

The Hurlingham Fund

Annual Report and Financial Statements (Audited)
For the period from 1st November 2006 to 31st October 2007

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MANAGEMENT AND ADMINISTRATION

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

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)
Mike Hammond (IFA Sales Director)¹

INVESTMENT ADVISER: Premier Fund Managers Limited is the Investment Adviser to Hurlingham Managed Income Portfolio and Hurlingham Managed Growth Portfolio.

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

DEPOSITARY: The Royal Bank of Scotland plc
Trustee & Depositary Services
The Broadstone,
50 South Gyle Crescent,
Edinburgh, EH12 9UZ

AUDITORS: Grant Thornton UK LLP²
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

¹ Appointed 14th December 2006.

² RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 2nd July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 31st July 2007 creating a casual vacancy, which the ACD filled by appointing Grant Thornton.

COMPANY INFORMATION

The Company 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. At the year end the Company contained two sub-funds, Hurlingham Managed Income Portfolio and Hurlingham Managed Growth Portfolio.

The Company is a non-UCITS retail scheme which complies with the FSA's Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-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 FSA's Collective Investment Schemes sourcebook ("the Regulations") require the ACD to prepare accounts for each annual accounting year, which give a true and fair view of the financial position of the scheme as at the end of the year and of the net income and the net gains or losses on the property of the scheme for the year 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 IMA in December 2005 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

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.

REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole Director, presents its report and the audited financial statements of the Company for the year from 1st November 2006 to 31st October 2007.

The Company is a non-UCITS retail scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The Investment Objectives and Policies of each sub-fund of the Company are covered in the section for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single Company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on this page.

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.

MANAGEMENT AND ADMINISTRATION

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 2008



Mark Friend
Managing Director, Operations (of
the ACD)

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE YEAR FROM 1ST NOVEMBER 2006 TO 31ST OCTOBER 2007 FOR HURLINGHAM MANAGED INCOME PORTFOLIO AND 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 Company (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 Company is managed in accordance with the FSA's 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 Company, the application of the income of the Company, and the investment and borrowing powers and restrictions applicable to the Company.

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

- the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and
- the application of the Company'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 Company

and that, in all material respects, the investment and borrowing powers and restrictions applicable to the Company, 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 2008

MANAGEMENT AND ADMINISTRATION

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE HURLINGHAM FUND

We have audited the financial statements of The Hurlingham Fund for the year ended 31st October 2007. These financial statements consist of the aggregated financial statements of the Company, which comprise the statement of total return, the statement of change in shareholders' net assets, the balance sheet, and the related notes, and the financial statements of the sub-funds of the Company, which comprise each sub-fund's statement of total return, statement of change in shareholders' net assets, portfolio of investments, balance sheet, summary of material portfolio changes, and the related notes. 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 Collective Investment Schemes sourcebook issued by the FSA 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 ACD'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 IMA, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation are set out in the Statement of the ACD and Depositary'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 IMA, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation. We also report to you whether the information given in the ACD's Report is consistent with the financial statements and we state whether 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.

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 and policies, investment reviews, total expense ratios 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 ACD 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 2007 and of the net income and net gains of the scheme property of the Company for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to 'Financial Statements of Authorised Funds' issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation;
- 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.

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
London, England

28th February 2008

THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

For the year to 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the year	2		512		182
Income	3	272		79	
Expenses	4	(224)		(113)	
Finance costs: Interest	6	(6)		(1)	
Net income/(expense) before taxation		42		(35)	
Taxation	5	(8)		(2)	
Net income/(expense) after taxation		34		(37)	
Total return before distributions		546		145	
Finance costs: Distributions	6	(129)		(52)	
Change to net assets attributable to shareholders		417		93	

STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
Net assets at the start of the year			7,355		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		5,559		7,484	
Less: Amounts payable on cancellation of shares		(234)		(221)	
			5,325		7,263
Stamp Duty Reserve Tax (SDRT)			-		(1)
Change in net assets attributable to shareholders (see above)			417		93
Retained distribution on accumulation shares	6		3		-
Net assets at the end of the year			13,100		7,355

BALANCE SHEET

As at 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of Investments		12,760		7,160	
Debtors	7	469		218	
Cash and bank balances	8	382		247	
Total other assets		851		465	
Total assets		13,611		7,625	
LIABILITIES					
Creditors	10	(326)		(179)	
Bank overdrafts	9	(109)		(39)	
Distributions payable on income shares	6	(76)		(52)	
Total liabilities		(511)		(270)	
Net assets attributable to shareholders		13,100		7,355	

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 2008

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 for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aggregation

The aggregated financial statements 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 and non-equity shares, distributions from authorised investment schemes and OEICs are credited to income when the security is quoted ex-dividend. Income on structured plans and unquoted investments is recognised when the right to receive the income is established. Interest, underwriting commission 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 and those relating to the purchase and sale of investments) are charged against income for the year on an accruals basis.

Distributions

Amounts distributable are calculated after excluding those expenses relating to the 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 year. Quoted equity investments are valued at the bid market value.

Authorised investment schemes 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 funds.

Structured plans are valued at the latest price from the product provider.

Taxation

The charge for corporation tax is based on the results for the year 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-funds and included in the Statement of Change in Shareholders' Net Assets. 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 each sub-fund.

Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-funds. It is the ACD's view that this will not be material.

2. NET GAINS ON INVESTMENTS

The net gains on investments during the year comprise:

	31/10/07	31/10/06
	£'000	£'000
Non-derivative securities	512	182
Net gains on investments	512	182

3. INCOME

	31/10/07	31/10/06
	£'000	£'000
Bank interest	3	5
Franked UK dividends	6	-
Unfranked UK dividends	5	-
Payments from authorised collective investment schemes:		
- Franked distributions	73	21
- Unfranked distributions	161	53
Deposit interest	12	-
Renewal commission	12	-
	272	79

4. EXPENSES

	31/10/07	31/10/06
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	160	54
	160	54
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	18	14
Transaction charges	4	3
	22	17
Other expenses:		
Auditors' remuneration	12	12
Registration fees	20	11
FSA and other regulatory fees	-	5
Miscellaneous fees	10	14
	42	42
Total expenses	224	113

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:

	31/10/07	31/10/06
	£'000	£'000
Current tax:		
Corporation tax	3	-
Irrecoverable income tax	4	2
	<u>7</u>	<u>2</u>
Deferred tax (note 5 (c))	1	-
Total current tax (note 5 (b))	<u><u>8</u></u>	<u><u>2</u></u>

(b) Factors affecting the tax charge for the year

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

	31/10/07	31/10/06
	£'000	£'000
Net income/(expense) before taxation	42	(35)
	<u>42</u>	<u>(35)</u>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2006: 20%)

	9	(7)
Effects of:		
Franked UK dividends not subject to taxation	(16)	(4)
Capital income - renewal commission	(2)	-
Irrecoverable income tax	4	2
Expenses not deducted for tax purposes	-	2
Expenses not utilised in period	13	9
Tax payable in different periods	(1)	-
	<u>7</u>	<u>2</u>
Current tax charge (note 5 (a))	<u><u>7</u></u>	<u><u>2</u></u>

(c) Deferred tax

Provision at the start of the year	-	-
Deferred tax charge in the year	1	-
	<u>1</u>	<u>-</u>
Provision at the end of the year	<u><u>1</u></u>	<u><u>-</u></u>

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

Factors that may affect the future tax charge:

The Company has not recognised a deferred tax asset of £18,865 (2006: £8,528) arising as a result of having unutilised management expenses.

6. FINANCE COSTS

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

	31/10/07	31/10/06
	£'000	£'000
Interim distribution	65	11
Interim accumulation	1	-
Final distribution	76	52
Final accumulation	2	-
	<u>144</u>	<u>63</u>
Add: Income deducted on cancellation of shares	1	-
Deduct: Income received on issue of shares	(16)	(11)
Net distributions for the year	<u>129</u>	<u>52</u>
Interest	6	1
Total finance costs	<u><u>135</u></u>	<u><u>53</u></u>

Reconciliations of the distribution to net income can be found within the financial statements of the individual sub-funds.

7. DEBTORS

	31/10/07	31/10/06
	£'000	£'000
Accrued income	57	19
Amounts receivable for issue of shares	59	128
Recoverable income tax	23	8
Sales awaiting settlement	330	63
	<u>469</u>	<u>218</u>

8. CASH AND BANK BALANCES

	31/10/07	31/10/06
	£'000	£'000
Sterling	382	247
Cash and bank balances	<u>382</u>	<u>247</u>

9. BANK OVERDRAFTS

	31/10/07	31/10/06
	£'000	£'000
Sterling	109	39
Bank overdrafts	<u>109</u>	<u>39</u>

10. CREDITORS

	31/10/07	31/10/06
	£'000	£'000
Accrued expenses	19	15
Amounts payable for cancellation of shares	12	-
Deferred tax	1	-
Purchases awaiting settlement	294	164
	<u>326</u>	<u>179</u>

THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

Authorised Corporate Director ("ACD")

The ACD of the Company is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the Company'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, calculated on a mid-market basis.

The annual management charge accrues daily and is payable monthly. The balance outstanding at the year end was £nil (2006: £nil).

Investment Adviser

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

Sub-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-Investment Adviser to Hurlingham Managed Growth Portfolio.

Depository

The Depository for each sub-fund is The Royal Bank of Scotland plc. The Depository 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 Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company.

The Depository received for its own account a periodic fee which accrues daily and is paid monthly.

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 Depository 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 Depository.

The total remuneration payable to the Depository 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 Depository at the year end (2006: £nil).

12. CONTINGENT LIABILITIES AND COMMITMENTS

Details of any contingent liabilities or commitments at the Balance Sheet date are included in the financial statements of the individual sub-funds.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives, each sub-fund mainly holds collective investment schemes, structured plans, debtors, creditors and cash, but may also invest in equities, fixed interest securities, money market instruments, deposits 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-Investment Adviser consider the asset allocation of each portfolio 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-Investment Adviser do not use derivative instruments to hedge either 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 are in investments in authorised investment 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-Investment Adviser may use forward currency contracts to mitigate the risk of adverse currency movements.

Interest Rate Risk

The sub-funds do not have any material direct interest rate risk as the majority of financial assets are in either collective investment schemes, investment companies or listed equity holdings, which do not pay interest. 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 within the financial statements of the individual sub-funds.

Liquidity Risk

The sub-funds' assets are in either collective investment schemes, structured plans 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-Investment 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.

14. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds on pages 16 and 25.

15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/10/07	31/10/06
	£'000	£'000
Purchases in year before transaction costs	12,569	8,217
Commissions	1	1
Other costs	3	2
Total purchase costs	4	3

Gross purchases total

12,573 8,220

Analysis of total sale costs:

Gross sales before transaction costs	7,466	1,240
Commissions	-	-
Total sale costs	-	-

Total sales net of transaction costs

7,466 1,240

HURLINGHAM MANAGED INCOME PORTFOLIO

COMPARATIVE TABLES

Performance Record

Calendar Year	High (p)	Low (p)
Income Shares		
2006 ¹	102.74	96.29
2007 ³	105.17	97.39

Accumulation Shares

2006 ²	102.74	102.00
2007 ³	106.36	98.98

Income/Accumulation Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
Income Shares		
2006 ¹	2.2216	22.22
2007 ³	3.2125	32.13

Accumulation Shares

2006 ²	-	-
2007 ³	2.6305	26.31

Net Asset Values

As at	Shares in Issue	Net Asset Value per Share (p)	Net Asset Value of Sub-Fund (£)
Income Shares			
31/10/06	3,077,628	100.26	3,085,713
31/10/07	4,458,490	99.54	4,590,197
Accumulation Shares			
31/10/07	148,350	102.65	4,590,197

¹From 5th January 2006 to 31st December 2006.

²From 8th December 2006 to 31st December 2006.

³To 31st October 2007.

TOTAL EXPENSE RATIOS (TERs)

	31/10/07	31/10/06
	2.90%	3.11%

The TERs show the annual operating expenses of the sub-fund, including the annual management charge and other expenses. They do not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses of different schemes. The TER for income and accumulation shares is the same.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Hurlingham Managed Income Portfolio is to provide income together with some long-term capital growth from a portfolio of investments. The sub-fund will achieve this by investing in units in collective investment schemes, but 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 sub-fund registered a return of 2.3%. This was behind the sector average which returned 4.7% and the Fund's benchmark, which gained 6.8%.

MARKET REVIEW

World equity markets endured a fairly rocky ride over the twelve-month period, with a minor setback in February and turmoil during the summer, which has proved not to be over yet. During this time, the UK equity market was hit hard, although managed to slightly outperform the global average. Meanwhile, UK bonds recovered some of the ground lost at an early stage in 2007 and finished October in positive territory. However, UK bonds performed poorly in comparison with equities.

In February, equity markets stumbled, due largely to concerns over the American mortgage market. But these concerns, and the corresponding share-price retreat, subsequently proved short-lived. However, in June, those concerns returned and the high level of default in US sub-prime mortgages drove a credit crisis across main financial markets.

Uncertainty and risk aversion remained in the financial markets until the Federal Reserve (Fed) dramatically cut its interest rate by 0.5%, in mid August. Global markets then shrugged off all concerns over a possible recession in US and equity markets rallied across the board.

However, in October, volatility returned to markets as many US investment banks announced greater losses than expected, as a result of their exposure to the US sub-prime market. Moreover, the US dollar fell to record lows against the Euro and the Yen. These facts, in addition to economic data that reported a slowdown in the US economy, raised new concerns over a possible recession in the US. Consequently, US equities underperformed the global average over the reporting period.

Meanwhile, European equities had a good run until the summer, helped by takeover activity, particularly among smaller and mid-sized companies. However, the credit turmoil which led to a drying up of liquidity in money markets, worsened the conditions to finance all type of deals, hitting mid caps hardest overall.

Pacific Basin and Emerging Market equities also performed well, with aggregate returns for both regions reaching comfortably into double figures. Conversely, Japan lagged the global average over the twelve months, with below-par returns turning into losses for UK investors by further weakening the beleaguered Yen.

PORTFOLIO ACTIVITY

Since November 2006, we have raised our equity weighting, whilst reducing our fixed income exposure. On an international basis, we increased our exposure to Japan and Europe and trimmed back our US and Asian weightings. Within bonds, we reduced our gilt exposure to zero in favour of high-yield and investment-grade corporate bond funds. In addition, we increased our alternative investments at the expense of cash.

In Europe at the end of January, we replaced our holding in Artemis European Growth with the less aggressively managed Resolution Argonaut European Income Fund. Meanwhile, overseas, we switched from Martin Currie Japan to Societe Generale Japan Core Alpha, a more stock-focused manager running the portfolio from the bottom-up.

HURLINGHAM MANAGED INCOME PORTFOLIO

Within the UK, we increased our exposure to large caps with new funds, such as, Marlborough UK Large Cap Growth, and Schroder Income Maximiser. In addition, we also sold among others, Baillie Gifford British 350 and Investec UK Smaller Companies.

Amid the market turmoil, we increased our equity exposure with defensive structured plans such as Elders 26A Capital V. This is a structured plan that has 50% downside protection with the potential to generate an attractive 14.5% one-year return.

We also increased our alternative investments with the purchase of Acencia Debt Strategies. This is an exchange-listed fund that invests in asset-backed distressed debt. We believe this can generate attractive returns while acting as a useful alternative to equities and bonds. Moreover, we added PSource Structured Debt for its low correlation to equity and traditional debt markets.

With regards to property, we replaced Medic X with Matrix European and Summit Germany, with high expectations of a rebound in the European property market, particularly in Germany.

Within bonds, we reduced our exposure to government bond funds to zero, locking in profits, following their strong run during the summer. In addition, we reduced the Fund's risk profile, selling the F&C Extra Income and Henderson Preference & Bond and replacing them with Aegon Sterling Corporate Bond.

OUTLOOK

At the end of October, global equities have taken the long way around to get back to pretty much where they started. The US continues to dominate sentiment in most markets, with each snippet of news on the American economy and in particular, any issues linked to its beleaguered housing market conspiring to knock share prices off their previous course. This newsflow has, as expected, been more bad than good, but it has not been bad enough to materially alter our view that the US is more likely to avoid recession than slide into it. Under this scenario, the medium-term outlook for equities is positive, and so we have decided to raise our exposure to this asset class, albeit through cautious investments.

Gilts have had another reasonable run on the back of investors' jittery nerves, pushing yields down to even less attractive levels than in September. As an asset class, bonds offer little appeal at present, and with prices rising throughout October, we are certainly not minded to increase exposure from our current heavily-underweighted position. However, should we see a rise in gilt yields back to more reasonable levels, we will look to re-establish exposure as an insurance against any further negative equity shocks.

Source: Premier Fund Managers Limited, November 2007.

Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

HURLINGHAM MANAGED INCOME PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 31st October 2007

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	BONDS 0.00% (0.68%)		
	North America 0.00% (0.68%)		
	COLLECTIVE INVESTMENT SCHEMES 76.78% (96.79%)		
	Europe 2.55% (2.69%)		
88,460	Resolution Argonaut European Income 'I' ¹	117	2.55
		117	2.55
	Far East 1.07% (1.85%)		
18,487	First State Asia Pacific Fund 'B' ¹	49	1.07
		49	1.07
	Japan 2.16% (2.01%)		
159,038	Societe Generale Japan Core Alpha ¹	99	2.16
		99	2.16
	North America 2.24% (5.93%)		
73,214	Legg Mason US Equity 'B' ¹	103	2.24
		103	2.24
	United Kingdom 33.03% (39.53%)		
72,969	AXA Framlington Monthly Income	212	4.62
48,269	Chelverton UK Equity Income	47	1.02
42,528	Jupiter Income	234	5.10
111,300	Liontrust First Income	206	4.49
170,050	Marlborough UK Large Cap Growth 'I' ¹	224	4.88
26,291	Rathbone Income	220	4.79
110,434	Rensburg UK Equity Income ¹	224	4.88
283,714	Schroder Income Maximiser 'A'	149	3.25
		1,516	33.03
	Fixed Interest 35.73% (43.00%)		
777,146	Aegon Sterling Corporate Bond	228	4.97
289,676	Baillie Gifford Corporate Bond	213	4.64
221,207	Legal & General High Income 'I'	125	2.72
408,575	M&G High Yield Corporate Bond ¹	196	4.27
3,087	M&G Leveraged European Loan 'D'	199	4.34
228,570	Resolution Corporate Bond ¹	242	5.27
242,701	Royal London Income	220	4.79
244,874	Standard Life Higher Income 'I'	217	4.73
		1,640	35.73
	Property 0.00% (1.78%)		
	INVESTMENT TRUSTS 9.10% (0.00%)		
	Europe 2.76% (0.00%)		
7,400	Matrix European Property	36	0.78
136,000	Summit Germany	91	1.98
		127	2.76
	Global 6.34% (0.00%)		
100,617	AcenciA Debt Strategies	116	2.53
88,800	Babcock & Brown Public Partnership	94	2.05
80,000	PSource Structured Debt	81	1.76
		291	6.34

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	STRUCTURED PLANS 11.05% (1.98%)		
	Europe 5.38% (1.98%)		
69,250	Harewood BNP Paribas European Shield	75	1.63
45,000	Symphony Citigroup Europe Autocall	51	1.11
120,000	Symphony Citigroup Europe Defensive Autocall	121	2.64
		247	5.38
	United Kingdom 5.67% (0.00%)		
62,000	Elders 21A Capital III ¹	68	1.48
135,000	Elders 26A Capital V ¹	138	3.01
50,000	Symphony Citigroup 11% FTSE 100 Autocall	54	1.18
		260	5.67
	Total Value of Investments	4,449	96.93
	Net Other Assets	141	3.07
	Total Net Assets	4,590	100.00

Figures in brackets represent sector distribution at 31st October 2006.

¹Accumulation shares/units.

HURLINGHAM MANAGED INCOME PORTFOLIO

STATEMENT OF TOTAL RETURN

For the year to 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the year	2		21		61
Other losses	3		(1)		-
Income	4	154		53	
Expenses	5	(93)		(52)	
Finance costs	7	(2)		-	
Net income before taxation		59		1	
Taxation	6	(4)		(1)	
Net income after taxation			55		-
Total return before distributions			75		61
Finance costs: Distributions	7		(130)		(52)
Change in net assets attributable to shareholders			(55)		9

STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
Net assets at the start of the year			3,086		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		1,691		3,150	
Less: Amounts payable on cancellation of shares		(135)		(73)	
			1,556		3,077
Change in net assets attributable to shareholders (see above)			(55)		9
Retained distribution on accumulation shares	7		3		-
Net assets at the end of the year			4,590		3,086

BALANCE SHEET

As at 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of Investments			4,449		3,069
Debtors	8		278		186
Cash and bank balances	9		182		53
Total other assets			460		239
Total assets			4,909		3,308
LIABILITIES					
Creditors	10		(243)		(170)
Distributions payable on income shares	7		(76)		(52)
Total liabilities			(319)		(222)
Net assets attributable to shareholders			4,590		3,086

The notes on pages 14-17 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 2008

HURLINGHAM MANAGED INCOME PORTFOLIO

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the year to 31st October 2007

Purchases	Cost £'000	Note
SWIP Property	645	
Legal & General All Stock Gilt Index 'I'	254	
Marlborough UK Large Capital Growth 'I'	249	
M&G Leveraged European Loan 'D'	229	
Aegon Sterling Corporate Bond	223	
Standard Life Higher Income 'I'	215	
Collins Stewart Total Return	191	
Schroder Income Maximiser 'A'	173	
Jupiter Income	154	
Elders 26A Capital V ¹	135	
Royal London Income	124	
Symphony Citigroup Europe Defensive Autocall	120	
Summit Germany	114	
Resolution Corporate Bond ¹	114	
Resolution Argonaut European Income 'I'	112	
AcenciA Debt Strategies	110	
Societe Generale Japan Core Alpha ¹	110	
Mellon Newton Higher Income	107	
F&C Extra Income Bond Fund '2'	98	
Rensburg UK Equity Income ¹	94	
Rathbone Income	94	
Babcock & Brown Public Partnership	91	
Legal & General High Income (I)	89	
PSource Structured Debt	80	
AXA Framlington Monthly Income	77	
Invista European Property	75	
Liontrust First Income	75	
Henderson Preference & Bond 'I'	73	
Baillie Gifford Corporate Bond	73	
Legg Mason US Equity 'B' ¹	69	
Elders 21A Capital III	67	
Other	526	
Total purchases during the year	4,960	15

Sales	Proceeds £'000	
SWIP Property	662	
Legal & General All Stock Gilt Index	335	
Collins Stewart Total Return	277	
Mellon Newton Higher Income	239	
F&C Extra Income Bond Fund '2'	238	
Henderson Preference & Bond 'I'	220	
Baillie Gifford British 350 Fund 'B'	208	
Standard Life Higher Income 'I'	140	
Artemis European Growth Fund ¹	136	
Investec UK Smaller Companies 'I'	118	
Credit Suisse Alpha 'I'	113	
Martin Currie Japan 'B'	112	
Legal & General High Income 'I'	106	
Legg Mason US Equity 'B' ¹	105	
Invista European Property	81	
Rights & Issues Investment Trust	75	
Elders FTSE Capital Protected III	63	
First State Asia Pacific 'B' ¹	62	
Medic X	59	
Marlborough UK Large Capital Growth 'I'	51	
Other	200	
Total sales during the year	3,600	15

¹Accumulation 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 year and at a minimum the top 20 purchases and sales.

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 for 'Financial Statements of Authorised Funds' issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Income Recognition

Dividends receivable from quoted equity and non-equity shares, authorised investment schemes and OEICs are credited to income when the security is quoted ex-dividend. Income on structured plans and unquoted investments is recognised when the right to receive the income is established. Interest, underwriting commission 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 and those relating to the purchase and sale of investments) are charged against income for the year on an accruals basis.

Distributions

Amounts distributable are calculated after excluding those expenses relating to the 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 year. Quoted equity investments are valued at the bid market value.

Authorised investment schemes 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 funds.

Structured plans for which there is an active market are valued at the latest price from the product provider.

Taxation

The charge for corporation tax is based on the results for the year 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' Net Assets. 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)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

2. NET GAINS ON INVESTMENTS

The net gains on investments during the year comprise:

	31/10/07	31/10/06
	£'000	£'000
Non-derivative securities	21	61
Net gains on investments	21	61

3. OTHER LOSSES

	31/10/07	31/10/06
	£'000	£'000
Other losses comprise:		
Other currency losses	(1)	-
	(1)	-

4. INCOME

	31/10/07	31/10/06
	£'000	£'000
Bank interest	2	2
Franked UK dividends	2	-
Unfranked UK dividends	5	-
Payments from authorised collective investment schemes:		
- Franked distributions	36	13
- Unfranked distributions	106	38
Deposit interest	1	-
Renewal commission	2	-
	154	53

5. EXPENSES

	31/10/07	31/10/06
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	62	24
	62	24
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9	7
Transaction charges	2	2
	11	9
Other expenses:		
Auditors' remuneration	6	6
Registration fees	9	4
FSA and other regulatory fees	-	2
Miscellaneous fees	5	7
	20	19
Total expenses	93	52

Irrecoverable VAT is included in the above expenses where relevant.

HURLINGHAM MANAGED INCOME PORTFOLIO

6. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/10/07	31/10/06
	£'000	£'000
Current tax:		
Corporation tax charge	3	-
Irrecoverable income tax	-	1
	<u>3</u>	<u>1</u>
Deferred tax	1	-
Total current tax (note 6 (b))	<u><u>4</u></u>	<u><u>1</u></u>

(b) Factors affecting the tax charge for the year

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

	31/10/07	31/10/06
	£'000	£'000
Net income before taxation	59	1
	<u><u>59</u></u>	<u><u>1</u></u>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2006: 20%)

	12	-
Effects of:		
Franked UK dividends not subject to taxation	(8)	(2)
Irrecoverable income tax	-	1
Expenses not deductible for tax purposes	-	1
Expenses not utilised in period	-	1
Tax payable in different periods	(1)	-
Current tax charge (note 6 (a))	<u><u>3</u></u>	<u><u>1</u></u>

c) Deferred tax

Provision at the start of the year	-	-
Deferred tax charge in the year	1	-
Provision at the end of the year	<u><u>1</u></u>	<u><u>-</u></u>

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

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £nil (2006: £1,083) arising as a result of having unutilised management expenses.

7. FINANCE COSTS

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

	31/10/07	31/10/06
	£'000	£'000
Interim distribution	65	11
Interim accumulation	1	-
Final distribution	76	52
Final accumulation	2	-
	<u>144</u>	<u>63</u>
Add: Income deducted on cancellation of shares	1	-
Deduct: Income received on issue of shares	(15)	(11)
Net distributions for the year	<u>130</u>	<u>52</u>
Interest	2	-
Total finance costs	<u><u>132</u></u>	<u><u>52</u></u>

The net distribution figure of £130,000 (2006: £52,000) differs from 'Net income after taxation' as shown on the 'Statement of total return' of £55,000 (2006: £nil), due to expenses borne by capital of £93,000 (2006: £52,000) and tax relief on capital expenses of £18,000 (2006: £nil).

8. DEBTORS

	31/10/07	31/10/06
	£'000	£'000
Accrued income	22	10
Amounts receivable for issue of shares	-	108
Recoverable income tax	16	6
Sales awaiting settlement	240	62
	<u>278</u>	<u>186</u>

9. CASH AND BANK BALANCES

	31/10/07	31/10/06
	£'000	£'000
Sterling	182	53
Cash and bank balances	<u>182</u>	<u>53</u>

As at 31st October 2007, the weighted average floating interest rate on bank balances was 4.75% (31st October 2006: 4.50%).

10. CREDITORS

	31/10/07	31/10/06
	£'000	£'000
Accrued expenses	9	7
Amounts payable for cancellation of shares	3	-
Deferred tax	1	-
Purchases awaiting settlement	230	163
	<u>243</u>	<u>170</u>

11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

Authorised Corporate Director ("ACD")

The 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 the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 14 on this page. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 5 on page 14. The balance outstanding at the year end was £nil (2006: £nil).

Investment Adviser

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

Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository 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-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository 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 the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository 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 Depository.

The total remuneration payable to the Depository 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 Depository's services are disclosed in note 5 on page 14. There was nothing due to the Depository at the year end (2006: £nil).

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives, the sub-fund mainly holds collective investment schemes, structured plans, debtors, creditors and cash, but may also invest in equities, fixed interest securities, money market instruments, deposits 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-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

Although the sub-funds' performance is measured in sterling, a proportion of the sub-funds' assets are investments in investment funds with substantial currency exposure and as a result, the income and capital value of the sub-fund may be affected by currency movements. Where appropriate, the Investment Adviser may use forward currency contracts to mitigate the risk of adverse currency movements.

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 authorised investment schemes or structured plans, which do not pay interest. 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 9 on page 15.

Liquidity Risk

The sub-fund's assets are in either collective investment schemes or investment companies from 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 and from recognised product providers.

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 on page 12.

Derivatives and other financial instruments

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

14. SHARE CLASSES

The sub-fund currently has two classes of share, Class 1 (Net income) and Class 2 (Net accumulation). The AMC on each share class is as follows:

Class 1: 1.50%

Class 2: 1.50%

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

HURLINGHAM MANAGED INCOME PORTFOLIO

15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/10/07	31/10/06
	£'000	£'000
Purchases in year before transaction costs	4,958	3,673
Commissions	-	-
Other costs	2	1
Total purchase costs	2	1

Gross purchases total	4,960	3,674
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Analysis of total sale costs:

Gross sales before transaction costs	3,600	666
Commissions	-	-
Total sale costs	-	-

Total sales net of transaction costs	3,600	666
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16. DISTRIBUTION TABLES

For the period from 1st November 2006 to 30th April 2007

Interim dividend distribution in pence per share

Income

	Net		Distribution	Distribution
	Income	Equalisation	Paid	Paid
			30/06/07	30/06/06
Group 1	1.5160	-	1.5160	0.5203
Group 2	0.5564	0.9596	1.5160	0.5203

Accumulation

	Net		Accumulation	Accumulation
	Income	Equalisation	Paid	Paid
			30/06/07	30/06/06
Group 1	1.0042	-	1.0042	-
Group 2	0.2802	0.7240	1.0042	-

For the period from 1st May 2007 to 31st October 2007

Final dividend distribution in pence per share

Income

	Net		Distribution	Distribution
	Income	Equalisation	Payable	Paid
			28/02/08	28/02/07
Group 1	1.6965	-	1.6965	1.7013
Group 2	0.8534	0.8431	1.6965	1.7013

Accumulation

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable	paid
			28/02/08	28/02/07
Group 1	1.6263	-	1.6263	-
Group 2	1.2035	0.4228	1.6263	-

HURLINGHAM MANAGED GROWTH PORTFOLIO

COMPARATIVE TABLES

Performance Record

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

Income Shares

2006 ¹	106.21	93.92
2007 ²	112.08	100.87

Accumulation Shares

2006 ¹	106.25	93.99
2007 ²	112.29	101.07

Income/Accumulation Record

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

Income Shares

2006 ¹	-	-
2007 ²	-	-

Accumulation Shares

2006 ¹	-	-
2007 ²	-	-

Net Asset Values

As at	Shares in Issue	Net Asset Value per Share (p)	Net Asset Value of Sub-Fund (£)
-------	-----------------	-------------------------------	---------------------------------

Income Shares

31/10/06	2,772,289	102.41	4,269,157
31/10/07	3,898,995	110.78	8,510,232

Accumulation Shares

31/10/06	1,394,317	102.56	4,269,157
31/10/07	3,783,326	110.78	8,510,232

¹From 5th January 2006 to 31st December 2006.

²To 31st October 2007.

TOTAL EXPENSE RATIOS (TERs)

	31/10/07	31/10/06
	2.65%	3.40%

The TERs show the annual operating expenses of the sub-funds, including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Hurlingham Managed Growth Portfolio is to provide long-term capital growth from a portfolio of investments. The sub-fund will achieve this by investing in units in collective investment schemes, but may also invest in equities, fixed interest securities, money market instruments and warrants.

INVESTMENT REVIEW

PERFORMANCE

During the annual period of 1st November 2006 to the 31st October 2007, the sub-fund returned 8%.

MARKET REVIEW

This period has generally been a positive one for financial markets; however it has not been without its ups and downs. Concentrating on the UK, markets ran up to a seven year peak in June, being driven by continuing corporate activity and the mining sector on the back of emerging economies' demand for commodities.

Volatility increased sharply during July and August, triggered by concerns over the rising default rates in US sub-prime mortgages and the knock-on effect that this was having into the credit markets. The exposure of investment banks to this area caused significant uncertainty and indeed the UK market fell back sharply in August.

This "credit crunch" in the short term has culminated in the Northern Rock situation which is dominating both financial and political headlines at the moment. This change in short term liquidity in our view will have a significant effect on the macro economic backdrop. Firstly, the need for Central Banks to increase rates has gone and indeed we now anticipate a falling interest rate background through 2008. The issue that is harder to quantify is the impact on the wider economy. Lending criteria will tighten and bad debts will be seen in the banking sector and this will impact on balance sheet strength. Liquidity removal could see a significant slowdown in consumer spending in the Western World.

Looking at the broader picture, however, the growth in the emerging economies is continuing to push global growth ahead, the huge infrastructure projects that have been committed to in China, the Middle East and Russia in particular will continue to act as an underpin to commodity prices and growth.

PORTFOLIO ACTIVITY

During the period we increased our weightings in European and UK equities at the expense of cash, Japanese and American equities.

As highlighted in the interim report, we have looked to reduce beta within the portfolio while increasing our holdings in large cap bias funds. As a result, we sold holdings in the Old Mutual UK Select Mid Cap, Invesco Perpetual UK Aggressive and Artemis European funds while adding to Cazenove European, Schroder UK Alpha Plus and M&G UK Select. During the shakeout in July and August, we became nervous on the financial sector and as a result sold our holding in New Star Global Financials. Within bonds we maintained our flexible approach with holdings in the Aegon Global Bond and Henderson Strategic Funds, whilst also adding holdings including Henderson Diversified Income and Saltus European Debt Strategies.

Following the cut in US interest rates, we increased our Asian and Emerging Markets weighting with a purchase of the JPMorgan Russian Fund and the Baillie Gifford Pacific, which both looked to take advantage of the long term theme of strong domestic demand.

OUTLOOK

Looking forward, therefore, we do see a slowdown in the Western World but overall feel that the outlook for global growth remains healthy because of the increasing influence of these new economic power houses.

HURLINGHAM MANAGED GROWTH PORTFOLIO

As mentioned, most equity markets provided a decent return in the 12 month period but the more growth orientated areas such as Emerging Markets and China have turned in spectacular twelve month returns in excess of 50%. We do not see this being repeated against a slowing economic backdrop but do remain positive for the outlook for equities generally.

The sterling fixed interest market on a total return basis just about broke even, the credit crunch hit spreads and also the performance of individual areas of the credit market but a falling interest rate background in terms of short rates should provide an underpin for this area over the next 12 months.

All in all, a positive 12 month period and we look to the coming period with some optimism but feel that fund and sector selection as ever will remain key.

Source: Close Private Asset Management Limited, November 2007.

Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

HURLINGHAM MANAGED GROWTH PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 31st October 2007

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 90.23% (88.35%)			
Europe 12.56% (11.33%)			
79,500	Cazenove European X ¹	335	3.94
284,800	Resolution Argonaut European Alpha ¹	430	5.05
275,000	Schroders European Alpha Plus 'A' ¹	304	3.57
		1,069	12.56
Global 3.98% (3.40%)			
105,000	Neptune Global Equity 'B' ¹	339	3.98
		339	3.98
Far East 7.26% (5.90%)			
72,000	Baillie Gifford Pacific 'B' ¹	239	2.81
190,000	Lazard Emerging Markets Growth 'I' ¹	379	4.45
		618	7.26
Japan 0.00% (2.32%)			
North America 10.82% (7.82%)			
39,000	M&G American X ¹	363	4.27
510,000	Threadneedle American Select	557	6.55
		920	10.82
Russia 0.79% (0.00%)			
10,000	JP Morgan Russian Securities	67	0.79
		67	0.79
United Kingdom 41.26% (43.03%)			
39,000	AXA Framlington UK Select Opportunities ¹	690	8.11
230,000	Legal & General Growth	153	1.80
48,200	M&G UK Select 'A' ¹	853	10.02
248,000	River & Mercantile UK Equity Smaller Companies 'A'	272	3.20
740,000	Schroder UK Alpha Plus ¹	870	10.22
760,000	Standard Life UK Equity Higher Income	673	7.91
		3,511	41.26
Property 1.10% (1.69%)			
81,000	SWIP European Real Estate 'C' ¹	94	1.10
		94	1.10
Fixed Interest 12.46% (12.86%)			
550,000	Aegon Global Bond 'B'	584	6.86
150,000	Henderson Diversified Income	151	1.77
255,000	Henderson Strategic Bond	326	3.83
		1,061	12.46
FIXED INTEREST 3.34% (4.50%)			
Europe 3.34% (0.00%)			
300,000	Saltus European Debt Strategies	284	3.34
		284	3.34
North America 0.00% (4.50%)			
INVESTMENT TRUST 1.70% (0.00%)			
Global 1.01% (0.73%)			
60,000	International Biotechnology	86	1.01
		86	1.01
Japan 0.69% (2.25%)			
30,000	Baillie Gifford Japan	59	0.69
		59	0.69

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
STRUCTURED PLANS 2.39% (0.00%)			
Europe 2.39% (0.00%)			
200,000	Symphony Euro Defensive	203	2.39
		203	2.39
Total Value of Investments		8,311	97.66
Net Other Assets		199	2.34
Total Net Assets		8,510	100.00

Figures in brackets represent sector distribution at 31st October 2006.

¹Accumulation shares/units.

HURLINGHAM MANAGED GROWTH PORTFOLIO

STATEMENT OF TOTAL RETURN

For the year to 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the year	2		491		121
Other gains	3		1		-
Income	4	118		26	
Expenses	5	(131)		(61)	
Finance costs: Interest	7	(4)		(1)	
Net expense before taxation		(17)		(36)	
Taxation	6	(4)		(1)	
Net expense after taxation			(21)		(37)
Total return before distributions			471		84
Finance costs: Distributions	7		1		-
Change in net assets attributable to shareholders			472		84

STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 31st October 2007

	31/10/07		31/10/06	
	£'000	£'000	£'000	£'000
Net assets at the start of the year		4,269		-
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares	3,868		4,334	
Less: Amounts payable on cancellation of shares	(99)		(148)	
Stamp Duty Reserve Tax (SDRT)		3,769		4,186
		-		(1)
Change in net assets attributable to shareholders (see above)		472		84
Net assets at the end of the year		8,510		4,269

BALANCE SHEET

As at 31st October 2007

	Notes	31/10/07		31/10/06	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of Investments		8,311		4,091	
Debtors	8	191		32	
Cash and bank balances	9	200		194	
Total other assets		391		226	
Total assets		8,702		4,317	
LIABILITIES					
Creditors	11	83		9	
Bank overdrafts	10	109		39	
Total liabilities		192		48	
Net assets attributable to shareholders		8,510		4,269	

The notes on pages 22-25 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 2008

HURLINGHAM MANAGED GROWTH PORTFOLIO

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the year to 31st October 2007

Purchases	Cost £'000	Note
Aegon Global Bond 'B'	691	
Threadneedle American Select	549	
M&G UK Select 'A' ¹	520	
Schroder UK Alpha Plus ¹	431	
Standard Life UK Equity Higher Income	403	
AXA Framlington UK Select Opportunities ¹	377	
Barclays S&P 0% 21/02/2011	353	
Henderson Strategic Bond	336	
Saltus European Debt Strategies	300	
Schroders European Alpha Plus 'A' ¹	299	
River & Mercantile UK Equity Smaller Companies 'A'	258	
UBS Absolute Return Bond 'B'	243	
M&G American X ¹	243	
Old Mutual Corporate Bond	239	
Baillie Gifford Pacific 'B' ¹	207	
Symphony Euro Defensive	200	
Resolution Argonaut European Alpha ¹	199	
Neptune Global Equity 'B' ¹	174	
Legal & General Growth	154	
Henderson Diversified Income	150	
Lazard Emerging Markets Growth '1' ¹	148	
Atlantis Japan Growth	147	
Aberdeen Asia Pacific 'A'	126	
SWIP European Real Estate 'C' ¹	123	
Cazenove European 'X' ¹	113	
Invesco Perpetual Income	100	
New Star Global Financials	94	
Thames River Property	91	
Other	345	
Total purchases during the year	7,613	16
Sales	Proceeds £'000	
Barclays S&P 0% 21/02/2011	573	
Invesco Perpetual Income	495	
Old Mutual Corporate Bond ¹	360	
Aegon Sterling Corporate Bond 'B'	259	
UBS Absolute Return Bond 'B'	241	
Invesco Perpetual UK Aggressive ¹	182	
UBS Global 'B' ¹	175	
Old Mutual UK Select Mid Cap ¹	161	
New Star Global Financials	147	
Aberdeen Asia Pacific 'A'	144	
Threadneedle Return Bond '1' ¹	143	
Artemis European Growth ¹	141	
Atlantis Japan Growth	125	
Aberdeen Asia Pacific 'A'	107	
Aegon Global Bond 'B'	106	
Baillie Gifford Japan	98	
UK Commercial Property	95	
Thames River Property	95	
M&G American X ¹	89	
Legg Mason Japan Equity 'B'	84	
Other	46	
Total sales during the year	3,866	16

¹Accumulation 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 year and at a minimum the top 20 purchases and sales.

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 'Financial Statements of Authorised Funds' issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Income Recognition

Dividends receivable from quoted equity and non-equity shares, authorised investment schemes and OEICs are credited to income when the security is quoted ex-dividend. Income on structured plans and unquoted investments is recognised when the right to receive the income is established. Interest, underwriting commission 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 and those relating to the purchase and sale of investments) are charged against income for the year on an accruals basis.

Distributions

Amounts distributable are calculated after expenses excluding those relating to the 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 year. Quoted equity investments are valued at the bid market value.

Authorised investment schemes 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 funds.

Structured plans for which there is an active market are valued at the latest price from the product provider.

Taxation

The charge for corporation tax is based on the results for the year 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' Net Assets. 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)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

HURLINGHAM MANAGED GROWTH PORTFOLIO

2. NET GAINS ON INVESTMENTS

The net gains on investments during the year comprise:

	31/10/07	31/10/06
	£'000	£'000
Non-derivative securities	491	121
Net gains on investments	491	121

3. OTHER GAINS

	31/10/07	31/10/06
	£'000	£'000
Other gains comprise:		
Other currency gains	1	-
	1	-

4. INCOME

	31/10/07	31/10/06
	£'000	£'000
Bank interest	1	3
Franked UK dividends	4	-
Payments from authorised collective investment schemes:		
- Franked distributions	37	8
- Unfranked distributions	55	15
Deposit interest	11	-
Renewal Commission	10	-
	118	26

5. EXPENSES

	31/10/07	31/10/06
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	98	30
	98	30
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	9	7
Transaction charges	2	1
	11	8
Other expenses:		
Auditors' remuneration	6	6
Registration fees	11	7
FSA and other regulatory fees	-	3
Miscellaneous fees	5	7
	22	23
Total expenses	131	61

Irrecoverable VAT is included in the above expenses where relevant.

6. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/10/07	31/10/06
	£'000	£'000
Current tax:		
Irrecoverable income tax	4	1
Total current tax (note 6 (b))	4	1

(b) Factors affecting the tax charge for the year

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

	31/10/07	31/10/06
	£'000	£'000
Net expense before taxation	(17)	(36)
	(17)	(36)

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2006: 20%)

	(3)	(7)
--	-----	-----

Effects of:

Franked UK dividends not subject to taxation	(8)	(2)
Capital income - renewal commission	(2)	-
Irrecoverable income tax	4	1
Expenses not deducted for tax purposes	-	1
Expenses not utilised in period	13	8

Current tax charge (note 6 (a))

4	1
----------	----------

Authorised OEIC's are exempt from tax on capital gains made within the sub-fund.

(c) Factors that may affect future tax charge:

The sub-fund has not recognised a deferred tax asset of £18,865 (2006: £7,445) arising as a result of having unutilised management expenses.

7. FINANCE COSTS

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

	31/10/07	31/10/06
	£'000	£'000
Final distribution	-	-
Final accumulation	-	-
	-	-
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	(1)	-
Net distributions for the year	(1)	-
Interest	4	1
Total finance costs	3	1

HURLINGHAM MANAGED GROWTH PORTFOLIO

8. DEBTORS

	31/10/07	31/10/06
	£'000	£'000
Accrued income	35	9
Amounts receivable for issue of shares	59	20
Recoverable income tax	7	2
Sales awaiting settlements	90	1
	191	32

9. CASH AND BANK BALANCES

	31/10/07	31/10/06
	£'000	£'000
Sterling	200	194
Cash and bank balances	200	194

As at 31st October 2007, the weighted average floating interest rate on bank balances was 4.75% (31st October 2006: 4.50%).

10. BANK OVERDRAFTS

	31/10/07	31/10/06
	£'000	£'000
Sterling	109	39
Bank overdrafts	109	39

As at 31st October 2007, the floating interest rate on bank overdrafts was 6.50% (31st October 2006: 6.25%).

11. CREDITORS

	31/10/07	31/10/06
	£'000	£'000
Accrued expenses	10	8
Amounts payable for cancellation of shares	9	-
Purchases awaiting settlement	64	1
	83	9

12. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

Authorised Corporate Director ("ACD")

The 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 the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 15 on page 25. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 5 on page 23. The balance outstanding at the year end was £nil (2006: £nil).

Investment Adviser

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-Investment Adviser to the sub-fund.

The Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository 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-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository 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 the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository 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 Depository.

The total remuneration payable to the Depository 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 Depository's services are disclosed in note 5 on page 23. There was nothing due to the Depository at the year end (2006: nil).

13. CONTINGENT LIABILITIES AND COMMITMENTS

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

14. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives, the sub-fund mainly holds collective investment schemes, structured plans, debtors, creditors and cash, but may also invest in equities, fixed interest securities, money market instruments, deposits 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-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 and sub-Investment 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 are investments in investment funds with substantial currency exposure and as a result, the income and capital value of the sub-funds may be affected by currency movements. Where appropriate the Investment Adviser and sub-Investment Adviser may use forward currency contracts to mitigate the risk of adverse currency movements.

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 authorised investment schemes or structured plans which do not pay interest. 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 9 and 10 on this page.

HURLINGHAM MANAGED GROWTH PORTFOLIO

Liquidity Risk

The sub-fund's assets are in either collective investment schemes or investment companies from 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 Investment Adviser and sub-Investment Adviser as an acceptable counterparty and from recognised product providers.

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 on page 21.

Derivatives and Other Financial Instruments

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

15. SHARE CLASSES

The sub-fund currently has two classes of share, Class 1 (Net income) and Class 2 (Net accumulation). The AMC on each share class is as follows:

Class 1: 1.50%

Class 2: 1.50%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 18.

16. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	31/10/07	31/10/06
	£'000	£'000
Purchases in year before transaction costs	7,611	4,544
Commissions	1	1
Other costs	1	1
Total purchase costs	2	2

Gross purchases total

7,613	4,546
--------------	--------------

Analysis of total sale costs:

Gross sales before transaction costs	3,866	574
Commissions	-	-
Total sale costs	-	-

Total sales net of transaction costs

3,866	574
--------------	------------

Administration Queries

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PREMIER
ASSET MANAGEMENT

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 of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is a PEP and ISA manager and markets a number of funds. 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 Simplified Prospectus document which is available on request. Large print documents are available on request from the above Guildford address.