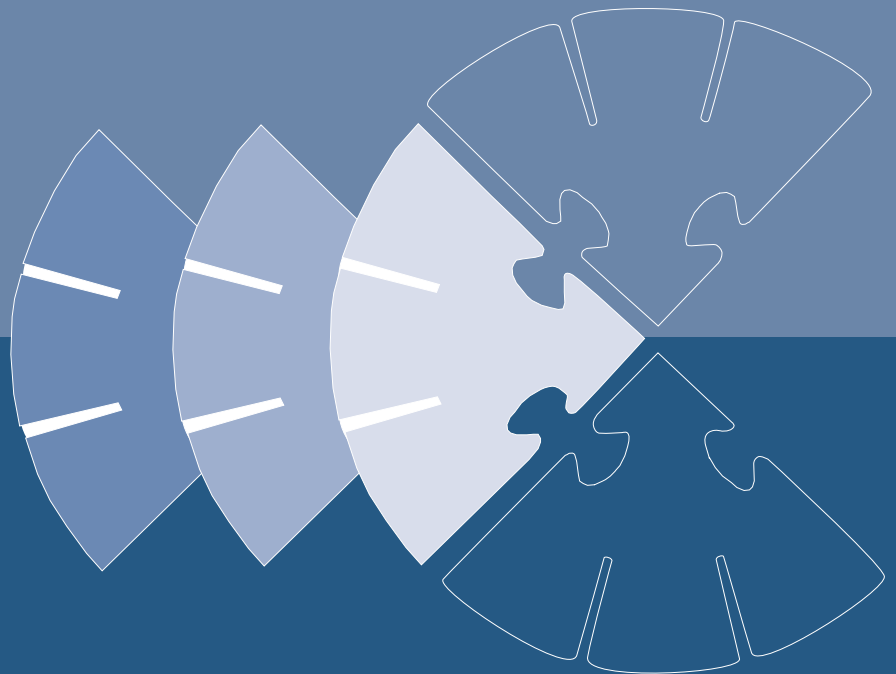


# The Hurlingham Fund

Interim Report & Financial Statements (unaudited)  
For the period from 1 November 2006 to 30 April 2007



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## 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)  
Mike Hammond (IFA Sales Director)<sup>1</sup>

**INVESTMENT ADVISER:** 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-Investment Adviser to the Hurlingham Managed Growth Portfolio.

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

**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

<sup>1</sup>Appointed 14th December 2006.

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

The Open-Ended Investment Companies Regulations 2001 and the FSA's 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 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.

## MANAGEMENT AND ADMINISTRATION

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

The ACD, as sole Company Director, presents its half yearly report and the unaudited financial statements of the Company for the period from 1st November 2006 to 30th April 2007.

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. 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 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.

### 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)

Mark Friend  
Managing Director, Operations (of  
the ACD)

29th June 2007

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the period to 30th April 2007

	notes	30/04/07		30/04/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the period	2		521		145
Income	3	100		16	
Expenses	4	(96)		(40)	
Finance costs: Interest	6	(2)		(1)	
Net income/(expense) before taxation		2		(25)	
Taxation	5	(3)		-	
Net income/(expense) after taxation			(1)		(25)
Total return before distributions			520		120
Finance costs: distributions	6		(53)		(11)
Change to net assets attributable to shareholders			<u>467</u>		<u>109</u>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 30th April 2007

	notes	30/04/07		30/04/06	
		£'000	£'000	£'000	£'000
Net assets at the start of the period			7,355		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		3,597		4,398	
Less: Amounts payable on cancellation of shares		(123)		(4)	
			3,474		4,394
Change in net assets attributable to shareholders (see above)			467		109
Retained distribution on accumulation units	6		1		-
Net assets at the end of the period			<u>11,297</u>		<u>4,503</u>

## BALANCE SHEET

As at 30th April 2007

	notes	30/04/07	31/10/06
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments		<u>11,321</u>	<u>7,160</u>
Debtors	7	503	218
Cash and bank balances	8	<u>67</u>	<u>247</u>
Total other assets		<u>570</u>	<u>465</u>
Total assets		<u>11,891</u>	<u>7,625</u>
<b>LIABILITIES</b>			
Creditors	10	(463)	(179)
Bank overdrafts	9	(66)	(39)
Distribution payable on income shares	6	<u>(65)</u>	<u>(52)</u>
Total liabilities		<u>(594)</u>	<u>(270)</u>
Net assets attributable to shareholders		<u>11,297</u>	<u>7,355</u>

The notes on pages 5-7 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)

29th June 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 for 'Financial Statements of Authorised Funds', issued by the Investment Management Association in December 2005, the FSA's New 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 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 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-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 mid-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)

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:

	30/04/07	30/04/06
	£'000	£'000
Non-derivative securities	521	145
<b>Net gains on investments</b>	<b>521</b>	<b>145</b>

### 3. INCOME

	30/04/07	30/04/06
	£'000	£'000
Bank interest	6	2
Franked UK dividends	2	-
<b>Payments from authorised collective investment schemes:</b>		
- Franked distributions	31	2
- Unfranked distributions	60	12
- Renewal commission	1	-
	<b>100</b>	<b>16</b>

### 4. EXPENSES

	30/04/07	30/04/06
	£'000	£'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	69	14
	<b>69</b>	<b>14</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	8	6
Transaction charges	3	1
	<b>11</b>	<b>7</b>
<b>Other expenses:</b>		
Auditors' remuneration	3	2
Registration fees	9	3
FSA and other regulatory fees	-	4
Legal fees	-	8
Listing fees	4	2
	<b>16</b>	<b>19</b>
<b>Total expenses</b>	<b>96</b>	<b>40</b>

Irrecoverable VAT is included in the above expenses where relevant.



# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## The Depositary

The Company's Depositary for each sub-fund is The Royal Bank of Scotland plc. 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 (2006: £nil).

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There are 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, 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 considers the asset allocation of the portfolios 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 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-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 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.

### 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-Investment Adviser as an acceptable counterparty and from recognised product providers.

### 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

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
Income		
2006 <sup>1</sup>	102.74	96.29
2007 <sup>3</sup>	105.17	101.90
Accumulation		
2006 <sup>2</sup>	102.74	102.00
2007 <sup>3</sup>	105.17	101.90

### Income Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
Income		
2006 <sup>1</sup>	2.2216	22.22
2007 <sup>3</sup>	1.5160	15.16
Accumulation		
2006 <sup>2</sup>	-	-
2007 <sup>3</sup>	1.0042	10.04

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
Income			
31/10/06	3,077,628	100.26	3,085,713
30/04/07	4,270,492	102.91	4,500,979
Accumulation			
30/04/07	101,691	104.43	4,500,979

<sup>1</sup>From 5th January 2006 to 31st December 2006.

<sup>2</sup>From 11th December 2006 to 31st December 2006.

<sup>3</sup>To 30th April 2007.

## TOTAL EXPENSE RATIOS (TERs)

	30/04/07	31/10/06
Income Shares	3.07%	3.11%

The total expense ratio (TER) shows the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges but does reflect any initial and management charges on other collective investment schemes held by the sub-fund. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation units 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

It has been a solid six months for the Hurlingham Managed Income Portfolio, during which it generated a healthy return for the period between 1st November 2006 and 30th April 2007 of 4.0%. This put it ahead of its benchmark<sup>1</sup>, which advanced by 3.0% and in line with the IMA Cautious Managed sector average.

### MARKET REVIEW

The six month period was a mixed one for financial markets. On one hand, most major equity markets made decent progress, but on the other, bond markets had a fairly torrid time, with many ending up in negative territory. This was a consistent theme throughout the period, with the notable exception of late February. At this time, equity markets stumbled, due largely to concerns over the American mortgage market. But these worries and the corresponding share price retreat, proved short lived.

The UK equity and bond markets were no exception to this rule. British companies continued to perform well over the period, which helped to push up share prices, while a high volume of merger and acquisition activity also drove the market higher. The bond market, meanwhile, suffered over the half year, as interest rate rises and stubbornly high inflation both took their toll on performance.

Overseas equity markets also proved strong during the six months. On balance, European equities were the pick of the crop, as takeover activity – particularly among smaller and mid-sized companies - drove continental markets to multi-year highs. Pacific basin and emerging market equities also performed well, with aggregate returns for both regions comfortably generating double figures.

Japan was the major exception to the rule. Tokyo's main stock markets lagged behind the global average over the period, with below par returns turning into losses for UK investors by further weakening of the beleaguered yen. The Japanese currency has depreciated significantly in recent months, largely because of the 'carry trade' – where investors borrow in yen at Japan's low interest rates and then invest the money in higher yielding investments elsewhere.

Also behind the global average, although still in positive territory, were US equities. On an absolute basis, US stock markets have performed well, enabling the Dow Jones Industrial Index to reach a record high towards the end of the period. The progress has been driven largely by good performance from US companies; corporate earnings growth has slowed in the US, but by nowhere near as much as analysts had been expecting. However, lingering concerns about the US economy and in particular its housing market, contributed to it lagging behind other major equity markets over the six month period.

### PORTFOLIO ACTIVITY

Over the course of the period, we remained close to fully weighted in equities, which boosted returns as stock markets advanced. At the same time, we stayed heavily underweight in bonds, which also proved beneficial as the UK fixed interest market performed poorly. We reduced this underweight position slightly towards the end of the period, as the fall in prices and rise in yields improved their appeal slightly.

As in previous years, the vast majority of the trades we made over the six months were either trimming back or topping up holdings in response to market or fund-specific performance. In addition to these movements, there were several new additions to the portfolio, while a number of holdings were sold.

## HURLINGHAM MANAGED INCOME PORTFOLIO

One such sale from the Portfolio was Credit Suisse Alpha Income. This fund's manager, Errol Francis, left after just 12 months in charge, while Credit Suisse was also hit by other high-profile departures. Taken together, this situation caused us some concern, so we took the opportunity to dispose of this holding at a time when fund and market performance were still strong.

Towards the end of 2006, we took the decision to introduce a little more caution into the Portfolio in view of the length of the stock market's run of positive returns. This was done through the addition of Merrill Lynch's Elders UK capital-protected product, as well as the Symphony Citigroup's FTSE 100 and DJ EuroStoxx Autocalls – all of which provide capital protection with the potential for attractive, equity-based returns.

In February, we sold Baillie Gifford British 350 to reduce our UK equity exposure. At the same time, we established a holding in AcenciA Debt Strategies, 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.

Most recently, we disposed of our holding in Martin Currie Japan, as it had struggled to add any meaningful value and the team had lost a mid-cap-focused manager. In its place we added SG Japan Core Alpha, as we were impressed by the disciplined investment approach of its Manager, Stephen Harker.

### OUTLOOK

It has been another good period for global equities, with several regional markets hitting new or multi-year highs. While such events are undoubtedly good news for equity investors, they also sound a note of caution – are stock markets getting carried away with themselves? The answer, from our point of view, depends on the time horizon.

In the longer term, valuations still look reasonable and earnings and dividend growth have remained healthy. Yes, there are concerns on the economic front – most notably the threat of rising inflation – but the global economy seems resilient enough to cope with this for the time being. In the shorter term, however, there is a danger that stock market momentum has got ahead of itself, which has served to increase the prospect of another bout of risk aversion among investors. This brings with it the threat of a correction and, as such, we have taken precautionary measures in areas we feel are appropriate.

Bond prices, meanwhile, have recently fallen to more appealing levels, although they are still unattractively valued in comparison to equities. They remain useful for the purposes of income and diversification though, so we continue to hold them for these reasons.

Source: Premier Fund Managers Limited, May 2007.

<sup>1</sup>Benchmark: 50% FTSE All-Stocks Index, 40% FTSE All-Share Index and 10% FTSE World ex UK Index.

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 30th April 2007

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 88.44% (96.79%)</b>			
<b>Europe 1.84% (2.69%)</b>			
34,153	Artemis European Growth <sup>1</sup>	83	1.84
		<b>83</b>	<b>1.84</b>
<b>Far East 2.07% (1.85%)</b>			
45,788	First State Asia Pacific 'B' <sup>1</sup>	93	2.07
		<b>93</b>	<b>2.07</b>
<b>Fixed Interest 39.39% (43.00%)</b>			
276,288	Baillie Gifford Corporate Bond	206	4.58
1,709	Collins Stewart Total Return Bond	168	3.73
398,811	F&C Extra Income Bond '2'	198	4.40
364,921	Henderson Preference & Bond 'I'	223	4.95
233,926	Legal & General All Stocks Gilt Index	220	4.89
266,303	Legal & General High Income 'I'	155	3.44
408,575	M&G High Yield Corporate Bond	201	4.47
177,315	Resolution Corporate Bond	195	4.33
222,423	Royal London Corporate Bond	207	4.60
		<b>1,773</b>	<b>39.39</b>
<b>Japan 2.20% (2.01%)</b>			
144,404	Societe Generale Japan Core Alpha 'A' <sup>1</sup>	99	2.20
		<b>99</b>	<b>2.20</b>
<b>North America 1.96% (5.93%)</b>			
59,453	Legg Mason US Equity 'B' <sup>1</sup>	88	1.96
		<b>88</b>	<b>1.96</b>
<b>Property 2.60% (1.78%)</b>			
95,770	SWIP Property	117	2.60
		<b>117</b>	<b>2.60</b>
<b>United Kingdom 38.38% (39.53%)</b>			
66,702	Axa Framlington Monthly Income	217	4.82
4,673	Investec UK Smaller Companies 'I'	96	2.13
36,483	Jupiter Income	208	4.62
111,756	Liontrust First Income	222	4.93
164,196	Marlborough UK Large Cap	205	4.55
283,122	Mellon Newton Higher Income	215	4.78
25,467	Rathbone Income	221	4.91
110,075	Rensburg UK Equity Income	227	5.04
215,264	Schroders Income Maximiser 'A'	117	2.60
		<b>1,728</b>	<b>38.38</b>
<b>INVESTMENT TRUSTS 4.29% (0.00%)</b>			
<b>Global 4.29% (0.00%)</b>			
110,000	Acencia Debt Strategies 'C'	112	2.49
77,550	Babcock & Brown Public Partnership	81	1.80
		<b>193</b>	<b>4.29</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>STRUCTURED PLANS 5.27% (2.66%)</b>			
<b>Europe 2.44% (1.98%)</b>			
57,250	Harewood BNP Paribas European Shield	63	1.40
45,000	Symphony Citigroup 13% DJ Eurostoxx Autocall	47	1.04
		<b>110</b>	<b>2.44</b>
<b>North America 0.31% (0.68%)</b>			
13,000	Barclays S&P 0% 21/02/2011	14	0.31
		<b>14</b>	<b>0.31</b>
<b>United Kingdom 2.52% (0.00%)</b>			
60,000	Elders FTSE 100 Capital Protected III	61	1.36
50,000	Symphony Citigroup 11% FTSE 100 Autocall	52	1.16
		<b>113</b>	<b>2.52</b>
<b>UNREGULATED COLLECTIVE INVESTMENT SCHEMES 3.71% (0.00%)</b>			
<b>Fixed Interest 3.71% (0.00%)</b>			
2,219	M&G Leveraged Euro Loan	167	3.71
		<b>167</b>	<b>3.71</b>
<b>Total Value of Investments</b>		<b>4,578</b>	<b>101.71</b>
<b>Net Other Assets</b>		<b>(77)</b>	<b>(1.71)</b>
<b>Total Net Assets</b>		<b>4,501</b>	<b>100.00</b>

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

<sup>1</sup>Accumulation shares/units.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period to 30th April 2007

	notes	30/04/07		30/04/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the period	2		130		34
Income	3	65		11	
Expenses	4	(42)		(19)	
Net income/(expense) before taxation		23		(8)	
Taxation	5	(2)		-	
Net income/(expense) after taxation		21		(8)	
Total return before distributions		151		26	
Finance costs: Distributions	6	(54)		(11)	
<b>Change in net assets attributable to shareholders</b>		<b>97</b>		<b>15</b>	

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 30th April 2007

	notes	30/04/07		30/04/06	
		£'000	£'000	£'000	£'000
<b>Net assets at the start of the period</b>			<b>3,086</b>		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		1,406		2,166	
Less: Amounts payable on cancellation of shares		(89)		(1)	
			1,317		2,165
Change in net assets attributable to shareholders (see above)			97		15
Retained distribution on accumulation units	6		1		-
<b>Net assets at the end of the period</b>			<b>4,501</b>		<b>2,180</b>

## BALANCE SHEET

As at 30th April 2007

	notes	30/04/07	31/10/06
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments		4,578	3,069
Debtors	7	147	186
Cash and bank balances	8	67	53
<b>Total other assets</b>		<b>214</b>	<b>239</b>
<b>Total assets</b>		<b>4,792</b>	<b>3,308</b>
<b>LIABILITIES</b>			
Creditors	9	(226)	(170)
Distribution payable on income shares	6	(65)	(52)
<b>Total liabilities</b>		<b>(291)</b>	<b>(222)</b>
<b>Net assets attributable to shareholders</b>		<b>4,501</b>	<b>3,086</b>

The notes on pages 12-15 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)

29th June 2007

# HURLINGHAM MANAGED INCOME PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period to 30th April 2007

Purchases	Cost £'000
SWIP Property	300
Marlborough UK Large Cap	216
Legal & General All Stocks Gilt Index	193
M&G Leveraged Euro Loan	168
Collins Stewart Total Return Bond	141
AcenciA Debt Strategies 'C'	110
Schroders Income Maximiser 'A'	110
Jupiter Income	101
Societe Generale Japan Core Alpha 'A' <sup>1</sup>	100
Royal London Corporate Bond	95
Rensburg UK Equity Income	84
Babcock & Brown Public Partnership	80
Invista European Property	75
Mellon Newton Higher Income	75
Henderson Preference & Bond 'I'	73
Rathbone Income	72
F&C Extra Income Bond '2'	63
Baillie Gifford Corporate Bond	63
Elders FTSE 100 Capital Protected III	60
Resolution Corporate Bond	59
Other	520
<b>Total purchases during the period</b>	<b>2,758</b>
Sales	Proceeds £'000
Baillie Gifford British 350 'B'	208
Standard Life Higher Income	141
Credit Suisse Alpha Income 'I'	114
Martin Currie Japan 'B'	112
Legg Mason US Equity 'B' <sup>1</sup>	105
SWIP Property	186
Invista European Property	81
Rights & Issues Investment	75
Collins Stewart Total Return Bond	66
Medic X	59
Legal & General All Stocks Gilt Index	53
Middlefield Canadian Income	38
Artemis European Growth <sup>1</sup>	30
Marlborough UK Large Cap	23
Legal & General High Income 'I'	20
Investec UK Smaller Companies 'I'	20
F&C Extra Income Bond '2'	15
Royal London Corporate Bond	15
Barclays S&P 0% 21/02/2011	8
Baillie Gifford Corporate Bond	5
Other	5
<b>Total sales during the period</b>	<b>1,379</b>

<sup>1</sup>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 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 Investment Management Association in December 2005, the Financial Services Authority's New Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### 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 excluding those 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 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' Net Assets. 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)

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

# HURLINGHAM MANAGED INCOME PORTFOLIO

## 2. NET GAINS ON INVESTMENTS

The net gains on investments during the period comprise:

	30/04/07	30/04/06
	£'000	£'000
Non-derivative securities	130	34
<b>Net gains on investments</b>	<b>130</b>	<b>34</b>

## 3. INCOME

	30/04/07	30/04/06
	£'000	£'000
Bank interest	1	1
<b>Payments from authorised collective investment schemes:</b>		
- Franked distributions	15	1
- Unfranked distributions	49	9
	<b>65</b>	<b>11</b>

## 4. EXPENSES

	30/04/07	30/04/06
	£'000	£'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	28	6
	<b>28</b>	<b>6</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	4	3
Transaction charges	2	1
	<b>6</b>	<b>4</b>
<b>Other expenses:</b>		
Auditors' remuneration	2	1
Registration fees	4	1
FSA and other regulatory fees	-	2
Legal fees	-	4
Listing fees	2	1
	<b>8</b>	<b>9</b>
<b>Total expenses</b>	<b>42</b>	<b>19</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	30/04/07	30/04/06
	£'000	£'000
<b>Current tax:</b>		
Corporation tax charge	1	-
Irrecoverable income tax	1	-
<b>Total current tax (note 5 (b))</b>	<b>2</b>	<b>-</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.

	30/04/07	30/04/06
	£'000	£'000
Net income/(expense) before taxation	23	(8)
	<b>23</b>	<b>(8)</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2006: 20%)	5	(2)
<b>Effects of:</b>		
Franked UK dividends not subject to taxation	(3)	-
Irrecoverable income tax	1	-
Tax effect on brought forward expenses	(1)	2
<b>Current tax charge (note 5 (a))</b>	<b>2</b>	<b>-</b>

Authorised collective investment schemes are exempt from tax on capital gains made within the sub-fund.

## 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:

	30/04/07	30/04/06
	£'000	£'000
Interim distribution	65	11
Interim accumulation	1	-
	<b>66</b>	<b>11</b>
Add: Income deducted on cancellation of shares	1	-
Deduct: Income received on issue of shares	(13)	-
<b>Net distributions for the period</b>	<b>54</b>	<b>11</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>54</b>	<b>11</b>

The net distribution figure of £54,000 (31st October 2006: £52,000) differs from 'Net expense after taxation' as shown on the 'Statement of total return' of £21,000 (31st October 2006: £nil), due to expenses borne by capital of £42,000 (31st October 2006: £52,000) and tax relief on capital expenses of £9,000 (31st October 2006: £nil).

# HURLINGHAM MANAGED INCOME PORTFOLIO

## 7. DEBTORS

	30/04/07	31/10/06
	£'000	£'000
Accrued income	18	10
Amounts receivable for issue of shares	-	108
Recoverable income tax	14	6
Sales awaiting settlement	115	62
	<u>147</u>	<u>186</u>

## 8. CASH AND BANK BALANCES

	30/04/07	31/10/06
	£'000	£'000
Sterling	67	53
Cash and bank balances	<u>67</u>	<u>53</u>

As at 30th April 2007, the weighted average floating interest rate on bank balances was 4.00%. (31st October 2006: 4.00%)

## 9. CREDITORS

	30/04/07	31/10/06
	£'000	£'000
Accrued expenses	6	7
Purchases awaiting settlement	220	163
	<u>226</u>	<u>170</u>

## 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 the 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 set out in note 13. 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 (2006: £nil).

### Investment Adviser

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-fund. 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 the 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 (2006: £nil).

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There are 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

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 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 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 majority of the sub-fund's financial assets are in either authorised investment schemes or structured products, which do not 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 mainly in collective investment schemes or products 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.

# HURLINGHAM MANAGED INCOME PORTFOLIO

## Derivatives and other financial instruments

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

## 13. SHARE CLASSES

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

Class 1: 1.5%

Class 2: 1.5%

The net asset value per share and the number of shares is given in the comparative tables on page 8. The distribution per share class is given in the distribution tables below.

## 14. PORTFOLIO TRANSACTION COSTS

As the sub-fund invests mainly in collective investment schemes, there are no significant associated transaction costs.

## 15. DISTRIBUTION TABLES

For the period to 30th April 2007

### Interim dividend distribution in pence per share

#### Income

	Net income	Income equalisation	Distribution payable 30/06/07	Distribution paid 30/06/06
Group 1	1.5160	-	1.5160	0.5203
Group 2	0.5564	0.9596	1.5160	0.5203

### Interim dividend accumulation in pence per share

#### Accumulation

	Net income	Income equalisation	Accumulation payable 30/06/07	Accumulation paid 30/06/06
Group 1	1.0042	-	1.0042	-
Group 2	0.2802	0.7240	1.0042	-

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>Income</b>		
2006 <sup>1</sup>	106.21	93.92
2007 <sup>2</sup>	109.97	103.88
<b>Accumulation</b>		
2006 <sup>1</sup>	106.25	93.99
2007 <sup>2</sup>	110.16	104.06

### Income Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
<b>Income</b>		
2006 <sup>1</sup>	-	-
2007 <sup>2</sup>	-	-
<b>Accumulation</b>		
2006 <sup>1</sup>	-	-
2007 <sup>2</sup>	-	-

### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
<b>Income</b>			
31/10/06	2,772,289	102.41	4,269,157
30/04/07	3,570,795	109.30	6,795,499
<b>Accumulation</b>			
31/10/06	1,394,317	102.56	4,269,157
30/04/07	2,641,157	109.52	6,795,499

<sup>1</sup>From 5th January 2006 to 31st December 2006.

<sup>2</sup>To 30th April 2007.

## TOTAL EXPENSE RATIOS (TERs)

30/04/07	31/10/06
3.40%	3.40%

The total expense ratio (TER) shows the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges but does reflect any initial and management charges on other collective investment schemes held by the sub-fund. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation units 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

In what has been a volatile period, the Hurlingham Managed Growth Portfolio recorded a return of 6.5% in the period between 1st November 2006 and 30th April 2007, underperforming the IMA Balanced Managed sector average, which returned 7.0%, but outperforming the benchmark<sup>1</sup> return of 5.2%.

### MARKET REVIEW

Following market corrections in May and June 2006, equities continued their upward progression through to the end of the reporting period and despite increased volatility, a number of markets hit all-time highs. However, global equities once again suffered a bout of nervousness in late February and early March, as a sharp fall in Chinese stocks triggered fears of macro-economic tightening measures. Concerns over rising default rates in US sub-prime mortgages also sent investors running for cover. By mid March, increased merger and acquisition (M&A) activity and encouraging corporate earnings data tempted equity investors to make a stand and support the markets. This was particularly evident within mid and small caps. More recently, we have also seen a number of large/mega caps on the receiving end of bids and being eyed by the large private equity funds.

One of the main concerns for investors and central banks has been rising inflation, which has led to further volatility in bond markets as global interest rates rose. Following a surprise rate rise in November, the Bank of England once again caught many investors off-guard with a further rise in January. However, spreads on corporate bonds remain very tight, reflecting the underlying strength in company balance sheets and the persistently benign economic backdrop. With rising rates in mind, we have kept bond weightings at the permitted minimum, whilst ensuring the funds we own have as much flexibility as possible to ensure out-performance of their benchmarks.

As highlighted above, global equity markets have been strong over the period and Asian, emerging markets, Europe and UK mid and small caps all provided double digit returns. US markets were also strong, but a weaker US dollar held back returns.

Japan has continued to disappoint as macro data remains mixed, with better than expected industrial production and household spending being offset by unexpectedly weak housing starts. Consumer price data shows that Japan has still not shaken off the deflation curse.

### PORTFOLIO ACTIVITY

The main changes to the asset allocation of the Portfolio have been to increase weightings in European and UK equities at the expense of cash, Japanese and American equities.

We have continued to reduce volatility within the portfolio through the sale of Old Mutual UK Select Mid Cap, Invesco Perpetual UK Aggressive and Artemis European. The proceeds have been used to add to existing positions, in particular those funds which have a high exposure to large caps, for example, Cazenove European, Schroder UK Alpha Plus and M&G UK Select. We also purchased a holding in Schroder European Alpha, which is managed by Leon Howard Spinks.

At the beginning of the period, we switched out of our holding of BlackRock ML Gold & General and into New Star Global Financials. In February, following further mixed economic data from Japan, we saw increased weakness in small and mid cap stocks and as a result have sold our holding in Legg Mason Japan.

### OUTLOOK

As we move towards the traditionally quieter months for capital markets, evidence of a measured deceleration in global economic growth continues to emerge – a mid cycle pause remains our central case. Encouragingly, the sub-prime mortgage problems in the US do not appear to have troubled the financial system, whilst the Eurozone, Asia and other resource rich areas are showing pronounced resilience in the face of slower US growth.

Whilst regular readers of the business papers will know that the UK and overseas economies are not without their “issues,” a soft landing in the US and continued benign conditions for company profits should enable the stock market to continue to generate very acceptable returns in 2007.

Source: Close Private Asset Management Limited, May 2007.

<sup>1</sup>Benchmark: 40% FTSE All-Share Index, 35% MSCI World ex UK Index and 25% FTSE All-Stocks Index.

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 30th April 2007

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 95.53% (91.33%)</b>			
<b>Europe 13.39% (11.33%)</b>			
64,475	Cazenove European X <sup>1</sup>	268	3.94
268,800	Resolution Britannic Argonaut European Alpha 'I' <sup>1</sup>	392	5.77
221,000	Schroders European Alpha Plus 'A' <sup>1</sup>	250	3.68
		<b>910</b>	<b>13.39</b>
<b>Far East 5.30% (5.90%)</b>			
126,000	Aberdeen Asia Pacific 'A'	136	2.00
134,900	Lazard Emerging Markets Growth 'I'	224	3.30
		<b>360</b>	<b>5.30</b>
<b>Fixed Interest 15.37% (12.86%)</b>			
250,000	Aegon Sterling Corporate Bond 'B'	271	3.99
125,000	Henderson Strategic Bond	165	2.43
244,170	Old Mutual Corporate Bond <sup>1</sup>	366	5.38
450,096	UBS Absolute Return Bond 'B' <sup>1</sup>	243	3.57
		<b>1,045</b>	<b>15.37</b>
<b>Global 4.07% (3.40%)</b>			
71,500	Neptune Global Equity 'B' <sup>1</sup>	194	2.85
26,500	New Star Global Financials	83	1.22
		<b>277</b>	<b>4.07</b>
<b>Japan 3.09% (4.57%)</b>			
10,000	Atlantis Japan Growth	121	1.78
40,000	Baillie Gifford Japan	89	1.31
		<b>210</b>	<b>3.09</b>
<b>North America 7.01% (7.82%)</b>			
36,470	M&G American X <sup>1</sup>	349	5.13
157,770	UBS US Equity 'B' <sup>1</sup>	128	1.88
		<b>477</b>	<b>7.01</b>
<b>Property 3.46% (1.69%)</b>			
120,000	UK Commercial Property	117	1.72
81,000	SWIP Euro Real Estate 'C' <sup>1</sup>	118	1.74
		<b>235</b>	<b>3.46</b>
<b>United Kingdom 43.84% (43.76%)</b>			
34,000	AXA Framlington UK Select Opportunit <sup>1</sup>	599	8.81
17,000	Invesco Perpetual Income	242	3.56
40,000	International Biotechnology	65	0.96
31,800	M&G UK Select 'A' <sup>1</sup>	533	7.84
248,000	River & Mercantile UK Equity Smaller Companies 'A'	273	4.02
624,500	Schroder UK Alpha Plus <sup>1</sup>	689	10.14
644,000	Standard Life UK Equity Higher Income	579	8.51
		<b>2,980</b>	<b>43.84</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>STRUCTURED PLANS 3.69% (4.50%)</b>			
<b>North America 3.69% (4.50%)</b>			
225,000	Barclays S&P 0% 21/02/2011	251	3.69
		<b>251</b>	<b>3.69</b>
<b>Total Value of Investments</b>		<b>6,743</b>	<b>99.22</b>
<b>Net Other Assets</b>		<b>53</b>	<b>0.78</b>
<b>Total Net Assets</b>		<b>6,796</b>	<b>100.00</b>

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

<sup>1</sup>Accumulation shares/units.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period to 30th April 2007

	notes	30/04/07		30/04/06	
		£'000	£'000	£'000	£'000
Net gains on investments during the period	2		391		111
Income	3	35		5	
Expenses	4	(54)		(21)	
Finance costs: Interest	6	(2)		(1)	
Net expense before taxation		(21)		(17)	
Taxation	5	(1)		-	
Net expense after taxation			(22)		(17)
Total return before distributions			369		94
Finance costs: Distributions	6		1		-
<b>Change in net assets attributable to shareholders</b>			<b>370</b>		<b>94</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period to 30th April 2007

	30/04/07		30/04/06	
	£'000	£'000	£'000	£'000
<b>Net assets at the start of the period</b>		<b>4,269</b>		<b>-</b>
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares		2,191		2,232
Less: Amounts payable on cancellation of shares		(34)		(3)
		2,157		2,229
Change in net assets attributable to shareholders (see above)		370		94
<b>Net assets at the end of the period</b>		<b>6,796</b>		<b>2,323</b>

## BALANCE SHEET

As at 30th April 2007

	notes	30/04/07	31/10/06
		£'000	£'000
<b>ASSETS</b>			
<b>Portfolio of Investments</b>		<b>6,743</b>	<b>4,091</b>
Debtors	7	356	32
Cash and bank balances	8	-	194
<b>Total other assets</b>		<b>356</b>	<b>226</b>
<b>Total assets</b>		<b>7,099</b>	<b>4,317</b>
<b>LIABILITIES</b>			
Creditors	10	(237)	(9)
Bank overdrafts	9	(66)	(39)
<b>Total liabilities</b>		<b>(303)</b>	<b>(48)</b>
<b>Net assets attributable to shareholders</b>		<b>6,796</b>	<b>4,269</b>

The notes on pages 20-23 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)

29th June 2007

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period to 30th April 2007

Purchases	Cost £'000
Standard Life UK Equity Higher Income	299
Aegon Sterling Corporate Bond 'B'	271
River & Mercantile UK Equity Smaller Companies 'A'	258
Schroder UK Alpha Plus <sup>1</sup>	250
UBS Absolute Return Bond 'B' <sup>1</sup>	243
Old Mutual Corporate Bond <sup>1</sup>	239
M&G UK Select 'A' <sup>1</sup>	239
Schroders European Alpha Plus 'A' <sup>1</sup>	206
Resolution Britannic Argonaut European Alpha 'I' <sup>1</sup>	175
AXA Framlington UK Select Opportunities <sup>1</sup>	175
Atlantis Japan Growth	148
Henderson Strategic Bond	131
Aberdeen Asia Pacific 'A'	126
Barclays S&P 0% 21/02/2011	125
SWIP Euro Real Estate 'C' <sup>1</sup>	123
M&G American 'X' <sup>1</sup>	121
Invesco Perpetual Income	100
Thames River Property	91
New Star Global Financials	83
Neptune Global Equity 'B' <sup>1</sup>	81
Other	298
<b>Total purchases during the period</b>	<b>3,782</b>
<b>Sales</b>	<b>Proceeds £'000</b>
Aegon Sterling Corporate Bond 'B'	259
Invesco Perpetual UK Aggressive <sup>1</sup>	182
Old Mutual UK Select Mid Cap <sup>1</sup>	161
Threadneedle Return Bond 'I' <sup>1</sup>	143
Artemis European Growth <sup>1</sup>	141
Invesco Perpetual Income	124
Aberdeen Asia Pacific 'A'	107
Thames River Property	95
Barclays S&P 0% 21/02/2011	87
Legg Mason Japan Equity 'B'	84
Baillie Gifford Japan	77
New Star Global Financials	65
Standard Life Global Index Linked Bond 'I' <sup>1</sup>	55
Merrill Lynch Gold & General <sup>1</sup>	35
Atlantis Japan Growth	14
<b>Total sales during the period</b>	<b>1,629</b>

<sup>1</sup>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 15 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 'Financial Statements of Authorised Funds' issued by the Investment Management Association in December 2005, the FSA's New Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### 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-dividend. 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 excluding those 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 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' Net Assets. 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)

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

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## 2. NET GAINS ON INVESTMENTS

The net gains on investments during the period comprise:

	30/04/07	30/04/06
	£'000	£'000
Non-derivative securities	391	111
<b>Net gains on investments</b>	<b>391</b>	<b>111</b>

## 3. INCOME

	30/04/07	30/04/06
	£'000	£'000
Bank interest	5	1
Franked UK dividends	2	-
<b>Payments from authorised collective investment schemes:</b>		
- Franked distributions	16	1
- Unfranked distributions	11	3
- Renewal commission	1	-
	<b>35</b>	<b>5</b>

## 4. EXPENSES

	30/04/07	30/04/06
	£'000	£'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	41	8
	<b>41</b>	<b>8</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	4	3
Transaction charges	1	-
	<b>5</b>	<b>3</b>
<b>Other expenses:</b>		
Auditors' remuneration	1	1
Registration fees	5	2
FSA and other regulatory fees	-	2
Legal fees	-	4
Listing fees	2	1
	<b>8</b>	<b>10</b>
<b>Total expenses</b>	<b>54</b>	<b>21</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	30/04/07	30/04/06
	£'000	£'000
<b>Current tax:</b>		
Irrecoverable income tax	1	-
<b>Total current tax (note 5 (b))</b>	<b>1</b>	<b>-</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:

	30/04/07	30/04/06
	£'000	£'000
Net expense before taxation	(21)	(17)
	<b>(21)</b>	<b>(17)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2006: 20%)	(4)	(3)
<b>Effects of:</b>		
Franked UK dividends not subject to taxation	(4)	-
Irrecoverable income tax	1	-
Current period expenses not utilised	8	3
<b>Current tax charge (note 5 (a))</b>	<b>1</b>	<b>-</b>

Authorised collective investment schemes 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 £7,588 (2006: £3,615) 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

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

	30/04/07	30/04/06
	£'000	£'000
Deduct: Income received on issue of shares	(1)	-
<b>Net distributions for the period</b>	<b>(1)</b>	<b>-</b>
Interest	2	1
<b>Total finance costs</b>	<b>1</b>	<b>1</b>

(31st October 2006: Net distribution was £nil).

## 7. DEBTORS

	30/04/07	31/10/06
	£'000	£'000
Accrued income	15	9
Amounts receivable for issue of shares	89	20
Income tax recoverable	3	2
Sales awaiting settlements	249	1
	<b>356</b>	<b>32</b>

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## 8. CASH AND BANK BALANCES

	30/04/07	31/10/06
	£'000	£'000
Sterling	-	194
<b>Cash and bank balances</b>	<b>-</b>	<b>194</b>

As at 30th April 2007, the weighted average floating interest rate on bank balances was 4.25%. (31st October 2006: 4.00%)

## 9. BANK OVERDRAFTS

	30/04/07	31/10/06
	£'000	£'000
Sterling	66	39
<b>Bank overdrafts</b>	<b>66</b>	<b>39</b>

As at 30th April 2007, the floating interest rate on bank overdrafts was 6.00%. (31st October 2006: 5.75%)

## 10. CREDITORS

	30/04/07	31/10/06
	£'000	£'000
Accrued expenses	5	8
Purchases awaiting settlement	231	1
Amounts payable for cancellation of shares	1	-
	<b>237</b>	<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 the 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 (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 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-fund. 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 are 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

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 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-advisor 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 all the sub-fund's financial assets are in either authorised investment schemes or structured products which do not pay interest nor have any collective 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 investments 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 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.

## **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 (Income) and Class 2 (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**

As the sub-fund mainly invests in collective investment schemes, there are no material associated transaction costs.

## Administration Queries

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