD:

Fund	Investment Adviser
Hurlingham Managed Income Portfolio	Premier Fund Managers Limited.
Hurlingham Managed Growth Portfolio	Premier Fund Managers Limited.

The Investment Adviser has appointed Close Private Asset Management Limited as sub-adviser to the Hurlingham Managed Growth Portfolio.

### The Depositary

The Company's Depositary for each sub-fund is The Royal Bank of Scotland plc.

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

The Depositary is responsible for the safekeeping of all of the scheme property of the sub-funds and has a duty to take reasonable care to ensure that the sub-funds are managed in accordance with the provisions of the FSA Regulations relating to the pricing of, and dealing in, shares and relating to the income of the sub-funds. Subject to FSA Regulations, the Depositary has full power under the Depositary agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. It has delegated custody services to The Northern Trust Company.

The Depositary received for its own account a periodic fee which accrues daily and is due monthly on the last business day of the preceding month.

The fee is payable out of the property attributable to each sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depositary from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depositary.

The total remuneration payable to the Depositary out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

There was nothing due to the Depositary at the period end.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities and commitments at the Balance Sheet date.

## 13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objective, each sub-fund mainly holds collective investment schemes, debtors, creditors and cash, but may also invest in equities, fixed interest securities, money market instruments and warrants. The main risks arising from the sub-funds financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-funds might suffer through holding market positions in the face of price movements. The Investment Adviser and sub-adviser considers the asset allocation of the portfolio's in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's objectives.

The Investment Adviser and sub-adviser do not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Although the sub-funds' performance is measured in Sterling, a proportion of the sub-funds' assets may be either denominated in other currencies or are in investments in unit trusts or investment funds with substantial currency exposure and, as a result, the income and capital value of the sub-funds may be significantly affected by currency movements. Where appropriate, the Investment Adviser and sub-advisers may use forward currency contracts to mitigate the risk.

### Interest Rate Risk

The sub-funds do not have any material direct interest rate risk as all financial assets are in either collective investment schemes or investment companies which neither pay interest nor have any maturity date. The floating interest rate on cash positions is disclosed within the financial statements of the individual sub-funds. However, some of the investments as disclosed on pages 10 and 17 hold fixed interest securities which pay interest and have maturity dates. The value of these investments may be affected by movements in interest rates.

### Liquidity Risk

The sub-funds' assets are all in either collective investment schemes or investment companies of recognised product providers spread sufficiently widely, to enable redemption of holdings without undue adverse effect. The main liability of the sub-funds is the redemption of any shares that Investors wish to sell. All the financial liabilities of the sub-funds fall due within one year.

### Counterparty Risk

The sub-funds will be exposed to counterparty risk on parties with whom they trade and will bear the risk of settlement default. The sub-funds minimise concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-funds only buy and sell investments through brokers who have been approved by the Investment Adviser and sub-adviser as an acceptable counterparty.

### Fair Value of Financial Assets and Financial Liabilities

All of the listed securities are valued at market values which approximates fair value. See notes to individual sub-funds for numerical disclosures.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## HOW THE FUND HAS PERFORMED

### Performance Record - Income shares

Calendar Year	High (p)	Low (p)
2006*	102.70	96.29

### Income Record - Income shares

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (p)
2006*	2.2216	2,221.60

### Net Asset Values - Income shares

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Fund (£)
31/10/2006	3,077,628	100.26	3,085,713

\*From 5th January 2006 to 31st October 2006

### Total Expense Ratio (TER)

The TER of the sub-fund was 3.108% as at 31st October 2006. Source: Premier Fund Managers Limited.

## INVESTMENT OBJECTIVE

To provide income together with long term capital growth from a portfolio of investments. The Fund will invest in collective investment schemes, and may also invest in equities, fixed interest securities, money market instruments and warrants

## INVESTMENT REVIEW

### PERFORMANCE

Over what has been a volatile period for the world's financial markets, the Hurlingham Managed Income Fund registered a return of 3.0% since launch. This was behind the IMA Cautious Managed sector average and the Fund's benchmark\* which gained 4.8% and 5.8% respectively.

### MARKET REVIEW

World equity markets endured a fairly rocky ride over the period since the Fund's launch, with volatility picking up significantly in May. During this time, the UK proved to be one of the strongest of the major stock markets, with the FTSE All-Share Index registering a double-digit advance.

2006 began well, as stock markets across the world continued to advance strongly. In May, however, investors became more concerned over the outlook for inflation, global interest rates and world economic growth. The result was a marked pick-up in volatility across world markets as investors fled from riskier assets, which led to the period's previous strong gains being cancelled out.

Global stock markets continued to fall until mid-June, from where they began to rally. The release of benign inflation data from the US was largely to thank for this, as it suggested to nervous investors that the two-year cycle of US interest rate rises may be coming to an end.

During this time, the UK's rebound was stronger than most, due largely to the sustained solid performance of the defensive UK corporate sector and the continuing high volume of merger and acquisition activity. Similar circumstances also helped European equities to perform well, as robust global growth supported the heavy weighting of multi-national companies in the region.

At the other end of the scale, Japan was the biggest laggard among major global stock markets over the period. Profit-taking was a key driver to the Nikkei 225 Index's decline over the period, as it had risen sharply in the previous half year. However, niggling doubts over the strength of the Japanese economic

recovery also applied downward pressure, as investors speculated over the likely impact of the country's first interest rate rise for nearly five years. Adding to all this was the impact of a weak Yen, which further reduced the returns to Sterling-based investors.

It was a different story for Japan's neighbours in the Pacific Basin, as the region's markets generated solid returns for the period. Sustained global economic growth continues to be one of the main drivers of performance, but Pacific Basin equities are also benefiting from stronger domestic economies, in particular China's.

Meanwhile, the US equity market lagged behind the global average over the period. Tightening domestic monetary policy was one of the chief culprits to this underperformance, but concerns about the strength of US consumer spending and the domestic housing market also weighed on sentiment.

With concerns over rising inflation one of the key issues of the period, it was of little surprise that the UK fixed-interest market was flat. In addition, a shift in expectations, as investors anticipated August's interest rate rise, also affected bond performance, resulting in a return of just 1.5% for the FTSE All-Stocks Index.

### PORTFOLIO ACTIVITY

The Fund remained slightly underweight in UK equities throughout the reporting period, which held back returns as UK equities performed strongly. However, during the period, this position was increased, to bring the UK holding closer to its full weighting.

Elsewhere, our overweight position in European equities helped Fund performance, as they were ahead of the global average over the period. Conversely, remaining overweight in Japanese equities hindered returns, as the Japanese stock market lost ground – a factor that was compounded by Yen weakness against Sterling. On the back of this performance, we reduced our European overweight position to lock in profits, while we increased our Japanese equity position following the fall in prices.

At an asset level, we maintained our underweight position in UK bonds throughout the period, as we believed that they had little potential to generate strong capital growth from current levels.

Within the Fund, we disposed of three holdings during the period. Two of these, the Legal and General US and UK Index funds, were purchased as shorter-term holdings to provide lower cost access to market-linked performance during the Fund's infancy. The third disposal was Aberforth UK Smaller Companies, which we sold in October to lock in profits following a period of strong performance.

In respect of the Fund's other holdings, we continued to trim back or top up holdings depending on individual strength or weakness.

### OUTLOOK

The most significant issue for the global economic outlook remains the strength of the US economy. Inflation will be one of the main threats going forward: the extent to which it has become embedded in the US economy will be key to future interest rate movements, and therefore, the strength of US economic growth. Our own view remains positive, as we believe the resilience of the US economy and corporate sector can help to bring about a soft landing.

In the UK, we are comfortable with our current equity weighting and feel no immediate need to reduce this following a recent run of strength. The UK stock market has the potential to carry on this good run, so the key for us will be to monitor its progress and decide when, if at all, to take profits.

Fixed-interest markets still seem unlikely to generate any strong capital gains in the short to medium term. However, they remain useful for the purposes of diversification and providing income.

Source: Premier Fund Managers Ltd, November 2006.

\*Fund Benchmark: 50% FTSE All-Stocks Index, 40% FTSE All-Share Index and 10% FTSE World ex UK Index.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st October 2006

Holding	Investment	Market Value £'000	Total Value of Fund %
<b>STRUCTURED PLANS 1.98%</b>			
<b>Europe 1.98%</b>			
57,250	Harewood BNP Paribas Eueopean Shield	61	1.98
		<b>61</b>	<b>1.98</b>
<b>BONDS 0.68%</b>			
<b>North America 0.68%</b>			
20,000	Barclays S&P 0% 21/02/2011	21	0.68
		<b>21</b>	<b>0.68</b>
<b>COLLECTIVE INVESTMENT SCHEMES 96.79%</b>			
<b>Europe 2.69%</b>			
40,633	Artemis European Growth*	83	2.69
		<b>83</b>	<b>2.69</b>
<b>Japan 2.01%</b>			
44,605	Martin Currie Japan 'B'	62	2.01
		<b>62</b>	<b>2.01</b>
<b>Far East 1.85%</b>			
33,108	First State Asia Pacific Fund 'B'*	57	1.85
		<b>57</b>	<b>1.85</b>
<b>United Kingdom 39.53%</b>			
49,234	AXA Framlington Monthly Income	150	4.86
66,380	Baillie Gifford British 350 'B'	151	4.89
126,382	Credit Suisse Alpha 'I'	114	3.69
4,976	Investec UK Smaller Companies 'I'	85	2.75
18,099	Jupiter Income	96	3.11
83,108	Liontrust First Income	152	4.94
181,449	Mellon Newton Higher Income	130	4.21
16,868	Rathbone Income	134	4.34
68,774	Rensburg UK Equity Income	134	4.34
2,350	Rights & Issues Investment Trust	74	2.40
		<b>1,220</b>	<b>39.53</b>
<b>Property 1.78%</b>			
55,000	Medic X	55	1.78
		<b>55</b>	<b>1.78</b>

Holding	Investment	Market Value £'000	Total Value of Fund %
<b>North America 5.93%</b>			
97,716	Legg Mason US Equity 'B'*	139	4.50
43,500	Middlefield Canadian Income	44	1.43
		<b>183</b>	<b>5.93</b>
<b>Fixed Interest 43.00%</b>			
199,711	Baillie Gifford Corporate Bond	153	4.96
960	Collins Stewart Total Return Bond	96	3.11
302,279	F&C Extra Income Bond '2'	151	4.89
246,670	Henderson Preference & Bond 'I'	154	4.99
86,529	Legal & General All Stocks Gilt Index	86	2.79
250,589	Legal & General High Income 'I'	143	4.63
299,394	M&G High Yield Corporate Bond	148	4.80
124,887	Resolution Corporate Bond	142	4.60
138,852	Royal London Income	135	4.37
240,793	Standard Life Higher Income 'I'	119	3.86
		<b>1,327</b>	<b>43.00</b>
<b>Total Value of Investments</b>		<b>3,069</b>	<b>99.45</b>
<b>Net Other Assets</b>		<b>17</b>	<b>0.55</b>
<b>Total Net Assets</b>		<b>3,086</b>	<b>100.00</b>

\*Accumulation shares/units

No prior year figures as sub-fund launched on 5th January 2006.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period from 5th January 2006 to 31st October 2006

	notes	31/10/06	
		£'000	£'000
Net gains on investments during the period	2		61
Income	3	53	
Expenses	4	(52)	
Finance costs: Interest	6	-	
Net income before taxation		1	
Taxation	5	(1)	
Net income after taxation		-	
Total return before distributions			61
Finance costs: Distributions	6		(52)
<b>Change in net assets attributable to shareholders</b>			<b>9</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 5th January 2006 to 31st October 2006

	31/10/06	
	£'000	£'000
<b>Net assets at the start of the period</b>		-
Movements due to sales and repurchases of shares:		
Amounts receivable on issue of shares	3,150	
Less: Amounts payable on cancellation of shares	(73)	
		3,077
Change in net assets attributable to shareholders (see above)		9
<b>Net assets at the end of the period</b>		<b>3,086</b>

## BALANCE SHEET

As at 31st October 2006

	notes	31/10/06
		£'000
<b>ASSETS</b>		
Portfolio of Investments		<u>3,069</u>
Debtors	7	186
Cash and bank balances	8	<u>53</u>
<b>Total other assets</b>		<b>239</b>
<b>Total assets</b>		<b>3,308</b>
<b>LIABILITIES</b>		
Creditors	9	170
Distribution payable on income shares	6	<u>52</u>
<b>Total liabilities</b>		<b>222</b>
<b>Net assets attributable to shareholders</b>		<b>3,086</b>

The notes on pages 13-15 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited



Neil Macpherson  
Finance Director of the ACD



Mark Friend  
Managing Director, Operations of  
the ACD

28th February 2007

# HURLINGHAM MANAGED INCOME PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 5th January 2006 to 31st October 2006

Purchases	Cost £'000	Note
Royal London Income	160	
Baillie Gifford British 350 'B'	156	
Henderson Preference & Bond 'I'	156	
Baillie Gifford Corporate Bond	154	
F&C Extra Income Bond '2'	151	
AXA Framlington Monthly Income	149	
Resolution UK Property Trust	149	
Liontrust First Income	148	
M&G High Yield Corporate Bond	148	
Resolution Corporate Bond	146	
Legal & General High Income 'I'	145	
Legg Mason US Equity 'B'*	144	
Rathbone Income	131	
Legal & General UK Index	129	
Rensburg UK Equity Income	129	
Standard Life Higher Income 'I'	128	
Mellon Newton Higher Income	123	
Collins Stewart Total Return Bond	121	
Credit Suisse Alpha Income 'I'	109	
Jupiter Income	109	
Artemis European Growth*	101	
Legal & General All Stocks Gilt Index	85	
Investec UK Smaller Companies 'I'	79	
Martin Currie Japan 'B'	71	
Rights & Issues Investment Trust	70	
First State Asia Pacific 'B'*	64	
Other	419	
<b>Total purchases during the period</b>	<b>3,674</b>	<b>14</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 5th January 2006 to 31st October 2006

Sales	Proceeds £'000	Note
Resolution UK Property Trust	149	
Legal & General UK Index	130	
Harewood BNP Paribas European Shield	67	
F&C Commercial Property Trust	57	
Aberforth Smaller Companies	54	
Henderson Global Property	37	
Collins Stewart Total Return Bond	26	
Artemis European Growth*	25	
Royal London Corporate Bond Income	22	
Jupiter Income	21	
Barclays S&P 0% 21/02/2011	20	
Legal & General US Index 'I'*	14	
Baillie Gifford British 350 'B'	12	
Middlefield Canadian Income	11	
Standard Life Higher Income	11	
First State Asia Pacific 'B'*	10	
<b>Total sales during the period</b>	<b>666</b>	<b>14</b>

\*Accumulation Shares/Units

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period (or for the first period, 2% of the value of the sub-fund at the end of the period), and at a minimum the top 20 purchases and sales. There were 16 sales during the period.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice of Authorised Funds issued by the Investment Management Association in December 2005, the Financial Services Authority's New Collective Investment Schemes Sourcebook and the Instrument of Incorporation. As this is the first period end since the launch of the sub-fund, no comparatives are available.

#### Income Recognition

Dividends receivable from quoted equity and non-equity shares, authorised unit trusts and OEICs are credited to income when the security is quoted ex-distribution. Interest and other income are recognised on an accruals basis. Accumulation of income relating to accumulation units or shares held in underlying funds is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

#### Expenses

For accounting purposes, all expenses (other than SDRT) are charged against capital for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after expenses relating to purchase and sale of investments which are borne by capital, and expenses borne by capital as agreed by the ACD and Depositary.

For this sub-fund the ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by capital.

#### Valuations

The valuation point is 12 noon on the last working day of the accounting period. Quoted investments are valued at the bid-market value net of any accrued interest which is included in the Balance Sheet as an income-related item.

Authorised unit trusts are valued at the middle of contractual prices. OEIC sub-funds are valued at the quoted price for those managed by the ACD and at contractual prices for any other sub-funds.

#### Taxation

The charge for corporation tax is based on the results for the period and takes into account taxation deferred or accelerated because of timing differences arising between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, unless such provision is not permitted by Financial Reporting Standard 19.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on the sale or repurchase of shares, which is paid into the sub-fund and included in the Statement of change in shareholders' funds. The levy is intended to cover certain dealing charges not included in the bid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

All expenses arising out of the introduction of SDRT will be charged to the sub-fund. It is the ACD's view that these will not be material.

### 2. NET GAINS ON INVESTMENTS

The net gains on investments during the period comprise:

	31/10/06
	£'000
Non-derivative securities	61
<b>Net gains on investments</b>	<b>61</b>

### 3. INCOME

	31/10/06
	£'000
Bank interest	2
<b>Distributions from authorised collective investment schemes:</b>	
- Franked income	13
- Unfranked income	38
	<b>53</b>

### 4. EXPENSES

	31/10/06
	£'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	24
	<b>24</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary fees	7
Transaction charges	2
	<b>9</b>
<b>Other expenses:</b>	
Auditors' remuneration	6
Registration fees	4
FSA fees and other regulatory fees	2
Miscellaneous expenses	7
	<b>19</b>
<b>Total expenses</b>	<b>52</b>

Irrecoverable VAT is included in the above expenses where relevant.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/10/06 £'000
<b>Current tax:</b>	
Irrecoverable income tax	1
<b>Total current tax (note 5 (b))</b>	<b>1</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is higher than the special 20% rate of corporation tax applicable to open ended investment companies (OEICs). The differences are explained below.

	31/10/06 £'000
Net income before taxation	1
	<b>1</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20%

	-
<b>Effects of:</b>	
Franked UK dividends not subject to taxation	(2)
Irrecoverable income tax	1
Expenses not deducted for tax purposes	1
Current period expenses not utilised	1
<b>Current tax charge (note 5 (a))</b>	<b>1</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-fund.

(c) Factors that may affect future tax charges

The sub-fund has not recognised a deferred tax asset of £1,083 arising as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of capital gains or the sub-fund investment profile changes.

## 6. FINANCE COSTS

The distributions take into account income received on the creation of shares and income deducted on cancellation of shares, and comprise:

	31/10/06 £'000
Interim distribution	11
Final distribution	52
	<b>63</b>
Add: Income deducted on cancellation of shares	-
Deduct: Income received on issue of shares	(11)
<b>Net distributions for the period</b>	<b>52</b>
Interest	-
<b>Total Finance Costs</b>	<b>52</b>

The net distribution figure of £52,000 differs from 'Net income after taxation' as shown on the 'Statement of total return' of £nil, due to expenses borne by capital of £52,000.

## 7. DEBTORS

	31/10/06 £'000
Accrued income	10
Amounts receivable for issue of shares	108
Recoverable income tax	6
Sales awaiting settlement	62
	<b>186</b>

## 8. CASH AND BANK BALANCES

	31/10/06 £'000
Sterling	53
<b>Cash and bank balances</b>	<b>53</b>

As at 31st October 2006, the weighted average floating interest rate on bank balances was 4.00%.

## 9. CREDITORS

	31/10/06 £'000
Accrued expenses	7
Purchases awaiting settlement	163
	<b>170</b>

## 10. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director

The Authorised Corporate Director ("ACD") of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each sub-fund, not exceeding 2.5% per annum of the Net Asset Value of the sub-fund, calculated on a mid market basis.

The annual management charge accrues daily and is payable monthly. The current management charge for the Hurlingham Managed Income Portfolio is 1.5%. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance outstanding at the period end was £nil.

### Investment Advisers

The ACD has appointed Premier Fund Managers Limited to provide investment management and advisory services to the ACD.

### The Depositary

The sub-fund's Depositary is The Royal Bank of Scotland plc. The Depositary is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of, and dealing in, Shares and relating to the income of the sub-funds. Subject to FSA Regulations, the Depositary has full power under the Depositary agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. It has delegated custody services to The Northern Trust Company. The Depositary received for its own account a periodic fee which accrued daily and is due monthly on the last business day of the preceding month. The fee is payable out of the property attributable to each sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depositary from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depositary.

# HURLINGHAM MANAGED INCOME PORTFOLIO

The total remuneration payable to the Depositary out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depositary's services are disclosed in note 4. There was nothing due to the Depositary at the period end.

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities and commitments at the Balance Sheet date.

## 12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, currency, interest, liquidity and counterparty risks.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's objective.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

The assets of the Company are denominated in Sterling, therefore the sub-fund is not exposed to adverse currency risk. However, a number of the underlying investments are denominated in currencies where there may be a direct or indirect currency risk.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the sub-fund's financial assets are in either collective investment schemes or investment companies which neither pay interest nor have any maturity date. However, some of the underlying investments may be directly or indirectly exposed to interest rate risk. The floating interest rate on cash positions is disclosed in note 8.

### Liquidity Risk

The sub-fund's assets are all in either collective investment schemes or investment companies of recognised product providers spread sufficiently widely, to enable redemption of holdings without undue adverse effect. The main liability of the sub-fund is the redemption of any shares that Investors wish to sell. All the financial liabilities of the sub-fund fall due within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers who have been approved by the Investment Adviser as an acceptable counterparty.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet.

### Derivatives and other financial instruments

The sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

## 13. SHARE CLASSES

The sub-fund currently has one share class, Class 1 (Net Income). The annual management charge on this share class is as follows:

Class 1: 1.5%

The net asset value of the share class, the net asset value per share and the number of shares is given in the comparative tables on page 9. The distribution per share class is given in the distribution tables below.

## 14. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	30/11/06
	£'000
Purchases in period before transaction costs	3,673
Commissions	-
Other costs	1
<b>Total purchase costs</b>	<b>1</b>

**Gross purchases total** **3,674**

Analysis of total sale costs:

Gross sales before transaction costs	666
Commissions	-
<b>Total sale costs</b>	<b>-</b>

**Total sales net of transaction costs** **666**

## 15. DISTRIBUTION TABLES

For the period 5th January 2006 to 30th April 2006

Interim dividend distribution in pence per share

Income	Net income	Income Equalisation	Distribution paid
			30/06/06
Group 1	0.5203	-	0.5203
Group 2	0.5203	-	0.5203

For the period 1st May 2006 to 31st October 2006

Final dividend distribution in pence per share

Income	Net income	Income Equalisation	Distribution payable
			28/02/07
Group 1	1.7013	-	1.7013
Group 2	0.5755	1.1258	1.7013

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## HOW THE FUND HAS PERFORMED

### Performance Record

Calendar Year	High (p)	Low (p)
---------------	----------	---------

#### Income

2006*	106.21	93.92
-------	--------	-------

#### Accumulation

2006*	106.25	93.99
-------	--------	-------

### Income Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (p)
---------------	--------------------------	-------------------------------------

Income		
2006*	-	-

#### Accumulation

2006*	-	-
-------	---	---

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Fund (£)
-------	-----------------	-------------------------------	-----------------------------

Income			
31/10/2006	2,772,289	102.41	4,269,157

#### Accumulation

31/10/2006	1,394,317	102.56	4,269,157
------------	-----------	--------	-----------

\*From 5th January 2006 to 31st October 2006

### Total Expense Ratio (TER)

The TER of the sub-fund was 3.403% as at 31st October 2006. Source: Premier Fund Managers Limited.

## INVESTMENT OBJECTIVE

To provide capital growth in excess of the return available from cash deposits over the medium to long term from a portfolio of global investments. The Fund will invest in collective investment schemes, and may also invest in equities, fixed interest securities, money market instruments and warrants.

## INVESTMENT REVIEW

### PERFORMANCE

The Hurlingham Managed Growth Fund registered a return of 2.7% since launch, whilst the IMA Balanced Managed sector average returned 5.6% and the Fund's benchmark\* recorded 4.9%.

### MARKET REVIEW

Equity markets have performed reasonably well in the period since the Fund's launch, although the period has been marked by volatility. From January through to May, performance was strong, with Emerging Markets leading the way. However, sharp setbacks were experienced in May and June as a result of investor concern over short-term inflation and medium-term global economic growth rates. Since then, confidence among investors has gradually returned, leading equity markets to return to the levels seen at the beginning of May.

Over the period as a whole, equities and property have generally performed well. Lower risk assets, such as fixed-interest securities, have found the going more difficult. Given the background of interest rates in recent months, this is not surprising; rates have been rising globally and appear likely to continue to do so into 2007.

### PORTFOLIO ACTIVITY

Following strong, albeit volatile, performances from our resource holdings, we sold Investec Global Energy, First State Global Resources and reduced the BlackRock ML Gold & General Funds. The proceeds were used to purchase holdings in New Star Global Financials, Neptune Global Equity and International Biotech.

We switched our holding of Legg Mason US Smaller Companies Fund into a structured product from Barclays, which provides us with a geared play (125%) on the S&P 500 with capital protection should the market fall by less than 50% and is hedged back into Sterling. We also sold Legg Mason US Equity and bought M&G American.

In Europe, we reduced our weighting in Artemis European Growth and introduced a new holding in Cazenove European.

By way of providing further diversification to the portfolio, we also took part in a placing of the UK Commercial Property Investment Trust, managed by Foreign & Colonial.

### OUTLOOK

Looking forward, earnings look likely to slow due to the impact of both higher input prices as well as the macro backdrop. However, valuation levels remain attractive in terms of the major indices and corporate liquidity levels also remain high.

We therefore remain relatively relaxed about risk assets, but will be watching the interest rate cycle very closely indeed. Growth remains higher than anticipated and this may trigger further rate rises in the UK, US and Europe.

Finally, with regards to property, returns have continued to be very encouraging, driven by both demand for assets, with a huge inflow of cash into the arena from investors, and from a demand for yield from underlying investors.

Source: Close Private Asset Management Ltd, November 2006.

\*Fund Benchmark: 40% FTSE All-Share Index, 25% FTSE All-Stocks Index and 35% MSCI World Index.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st October 2006

Holding	Investment	Market Value £'000	Total Value of Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 91.33%</b>			
<b>Europe 11.33%</b>			
61,000	Artemis European Growth*	124	2.90
50,975	Cazenove European X*	183	4.29
140,000	Resolution Britannic Argonaut European Alpha 'I'*	177	4.14
		<b>484</b>	<b>11.33</b>
<b>Global 3.40%</b>			
40,000	Neptune Global Equity 'B'*	91	2.14
20,000	New Star Global	54	1.26
		<b>145</b>	<b>3.40</b>
<b>Far East 5.90%</b>			
108,000	Aberdeen Asia Pacific 'A'	105	2.46
102,100	Lazard Emerging Markets Growth 'I'	147	3.44
		<b>252</b>	<b>5.90</b>
<b>Japan 4.57%</b>			
43,000	Baillie Gifford Japan	96	2.25
46,880	Legg Mason Japan Equity 'B'	99	2.32
		<b>195</b>	<b>4.57</b>
<b>North America 7.82%</b>			
23,470	M&G American X*	212	4.96
157,770	UBS US Equity 'B'*	122	2.86
		<b>334</b>	<b>7.82</b>
<b>United Kingdom 43.76%</b>			
17,470	AXA Framlington UK Select Opportunités*	277	6.49
27,175	Invesco Perpetual Income	352	8.23
161,760	Invesco Perpetual UK Aggressive*	179	4.19
20,000	International Biotechnology	31	0.73
17,170	M&G UK Select 'A'*	270	6.32
4,800	Merrill Lynch Gold & General*	34	0.80
119,170	Old Mutual UK Select Mid Cap*	145	3.40
341,000	Schroder UK Alpha Plus*	336	7.86
298,000	Standard Life UK Equity Higher Income	245	5.74
		<b>1,869</b>	<b>43.76</b>
<b>Property 1.69%</b>			
70,000	UK Commercial Property	72	1.69
		<b>72</b>	<b>1.69</b>

Holding	Investment	Market Value £'000	Total Value of Fund %
<b>Fixed Interest 12.86%</b>			
700,000	Aegon Sterling Corporate Bond 'B'	219	5.13
87,170	Old Mutual Corporate Bond*	132	3.09
47,990	Standard Life Global Index Linked Bond 'I'*	55	1.29
276,800	Threadneedle Return Bond 'I'*	142	3.35
		<b>548</b>	<b>12.86</b>
<b>BONDS 4.50%</b>			
<b>North America 4.50%</b>			
185,000	Barclays S&P 0% 21/02/2011	192	4.50
		<b>192</b>	<b>4.50</b>
<b>Total Value of Investments</b>		<b>4,091</b>	<b>95.83</b>
<b>Net Other Assets</b>		<b>178</b>	<b>4.17</b>
<b>Total Net Assets</b>		<b>4,269</b>	<b>100.00</b>

\*Accumulation shares/units

No prior year figures as the sub-fund launched on 5th January 2006.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period from 5th January 2006 to 31st October 2006

	notes	31/10/06	
		£'000	£'000
Net gains on investments during the period	2		121
Income	3	26	
Expenses	4	(61)	
Finance costs: Interest	6	(1)	
Net expense before taxation		(36)	
Taxation	5	(1)	
Net expense after taxation			(37)
Total return before distributions			84
Finance costs: Distributions	6		-
<b>Change in net assets attributable to shareholders</b>			<b>84</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 5th January 2006 to 31st October 2006

	31/10/06	
	£'000	£'000
<b>Net assets at the start of the period</b>		-
Movements due to sales and repurchases of shares:		
Amounts receivable on issue of shares	4,334	
Less: Amounts payable on cancellation of shares	(148)	
		4,186
Stamp Duty Reserve Tax		(1)
Change in net assets attributable to shareholders (see above)		84
<b>Net assets at the end of the period</b>		<b>4,269</b>

## BALANCE SHEET

As at 31st October 2006

	notes	31/10/06
		£'000
<b>ASSETS</b>		
<b>Portfolio of Investments</b>		<b>4,091</b>
Debtors	7	32
Cash and bank balances	8	194
<b>Total other assets</b>		<b>226</b>
<b>Total assets</b>		<b>4,317</b>
<b>LIABILITIES</b>		
Creditors	10	9
Bank overdrafts	9	39
<b>Total liabilities</b>		<b>48</b>
<b>Net assets attributable to shareholders</b>		<b>4,269</b>

The notes on pages 19-22 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited



Neil Macpherson  
Finance Director of the ACD

28th February 2007



Mark Friend  
Managing Director, Operations of  
the ACD

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 5th January 2006 to 31st October 2006

Purchases	Cost £'000	Note
Invesco Perpetual Income	325	
Schroder UK Alpha Plus*	309	
Barclays S&P 21/02/2011	277	
AXA Framlington UK Select Opportunités*	270	
M&G UK Select 'A'*	250	
Standard Life UK Equity Inst	229	
Aegon Sterling Corporate Bond Fund 'B'	220	
M&G American X*	198	
Cazenove European X*	178	
Resolution Britannic Argonaut European Alpha 'I'*	173	
Invesco Perpetual UK Aggressive*	170	
Artemis European Growth*	168	
Lazard Emerging Markets Growth Inst	145	
Legg Mason Japan Equity 'B'	141	
Threadneedle Return Bond 'I'*	141	
Baillie Gifford Japan	136	
Old Mutual Corporate Bond*	130	
Old Mutual UK Select Mid Cap*	125	
UBS US Equity 'B'*	121	
Legg Mason US Equity 'B'	109	
Resolution Britannic Argonaut European Alpha 'I'*	100	
Neptune Global Equity 'B'*	86	
Other	545	
<b>Total purchases during the period</b>	<b>4,546</b>	<b>15</b>
Sales	Proceeds £'000	Note
Resolution Britannic Argonaut European Alpha 'I'*	114	
Barclays S&P 21/02/2011	94	
Legg Mason US Equity B*	92	
Schroder UK Mid & Small Cap	74	
Legg Mason US Smaller Companies*	61	
Artemis European Growth*	47	
First State Investment Global Res B*	24	
Merrill Lynch Gold & General*	19	
Rab Special Situations Companies	18	
Baillie Gifford Japan	16	
Investec Global Energy A*	15	
<b>Total sales during the period</b>	<b>574</b>	<b>15</b>

\* Accumulation shares/units

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period (or for the first period, 2% of the value of the sub-fund at the end of the period), and at a minimum the top 20 purchases and sales. There were 11 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in December 2005, the Financial Services Authority's New Collective Investment Schemes Sourcebook and the Instrument of Incorporation. **As this is the first period end since the launch of the sub-fund, no comparatives are available.**

#### Income Recognition

Dividends receivable from quoted equity and non-equity shares, authorised unit trusts and OEICs are credited to income when the security is quoted ex-distribution. Interest and other income are recognised on an accruals basis. Accumulation of income relating to accumulation units or shares held in underlying funds is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

#### Expenses

For accounting purposes, all expenses (other than SDRT) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after expenses relating to purchase and sale of investments which are borne by capital, and expenses borne by capital as agreed by the ACD and Depositary.

For this sub-fund the ACD and Depositary have agreed that 100% of the sub-fund's expenses are to be borne by income.

#### Valuations

The valuation point is 12 noon on the last working day of the accounting period. Quoted investments are valued at the bid-market value net of any accrued interest which is included in the Balance Sheet as an income-related item.

Authorised unit trusts are valued at the middle of contractual prices. OEIC sub-funds are valued at the quoted price for those managed by the ACD and at contractual prices for any other sub-funds.

#### Taxation

The charge for corporation tax is based on the results for the period and takes into account taxation deferred or accelerated because of timing differences arising between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, unless such provision is not permitted by Financial Reporting Standard 19.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on the sale or repurchase of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Funds. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

The ACD hereby notifies that all expenses arising out of the introduction of SDRT will be charged to the sub-fund. It is the ACD's view that these will not be material.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## 2. NET GAINS ON INVESTMENTS

The net gains on investments during the period comprise:

	31/10/06 £'000
Non-derivative securities	121
<b>Net gains on investments</b>	<b>121</b>

## 3. INCOME

	31/10/06 £'000
Bank interest	3
<b>Distributions from authorised collective investment schemes:</b>	
- Franked income	8
- Unfranked income	15
	<b>26</b>

## 4. EXPENSES

	31/10/06 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	30
	<b>30</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	7
Transaction charges	1
	<b>8</b>
<b>Other expenses:</b>	
Auditors' remuneration	6
Registration fees	7
FSA and other regulatory fees	3
Miscellaneous expenses	7
	<b>23</b>
<b>Total expenses</b>	<b>61</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/10/06 £'000
<b>Current tax:</b>	
Irrecoverable income tax	1
<b>Total current tax (note 5 (b))</b>	<b>1</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is higher than the special 20% rate of corporation tax applicable to open ended investment companies (OEICs). The differences are explained below:

	31/10/06 £'000
Net expense before taxation	(36)
	<b>(36)</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20%

(7)

**Effects of:**

Franked UK dividends not subject to taxation

(2)

Irrecoverable income tax

1

Expenses not deducted for tax purposes

1

Current period expenses not utilised

8

**Current tax charge (note 5 (a))**

**1**

Authorised OEICs are exempt from tax on capital gains made within the sub-fund.

(c) Factors that may affect future tax charges

The sub-fund has not recognised a deferred tax asset of £7,445 arising as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of capital gains or the sub-fund investment portfolio changes.

## 6. FINANCE COSTS

	31/10/06 £'000
Net distribution for the period	-
Interest	1
<b>Total finance costs</b>	<b>1</b>

## 7. DEBTORS

	31/10/06 £'000
Accrued income	9
Amounts receivable for issue of shares	20
Income tax recoverable	2
Sales awaiting settlements	1
	<b>32</b>

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## 8. CASH AND BANK BALANCES

	31/10/06
	£'000
Sterling	194
<b>Cash and bank balances</b>	<b>194</b>

As at 31st October 2006, the weighted average floating interest rate on bank balances was 4.00%.

## 9. BANK OVERDRAFTS

	31/10/06
	£'000
Sterling	39
<b>Bank overdrafts</b>	<b>39</b>

As at 31st October 2006, the floating interest rate on bank overdrafts was 5.75%.

## 10. CREDITORS

	31/10/06
	£'000
Accrued expenses	8
Purchases awaiting settlement	1
	<b>9</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director

The Authorised Corporate Director ("ACD") of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each sub-fund, not exceeding 2.5% per annum of the Net Asset Value of the sub-fund, calculated on a mid market basis.

The annual management charge accrues daily and is payable monthly. The current management charge for the Hurlingham Managed Growth Portfolio is 1.5%. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. The balance outstanding at the period end was £nil.

### Investment Advisers

The ACD has appointed Premier Fund Managers Limited to provide investment management and advisory services to the ACD. The Investment Adviser has appointed Close Private Asset Management Limited as sub-adviser to the sub-fund.

### The Depositary

The sub-fund's Depositary is The Royal Bank of Scotland plc. The Depositary is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of, and dealing in, Shares and relating to the income of the sub-funds. Subject to FSA Regulations, the Depositary has full power under the Depositary agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. It has delegated custody services to The Northern Trust Company. The Depositary received for its own account a periodic fee which accrued daily and is due monthly on the last business day of the preceding month. The fee is payable out of the property attributable to each sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depositary from time to time and subject to a current maximum of 0.077% of the value

of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depositary.

The total remuneration payable to the Depositary out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depositary's services are disclosed in note 4. There was nothing due to the Depositary at the period end.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities and commitments at the Balance Sheet date.

## 13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks arising from the sub-fund's financial instruments are market price, currency, interest, liquidity and counterparty risks.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The investment adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's objective.

The investment adviser does not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

The assets of the Company are denominated in Sterling, therefore the sub-fund is not exposed to adverse currency risk. However, a number of the underlying investments are denominated in currencies where there may be a direct or indirect currency risk.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as all the sub-fund's financial assets are in either collective investment schemes or investment companies which neither pay interest nor have any maturity date. However, some of the underlying investments may be directly or indirectly exposed to interest rate risk. The floating interest rate on cash positions is disclosed in notes 8 and 9.

### Liquidity Risk

The sub-fund's assets are in either collective investment schemes or investment companies of recognised product providers spread sufficiently widely, to enable redemption of holdings without undue adverse effect. The main liability of the sub-fund is the redemption of any shares that Investors wish to sell. All the financial liabilities of the sub-fund fall due within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the sub-adviser as an acceptable counterparty.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## Derivatives and Other Financial Instruments

The sub-fund does not hold any derivatives that could impact the value of the sub-fund significantly.

### 14. SHARE CLASSES

The sub-fund currently has two share classes, Class 1 (Net Income) and Class 2 (Net Accumulation). The annual management charge on each share class is as follows:

Class 1: 1.5%

Class 2: 1.5%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 16.

### 15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	30/11/06
	£'000
Purchases in period before transaction costs	4,544
Commissions	1
Other costs	1
<b>Total purchase costs</b>	<b>2</b>
<b>Gross purchases total</b>	<b>4,546</b>
Analysis of total sale costs:	
Gross sales before transaction costs	574
Commissions	-
<b>Total sale costs</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>574</b>

## Administration Queries

For any administration queries you can contact us at:

**Premier Portfolio Managers Limited**

PO Box 55736,

50 Bank Street, Canary Wharf

London E14 1BT

Telephone: 0845 6056363

## Further Information About the Funds

Premier Portfolio Managers Limited

Eastgate Court, High Street,

Guildford, Surrey GU1 3DE.

Telephone: 01483 306090

Fax: 01483 300845

[www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk)

Large print documents are available on request from the above Guildford address.



This document is issued by:

### **Premier Asset Management**

Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Telephone: Sales 01483 400400 Fax: 01483 300845

email: [enquiries@premierfunds.co.uk](mailto:enquiries@premierfunds.co.uk) [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk)

Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority. Premier Portfolio Managers Limited is a PEP and ISA manager and markets a number of OEIC funds and a unit trust. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. 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. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Composite Simplified Prospectus document which is available on request.