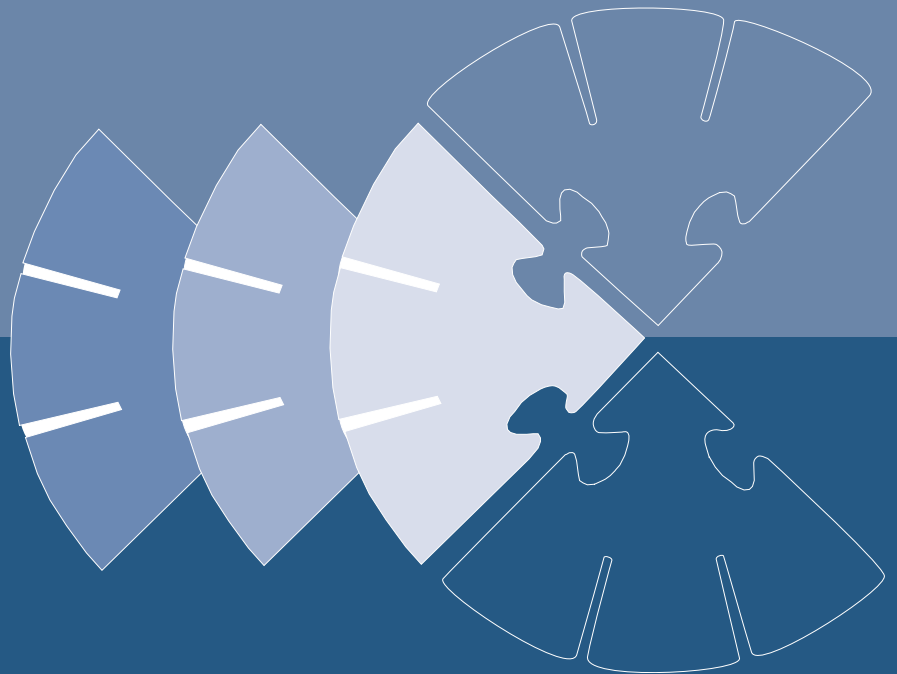


# The Hurlingham Fund

Annual Report & Financial Statements (audited)  
For the period from 01 November 2009 to 31 October 2010



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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)

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

Premier Fund Managers Limited has appointed 1st Port Asset Management as sub-Investment Adviser to the Hurlingham Balanced Portfolio and Hurlingham Managed Growth Portfolio.

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

**AUDITOR:** Grant Thornton UK LLP  
30 Finsbury Square,  
London, EC2P 2YU

**ADMINISTRATOR & REGISTRAR:** Northern Trust Global Fund Services Limited  
PO Box 55736,  
50 Bank Street,  
Canary Wharf,  
London, E14 1BT

### 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 year end the Company contained two sub-funds, the Hurlingham Balanced Portfolio and the 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 period 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 revenue and the net capital 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 'Financial Statements of Authorised Funds', issued by the IMA in November 2008 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 Company 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.

### IMPORTANT NOTE

Pending FSA approval, from the 1st May 2011 the ACD will be changing from Premier Portfolio Managers Limited to WAY Fund Managers Limited. Following the change of ACD the Depositary will change from The Royal Bank of Scotland Plc to State Street Trustees Limited and State Street Bank and Trust Company will become the Custodian, replacing the Northern Trust Company.

## MANAGEMENT AND ADMINISTRATION

### 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 2009 to 31st October 2010.

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 page 2.

In the future there may be other sub-funds of the 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 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)

28th February 2011

Mark Friend

Managing Director, Operations (of the ACD)

### REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE YEAR FROM 1ST NOVEMBER 2009 TO 31ST OCTOBER 2010 FOR THE HURLINGHAM BALANCED PORTFOLIO AND THE HURLINGHAM MANAGED GROWTH PORTFOLIO AS SUB-FUNDS OF THE HURLINGHAM FUND ('THE COMPANY')

The Depositary is responsible for the safekeeping of all the property of the 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 2011

## MANAGEMENT AND ADMINISTRATION

### REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF THE HURLINGHAM FUND

We have audited the financial statements of the Hurlingham Fund for the year ended 31st October 2010. These financial statements consist of the aggregated financial statements of the company which comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, and notes 1 to 15, and for each of the Company's sub-funds, the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, the related notes and the distribution tables. 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 Financial Services Authority (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 auditor's 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 (ACD) and the Auditor

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 Investment Management Association (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 in Relation to the Accounts of the Scheme.

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 in our opinion the information given in the Authorised Corporate Director's Report (which comprises Director's and Company Information on page 2, Report of the ACD to the Shareholder's of the Company on page 3, investment objective and policy on pages 8 and 15, investment review on pages 8 to 9 and 15 to 16, and portfolio of investments on pages 10 and 17) 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 or a sub-fund 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, total expense ratios and portfolio turnover rates on pages 8 and 15. 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 and each of the sub-funds as at 31st October 2010 and of the net (expense)/revenue and net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the IMA in November 2008, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation;
- the information given in the Authorised Corporate Director's Report 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  
Registered Auditor  
Chartered Accountants  
London, England  
28th February 2011

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the year ended 31st October 2010

	Notes	31/10/10 £'000	31/10/09 <sup>1</sup> £'000
<b>Income</b>			
Net capital gains	2	1,228	1,509
Revenue	3	198	261
<b>Expenses</b>			
Expenses	4	(230)	(216)
Finance costs: Interest	6	-	(1)
Net (expense)/revenue before taxation		(32)	44
Taxation	5	(1)	(5)
Net (expense)/revenue after taxation		(33)	39
Total return before distributions		1,195	1,548
Finance costs: Distributions	6	(64)	(99)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,131</b>	<b>1,449</b>

<sup>1</sup>Restated (see notes to the financial statements on page 6).

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st October 2010

	Note	31/10/10 £'000	31/10/09 £'000
<b>Opening net assets attributable to shareholders</b>		<b>10,517</b>	<b>8,532</b>
Amounts receivable on issue of shares		770	2,560
Amounts payable on cancellation of shares		(879)	(2,060)
		(109)	500
Dilution levy		1	1
Stamp duty reserve tax		(3)	(1)
Change in net assets attributable to shareholders from investment activities		1,131	1,449
Retained distributions on accumulation shares	6	30	36
<b>Closing net assets attributable to shareholders</b>		<b>11,567</b>	<b>10,517</b>

## BALANCE SHEET

As at 31st October 2010

	Notes	31/10/10 £'000	31/10/09 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<b>11,187</b>	<b>10,115</b>
Debtors	7	389	84
Cash and bank balances	8	340	430
<b>Total other assets</b>		<b>729</b>	<b>514</b>
<b>Total assets</b>		<b>11,916</b>	<b>10,629</b>
<b>LIABILITIES</b>			
Creditors	10	(279)	(61)
Bank overdrafts	9	(49)	(21)
Distribution payable on income shares	6	(21)	(30)
<b>Total liabilities</b>		<b>(349)</b>	<b>(112)</b>
<b>Net assets attributable to shareholders</b>		<b>11,567</b>	<b>10,517</b>

The notes on pages 6 to 7 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th February 2011

Mark Friend  
Managing Director, Operations (of the ACD)

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

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 'Financial Statements of Authorised Funds', issued by the IMA in November 2008, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

During the year, the Company has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains or losses, and transaction charges are now classified as capital. The effect of this is to reduce 'Net capital gains' by £1,000 (2009: £nil), with no effect on Net Assets.

#### Revenue Recognition

Revenue from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Bank interest and other revenue are recognised on an accruals basis.

Management fee rebates are accounted for on an accruals basis and are subsequently attributed to the Fund's revenue or capital consistent with the fee structure of the underlying fund.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of Hurlingham Balanced Portfolio's expenses are borne by capital, whereas 100% of Hurlingham Managed Growth Portfolio's expenses are borne by revenue.

#### Valuations

All investments are valued at their fair value at noon on 31st October 2010, being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of dual priced collective investment schemes managed by the ACD is their cancellation price and the fair value of dual priced collective investment schemes which are managed by other management groups is their bid price. The fair value of all single priced collective investment schemes is their single price, taking account of any agreed redemption charges.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Deferred tax is provided in respect of timing differences that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on subscriptions and redemptions of shares, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Shareholders. 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 this will not be material.

### 2. NET CAPITAL GAINS

	31/10/10 £'000	31/10/09 £'000
Non-derivative securities	1,229	1,509
Other currency gains	-	2
Transaction charges	(1)	(2)
<b>Net capital gains</b>	<b>1,228</b>	<b>1,509</b>

### 3. REVENUE

	31/10/10 £'000	31/10/09 £'000
Bank interest	2	4
Interest on debt securities	-	10
Offshore CIS revenue	6	-
Overseas dividends	-	2
Franked distributions	65	43
Unfranked distributions	107	190
Management fee rebates	18	12
	<b>198</b>	<b>261</b>

### 4. EXPENSES

	31/10/10 £'000	31/10/09 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	166	139
	<b>166</b>	<b>139</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	18	18
	<b>18</b>	<b>18</b>
<b>Other expenses:</b>		
Auditor's remuneration	12	12
Legal fees	-	1
Price publication fees	2	3
Printing fees	1	3
PRS fees	10	16
Registration fees	21	24
	<b>46</b>	<b>59</b>
<b>Total expenses</b>	<b>230</b>	<b>216</b>

Irrecoverable VAT is included in the above expenses where relevant.

# THE HURLINGHAM FUND AGGREGATED FINANCIAL STATEMENTS

## 5. TAXATION

(a) The tax charge comprises:

	31/10/10 £'000	31/10/09 £'000
<b>Current tax:</b>		
Irrecoverable income tax	1	5
<b>Total current tax (note 5 (b))</b>	<b>1</b>	<b>5</b>
<b>Total taxation</b>	<b>1</b>	<b>5</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/10/10 £'000	31/10/09 £'000
Net (expense)/revenue before taxation	(32)	44
	<b>(32)</b>	<b>44</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)

	(6)	8
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(14)	(9)
Irrecoverable income tax	1	5
Expenses not utilised in period	20	4
Overseas dividends non-taxable	-	(3)
<b>Current tax charge (note 5 (a))</b>	<b>1</b>	<b>5</b>

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

Factors that may affect the future tax charge:

The Fund has not recognised a deferred tax asset of £47,664 (2009: £27,737) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the Fund's revenue or capital gains changes.

## 6. FINANCE COSTS

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

	31/10/10 £'000	31/10/09 £'000
Interim distribution	12	32
Interim accumulation	14	8
Final distribution	21	30
Final accumulation	16	28
	<b>63</b>	<b>98</b>
Add: Revenue deducted on cancellation of shares	2	10
Deduct: Revenue received on issue of shares	(1)	(9)
<b>Net distributions for the year</b>	<b>64</b>	<b>99</b>
Interest	-	1
<b>Total finance costs</b>	<b>64</b>	<b>100</b>

The difference between the net revenue after taxation and the amounts distributed comprises:

Net (expense)/revenue after taxation	(33)	39
Expenses offset against capital	77	75
Tax effect on expenses offset against capital	(10)	(15)
Deficit transferred to capital	30	-
<b>Finance costs: Distributions</b>	<b>64</b>	<b>99</b>

## 7. DEBTORS

	31/10/10 £'000	31/10/09 £'000
Accrued revenue	39	43
Recoverable income tax	25	41
Management fee rebates	11	-
Sales awaiting settlement	314	-
	<b>389</b>	<b>84</b>

## 8. CASH AND BANK BALANCES

	31/10/10 £'000	31/10/09 £'000
Sterling	340	430
<b>Cash and bank balances</b>	<b>340</b>	<b>430</b>

## 9. BANK OVERDRAFTS

	31/10/10 £'000	31/10/09 £'000
Sterling	49	21
	<b>49</b>	<b>21</b>

## 10. CREDITORS

	31/10/10 £'000	31/10/09 £'000
Accrued expenses	47	34
Amounts payable for cancellation of shares	-	1
Corporation tax payable	-	8
Purchases awaiting settlement	232	18
	<b>279</b>	<b>61</b>

## 11. RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 13. FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 14. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 15. PORTFOLIO TRANSACTION COSTS

As the sub-funds mainly invest in collective investment schemes, there are no material transaction costs.

# HURLINGHAM BALANCED PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

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

#### Income Shares

2006 <sup>1</sup>	102.74	96.29
2007	105.17	94.63
2008	97.27	64.32
2009	75.44	64.42
2010 <sup>2</sup>	79.43	71.98

#### Accumulation Shares

2006 <sup>3</sup>	102.74	96.29
2007	106.36	98.01
2008	100.74	69.02
2009	82.95	69.66
2010 <sup>2</sup>	88.90	80.99

### Income/Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

#### Income Shares

2006 <sup>1</sup>	2.2216
2007	3.2125
2008	3.6678
2009	1.9804
2010	1.4832

#### Accumulation Shares

2006 <sup>3</sup>	-
2007	2.6305
2008	3.9177
2009	2.1646
2010	1.9808

### Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) <sup>4</sup>
-------	-----------------	--------------------------------

#### Income Shares

31/10/2008	3,379,609	67.01
31/10/2009	2,497,724	72.97
31/10/2010	2,269,639	77.24

#### Accumulation Shares

31/10/2008	220,290	72.62
31/10/2009	1,397,438	81.22
31/10/2010	1,521,707	87.98

#### Total NAV

	NAV of Sub-Fund (£)
31/10/2008	2,424,519
31/10/2009	2,957,536
31/10/2010	3,091,856

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

<sup>2</sup> To 31st October 2010.

<sup>3</sup> From 8th December 2006 to 31st December 2006.

<sup>4</sup> The net asset value per share is calculated on a bid basis and excludes any distribution payable.

## TOTAL EXPENSE RATIO (TER) SYNTHETIC

31/10/10	31/10/09
----------	----------

3.41%	3.65%
-------	-------

The TER shows the annual operating expenses of the sub-fund 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 of different schemes. The TER for income and accumulation shares is the same.

## PORTFOLIO TURNOVER RATE (PTR)

31/10/10	31/10/09
----------	----------

94.29%	224.40%
--------	---------

The PTR is a ratio that reflects the volume of trading within the sub-fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

## INVESTMENT OBJECTIVE AND POLICY

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

The sub-fund may invest in unregulated collective investment schemes such as hedge funds, where investment in such funds would be consistent with the investment objective and policy of the sub-fund.

Subject to the above, the sub-fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full prospectus. The sub-fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

## INVESTMENT REVIEW

### PERFORMANCE

During the period under review, the Hurlingham Balanced Fund returned 9.31% compared to the IMA Cautious Managed Sector, which returned 9.17%.

### MARKET REVIEW

The third quarter of 2010 was dominated by talk of double-dip fears and concerns that the world economy was about to stall in its recovery, as the forecasts for growth were scaled back. As a consequence, any expectations for interest rate rises have been pushed further out into 2011. The concerns surrounding problems in the European bond markets have moved from the main focus of attention, as Greece has managed to keep its finances in check and has received funding from the International Monetary Fund. However, indicators of risk in the European economies suggest that investors do not believe we are out of the woods yet, and the strength in the euro is perhaps more a reflection of the poor outlook for the other currencies.

As we enter the fourth quarter of 2010, the prospect of additional Quantitative Easing (QE2) is being absorbed by markets. The result is that the markets are increasingly being driven by the possibility of renewed intervention by the world's other central banks, following the Federal Reserve's actions. Japan also has announced its intention to purchase 'real' assets to try and bring its recovery back on track, although we do not expect the Bank of England to go quite that far. The fact that the policy makers have acknowledged that the pace of the recovery has taken a dip and have every intention of making it stay on the tracks is likely to support asset prices across the board for a while longer and, in many ways, the details of the intervention are less important.

Whilst we consider equities to appear cheap relative to bonds and cash, and so far corporate profits have been surprisingly strong, macro events could easily derail equity valuations. Accordingly, markets will remain volatile and it is prudent to remind ourselves that there are a number of issues that will

# HURLINGHAM BALANCED PORTFOLIO

remain a drag on economies, such as the large sovereign debt which will remain with us for many years to come; interest rates only really have one way to go from here; it is quite likely that inflation will return; a double-dip is not wholly unlikely, and our expectations for China to keep on growing at its current pace may be mistaken.

In this environment where there are plenty of possible pit-falls, we continue to strongly advocate that investors retain a broadly diversified allocation not only across markets, but in different asset classes as well.

## PORTFOLIO ACTIVITY

The construction of the portfolio has been adjusted in the past twelve months to have greater global equity exposure. In order to reduce volatility, we have maintained an exposure to fixed interest securities and other alternative asset classes. This has meant that the portfolio has demonstrated a reduced level of volatility in the twelve-month period. We maintain our view that the Fund's well-diversified portfolio will remain attractive to investors as market conditions develop into 2011.

We have continued to change the assets within the Fund to take advantage of the prevailing market conditions. In the past twelve months, we have increased the investment in global equities and modestly adjusted our fixed interest holdings by adding strategic bond funds. We added to our investment in commodities generally and increased our allocation in UK and US equities. We reduced our hedge fund investment trust exposure in favour of a global absolute return strategy fund.

## OUTLOOK

In 2011 we expect the equity markets to continue to rise as investors become accustomed to the new environment; however, we continue to believe that the path for the global economy remains one of a slow but positive recovery, although we also acknowledge that there are significant risks to overcome. Whilst QE2 will have a powerful short-term effect on asset prices, the desired outcome may not be so supportive of equity markets in the longer term. Whilst the outlook for Asia and Emerging markets remains positive, we remain cautious as investor sentiment generally appears on the optimistic side, which is often a contrarian indicator; these conditions provide the potential for volatility and, consequently, we remind investors that equities remain a long term investment.

Source: 1st Port Asset Management, November 2010. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

The top ten purchases and sales during the period were as follows:

Purchases	Costs	Sales	Proceeds
	£'000		£'000
Allianz US Equity 'A'	236	Thames River Multi Hedge PCC	178
Investec Enhanced Natural Resources	200	Martin Currie North American 'B'	163
Henderson Strategic Bond	152	Jupiter Income	144
JOHambro UK Equity Income	140	RWC Partners Global	
Liontrust First Income	140	Convertibles 'A'	117
iShares S&P 500	120	Resolution Argonaut European	
Legal & General Diversified		Income 'I'	115
Absolute Return 'I'	100	Premier Optimum Income	108
Legg Mason US Smaller Companies 'A'	95	Aviva Property Trust	91
Jupiter Income	90	Aegon Global Bond	85
Standard Life Global Index		Close Brothers Freehold Income	79
Linked Bond	60	Allianz US Equity	79
<b>Total purchases during the year were</b>	<b>1,548</b>	<b>Total sales during the year were</b>	<b>1,816</b>

# HURLINGHAM BALANCED PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st October 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 89.88% (96.14%)</b>			
<b>Alternatives 2.30% (4.36%)</b>			
500	EEA Life Settlements 'C'	71	2.30
		<b>71</b>	<b>2.30</b>
<b>Liquidity Funds 0.00% (2.06%)</b>			
<b>Commodities 0.00% (1.79%)</b>			
<b>Emerging Markets 6.05% (5.38%)</b>			
35,193	Aberdeen Emerging Markets 'C'	187	6.05
		<b>187</b>	<b>6.05</b>
<b>Europe 2.26% (5.74%)</b>			
4,244	Baring Europe Select	70	2.26
		<b>70</b>	<b>2.26</b>
<b>Far East 5.69% (6.42%)</b>			
50,920	First State Asia Pacific 'B'	176	5.69
		<b>176</b>	<b>5.69</b>
<b>Fixed Interest 30.02% (26.91%)</b>			
396,282	Artemis Strategic Bond	262	8.47
7,381	Franklin Templeton Global Bond	92	2.98
118,928	Henderson Strategic Bond	156	5.05
270,000	Legal & General Dynamic Bond 'I'	212	6.86
228,014	M&G Strategic Corporate Bond	146	4.72
41,322	Standard Life Global Index Linked Bond	60	1.94
		<b>928</b>	<b>30.02</b>
<b>Global 5.73% (6.42%)</b>			
180,213	Legal & General Diversified Absolute Return 'I'	114	3.69
102,000	Standard Life Global Absolute Return	63	2.04
		<b>177</b>	<b>5.73</b>
<b>Global Convertibles 0.00% (5.48%)</b>			
<b>Japan 3.04% (2.50%)</b>			
64,399	GLG Japan Core Alpha	54	1.75
483	GLG Japan Core Alpha Equity	40	1.29
		<b>94</b>	<b>3.04</b>
<b>North America 12.39% (10.52%)</b>			
150,009	Allianz US Equity	170	5.50
14,839	Brown Advisory US Equity Value	153	4.95
34,413	Legg Mason US Smaller Companies 'A'	60	1.94
		<b>383</b>	<b>12.39</b>
<b>United Kingdom 22.40% (13.39%)</b>			
93,751	BlackRock UK Dynamic	140	4.53
123,760	Investec Enhanced Natural Resources	151	4.88
85,947	JOHambro UK Equity Income	147	4.75
119,607	Liontrust First Income	151	4.88
232,428	Schroder Income Maximiser 'A'	104	3.36
		<b>693</b>	<b>22.40</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>United Kingdom Property 0.00% (5.17%)</b>			
<b>EXCHANGE TRADED FUNDS 4.88% (1.56%)</b>			
<b>United Kingdom 0.97% (0.00%)</b>			
10,033	db x-trackers FTSE All-Share	30	0.97
		<b>30</b>	<b>0.97</b>
<b>United States 3.91% (1.56%)</b>			
16,434	iShares S&P 500	121	3.91
		<b>121</b>	<b>3.91</b>
<b>Total Value of Investments</b>		<b>2,930</b>	<b>94.76</b>
<b>Net Other Assets</b>		162	5.24
<b>Total Net Assets</b>		<b>3,092</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 31st October 2009.

# HURLINGHAM BALANCED PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the year ended 31st October 2010

	Notes	31/10/10 £'000	31/10/09 <sup>1</sup> £'000
<b>Income</b>			
Net capital gains	2	237	305
Revenue	3	74	91
<b>Expenses</b>			
Expenses	4	(77)	(75)
Finance costs: Interest	6	-	-
Net (expense)/revenue before taxation		(3)	16
Taxation	5	-	(1)
Net (expense)/revenue after taxation		<u>(3)</u>	<u>15</u>
Total return before distributions		234	320
Finance costs: Distributions	6	(64)	(75)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><u>170</u></u>	<u><u>245</u></u>

<sup>1</sup>Restated (see notes to the financial statements on page 12).

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st October 2010

	Note	31/10/10 £'000	31/10/09 £'000
<b>Opening net assets attributable to shareholders</b>		<b>2,958</b>	<b>2,425</b>
Amounts receivable on issue of shares		243	1,061
Amounts payable on cancellation of shares		<u>(309)</u>	<u>(794)</u>
		(66)	267
Dilution Levy		1	-
Stamp duty reserve tax		(1)	-
Change in net assets attributable to shareholders from investment activities		170	245
Retained distributions on accumulation shares	6	30	21
<b>Closing net assets attributable to shareholders</b>		<u><u>3,092</u></u>	<u><u>2,958</u></u>

## BALANCE SHEET

As at 31st October 2010

	Notes	31/10/10 £'000	31/10/09 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<u><b>2,930</b></u>	<u><b>2,890</b></u>
Debtors	7	29	38
Cash and bank balances	8	<u>179</u>	<u>79</u>
<b>Total other assets</b>		<u><b>208</b></u>	<u><b>117</b></u>
<b>Total assets</b>		<u><u><b>3,138</b></u></u>	<u><u><b>3,007</b></u></u>
<b>LIABILITIES</b>			
Creditors	9	(25)	(27)
Distribution payable on income shares	6	<u>(21)</u>	<u>(22)</u>
<b>Total liabilities</b>		<u><b>(46)</b></u>	<u><b>(49)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>3,092</b></u></u>	<u><u><b>2,958</b></u></u>

The notes on pages 12 to 14 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th February 2011

Mark Friend  
Managing Director, Operations (of the ACD)

# HURLINGHAM BALANCED PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on page 6.

During the year, the sub-fund has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby transaction charges are now classified as capital. The effect of this is to reduce 'Net capital gains' by £1,000 (2009: a reduction of £1,000), with no effect on Net Assets.

### 2. NET CAPITAL GAINS

	31/10/10 £'000	31/10/09 £'000
Non-derivative securities	238	306
Transaction charges	(1)	(1)
<b>Net capital gains</b>	<b>237</b>	<b>305</b>

### 3. REVENUE

	31/10/10 £'000	31/10/09 £'000
Bank interest	1	1
Offshore CIS revenue	5	-
Overseas dividends	-	2
Franked distributions	22	9
Unfranked distributions	41	74
Management fee rebates	5	5
	<b>74</b>	<b>91</b>

### 4. EXPENSES

	31/10/10 £'000	31/10/09 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	45	38
	<b>45</b>	<b>38</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	9	9
	<b>9</b>	<b>9</b>
<b>Other expenses:</b>		
Auditor's remuneration	6	6
Legal fees	-	1
Price publication fees	1	-
Printing fees	1	3
PRS fees	5	8
Registration fees	10	10
	<b>23</b>	<b>28</b>
<b>Total expenses</b>	<b>77</b>	<b>75</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAXATION

(a) The tax charge comprises:

	31/10/10 £'000	31/10/09 £'000
<b>Current tax:</b>		
Irrecoverable income tax	-	1
<b>Total current tax (note 5 (b))</b>	<b>-</b>	<b>1</b>
<b>Total taxation</b>	<b>-</b>	<b>1</b>

(b) Factors affecting the tax charge for the year:

The tax charge 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:

	31/10/10 £'000	31/10/09 £'000
Net (expense)/revenue before taxation	(3)	16
	<b>(3)</b>	<b>16</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)	-	3
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(5)	(2)
Irrecoverable income tax	-	1
Overseas dividends non-taxable	-	(1)
Expenses not utilised in period	5	-
<b>Current tax charge (note 5 (a))</b>	<b>-</b>	<b>1</b>

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 £5,294 (2009: £nil) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-fund's revenue or capital gains changes.

# HURLINGHAM BALANCED PORTFOLIO

## 6. FINANCE COSTS

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

	31/10/10 £'000	31/10/09 £'000
Interim distribution	12	32
Interim accumulation	14	8
Final distribution	21	22
Final accumulation	16	13
	<b>63</b>	<b>75</b>
Add: Revenue deducted on cancellation of shares	2	9
Deduct: Revenue received on issue of shares	(1)	(9)
<b>Net distributions for the year</b>	<b>64</b>	<b>75</b>
Interest	-	-
<b>Total finance costs</b>	<b>64</b>	<b>75</b>
The difference between the net revenue after taxation and the amounts distributed comprises:		
Net (expense)/revenue after taxation	(3)	15
Expenses offset against capital	77	75
Tax effect on expenses offset against capital	(10)	(15)
<b>Finance costs: Distributions</b>	<b>64</b>	<b>75</b>

## 7. DEBTORS

	31/10/10 £'000	31/10/09 £'000
Accrued revenue	13	12
Recoverable income tax	13	26
Management fee rebates	3	-
	<b>29</b>	<b>38</b>

## 8. CASH AND BANK BALANCES

	31/10/10 £'000	31/10/09 £'000
Sterling	179	79
<b>Cash and bank balances</b>	<b>179</b>	<b>79</b>

## 9. CREDITORS

	31/10/10 £'000	31/10/09 £'000
Accrued expenses	17	13
Corporation tax payable	-	8
Purchases awaiting settlement	8	6
	<b>25</b>	<b>27</b>

## 10. RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2009: £nil).

## 12. FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, as set out in the investment objective and policy on page 8, the main risks arising from the sub-fund's 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 and sub-Investment Adviser consider 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 investment objective.

### Currency Risk

There was no material direct foreign currency exposure within the sub-fund at the balance sheet date. However, there was significant foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk. At the year end date 30.02% (2009: 26.91%) of the Portfolio of Investments was held in fixed interest.

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. 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 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.

### Derivatives and Forward Transactions

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

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risk.

# HURLINGHAM BALANCED PORTFOLIO

## 13. SHARE CLASSES

The sub-fund currently has two classes of shares, Income and Accumulation. The AMC on each share class is as follows:

Income: 1.50%

Accumulation: 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 8. The distribution per share class is given in the distribution tables below.

## 14. PORTFOLIO TRANSACTION COSTS

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

### DISTRIBUTION TABLES

For the period from 1st November 2009 to 30th April 2010

#### Interim dividend distribution in pence per share

##### Income shares

	Net		Distribution Paid	
	Income	Equalisation	30/06/10	30/06/09
Group 1	0.5406	-	0.5406	1.0941
Group 2	0.1492	0.3914	0.5406	1.0941

##### Accumulation shares

	Net		Amount Accumulated	
	Income	Equalisation	30/06/10	30/06/09
Group 1	0.9169	-	0.9169	1.2538
Group 2	0.5007	0.4162	0.9169	1.2538

For the period from 1st May 2010 to 31st October 2010

#### Final dividend distribution in pence per share

##### Income shares

	Net		Distribution Payable/Paid	
	Income	Equalisation	28/02/11	28/02/10
Group 1	0.9426	-	0.9426	0.8863
Group 2	0.4936	0.4490	0.9426	0.8863

##### Accumulation shares

	Net		Amount Accumulated	
	Income	Equalisation	28/02/11	28/02/10
Group 1	1.0639	-	1.0639	0.9108
Group 2	0.4823	0.5816	1.0639	0.9108

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

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

#### Income Shares

2006 <sup>1</sup>	106.21	93.92
2007	112.08	100.87
2008	108.00	77.25
2009	99.67	79.45
2010 <sup>2</sup>	109.67	97.17

#### Accumulation Shares

2006 <sup>1</sup>	106.25	93.99
2007	112.29	101.07
2008	108.29	77.47
2009	100.18	79.68
2010 <sup>2</sup>	110.51	97.67

### Income/Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

#### Income Shares

2006 <sup>1</sup>	-
2007	-
2008	-
2009	0.2868
2010	-

#### Accumulation Shares

2006 <sup>1</sup>	-
2007	-
2008	-
2009	0.2931
2010	-

### Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) <sup>3</sup>
-------	-----------------	--------------------------------

#### Income Shares

31/10/2008	3,092,743	81.17
31/10/2009	2,686,431	96.34
31/10/2010	2,588,685	108.38

#### Accumulation Shares

31/10/2008	4,428,333	81.17
31/10/2009	5,135,671	96.79
31/10/2010	5,191,776	109.21

#### Total NAV

	NAV of Sub-Fund (£)
31/10/2008	6,106,633
31/10/2009	7,558,997
31/10/2010	8,475,467

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

<sup>2</sup> To 31st October 2010.

<sup>3</sup> The net asset value per share is calculated on a bid basis and excludes any distribution payable.

## TOTAL EXPENSE RATIO (TER) SYNTHETIC

31/10/10	31/10/09
----------	----------

2.77%	2.89%
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The TER shows the annual operating expenses of the sub-fund 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 of different schemes. The TER for income and accumulation shares is the same.

## PORTFOLIO TURNOVER RATE (PTR)

31/10/10	31/10/09
----------	----------

74.30%	175.70%
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The PTR is a ratio that reflects the volume of trading within the sub-fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

## 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 collective investment schemes (which may be unregulated collective investment schemes such as hedge funds) and may also invest in equities, fixed interest securities, money market instruments and warrants.

Subject to the above, the sub-fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full prospectus. The sub-fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

## INVESTMENT REVIEW

### PERFORMANCE

During the period under review, the Hurlingham Managed Growth Fund returned 14.7% compared to the IMA Balanced Managed Sector, which returned 12.0%.

### MARKET REVIEW

The third quarter of 2010 was dominated by talk of double-dip fears and concerns that the world economy was about to stall in its recovery, as the forecasts for growth were scaled back. As a consequence, any expectations for interest rate rises have been pushed further out into 2011. The concerns surrounding problems in the European bond markets have moved from the main focus of attention, as Greece has managed to keep its finances in check and has received funding from the International Monetary Fund. However, indicators of risk in the European economies suggest that investors do not believe we are out of the woods yet, and the strength in the euro is perhaps more a reflection of the poor outlook for the other currencies.

As we enter the fourth quarter of 2010, the prospect of additional Quantitative Easing (QE2) is being absorbed by markets. The result is that the markets are increasingly being driven by the possibility of renewed intervention by the world's other central banks, following the Federal Reserve's actions. Japan also has announced its intention to purchase 'real' assets to try and bring its recovery back on track, although we do not expect the Bank of England to go quite that far. The fact that the policy makers have acknowledged that the pace of the recovery has taken a dip and have every intention of making it stay on the tracks is likely to support asset prices across the board for a while longer and, in many ways, the details of the intervention are less important.

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## HURLINGHAM MANAGED GROWTH PORTFOLIO

from here; it is quite likely that inflation will return; a double-dip is not wholly unlikely, and our expectations for China to keep on growing at its current pace may be mistaken.

In this environment where there are plenty of possible pit-falls, we continue to strongly advocate that investors retain a broadly diversified allocation not only across markets, but in different asset classes as well.

### PORTFOLIO ACTIVITY

The construction of the portfolio has been adjusted in the past twelve months to have greater global equity exposure. In order to reduce volatility, we have maintained an exposure to fixed interest securities and other alternative asset classes. This has meant that the portfolio has demonstrated a reduced level of volatility in the twelve-month period. We maintain our view that the Fund's well-diversified portfolio will remain attractive to investors as market conditions develop into 2011.

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### OUTLOOK

In 2011 we expect the equity markets to continue to rise as investors become accustomed to the new environment; however, we continue to believe that the path for the global economy remains one of a slow but positive recovery, although we also acknowledge that there are significant risks to overcome. Whilst QE2 will have a powerful short-term effect on asset prices, the desired outcome may not be so supportive of equity markets in the longer term. Whilst the outlook for Asia and Emerging markets remains positive, we remain cautious as investor sentiment generally appears on the optimistic side, which is often a contrarian indicator; these conditions provide the potential for volatility and, consequently, we remind investors that equities remain a long term investment.

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Allianz US Equity 'A'	610	Martin Currie North	
Investec Enhanced Natural Resources	387	American 'B'	508
SG Gold Protected Accelerator		RWC Partners Global	
Call Warrant 19/10/2011	348	Convertibles 'A'	460
JO Hambro UK Equity Income	310	Threadneedle American	
Legg Mason US Smaller Companies 'A'	301	Select 'I'	270
iShares S&P 500	300	Thames River Multi Hedge PCC	261
GLG UK Select	220	Standard Life UK Equity	
Henderson European Special Situations	206	Higher Income	260
GLG Japan Core Alpha Equity	150	River & Mercantile UK	
Schroder UK Alpha Plus 'A'	125	Equity Unconstrained	195
		M&G UK Select 'A'	180
		Aviva Property Trust	171
		Moonraker Commodities	146
		EFTS Natural Gas	132
<b>Total purchases during the year were</b>	<b>3,585</b>	<b>Total sales during the year were</b>	<b>3,498</b>

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st October 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 88.04% (93.72%)</b>			
<b>Alternatives 3.97% (4.08%)</b>			
2,383	EEA Life Settlements 'C'	336	3.97
		<b>336</b>	<b>3.97</b>
<b>Commodities 0.00% (1.93%)</b>			
<b>Emerging Markets 5.30% (3.68%)</b>			
84,544	Aberdeen Emerging Markets 'C'	449	5.30
		<b>449</b>	<b>5.30</b>
<b>Europe 4.12% (5.72%)</b>			
5,127	Barings Europe Select	85	1.00
218,593	Henderson European Special Situations	264	3.12
		<b>349</b>	<b>4.12</b>
<b>Far East 8.77% (8.48%)</b>			
120,282	First State Asia Pacific 'B'	416	4.91
285,467	JPMorgan Asia 'A'	327	3.86
		<b>743</b>	<b>8.77</b>
<b>Fixed Interest 14.13% (14.47%)</b>			
23,053	Capital International Global High Yield	442	5.22
248,771	Henderson Strategic Bond	327	3.86
547,065	Legal & General Dynamic Bond	429	5.05
		<b>1,198</b>	<b>14.13</b>
<b>Global 8.99% (2.01%)</b>			
23,148	Aberdeen Emerging Markets Smaller Companies	234	2.76
347,728	Investec Natural Resources	423	4.99
158,755	Standard Life Global Absolute Return	105	1.24
		<b>762</b>	<b>8.99</b>
<b>Global Convertibles 0.00% (6.03%)</b>			
<b>Japan 4.13% (3.99%)</b>			
274,642	GLG Japan Core Alpha	230	2.71
1,450	GLG Japan Core Alpha Equity	120	1.42
		<b>350</b>	<b>4.13</b>
<b>North America 17.73% (17.20%)</b>			
492,066	Allianz US Equity	556	6.56
251,162	Legg Mason US Smaller Companies 'A'	440	5.19
439,371	Threadneedle American Select	507	5.98
		<b>1,503</b>	<b>17.73</b>
<b>United Kingdom Property 1.33% (3.93%)</b>			
30,759	Close Brothers Freehold Income	113	1.33
		<b>113</b>	<b>1.33</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>United Kingdom 19.57% (22.20%)</b>			
16,334	AXA Framlington UK Select Opportunities	316	3.73
130,292	Bluecrest AllBlue	225	2.65
181,656	GLG UK Select	243	2.87
200,903	JOHambro UK Equity	344	4.06
226,024	Schroder UK Alpha Plus	271	3.20
583,387	Schroder Unit Trust Income Maximiser 'A'	260	3.06
		<b>1,659</b>	<b>19.57</b>
<b>EXCHANGE TRADED FUNDS 4.52% (1.84%)</b>			
<b>United Kingdom 4.52% (0.00%)</b>			
26,757	db x-trackers FTSE All-Share	80	0.94
41,067	iShares S&P 500	303	3.58
		<b>383</b>	<b>4.52</b>
<b>United States 0.00% (1.84%)</b>			
<b>STRUCTURED PRODUCTS 4.86% (0.00%)</b>			
196	SG Gold Protected Accelerator Call Warrant 19/10/2011	412	4.86
		<b>412</b>	<b>4.86</b>
<b>Total Value of Investments</b>		<b>8,257</b>	<b>97.42</b>
<b>Net Other Assets</b>		<b>218</b>	<b>2.58</b>
<b>Total Net Assets</b>		<b>8,475</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 31st October 2009.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the year ended 31st October 2010

	Notes	31/10/10 £'000	31/10/09 <sup>1</sup> £'000
<b>Income</b>			
Net capital gains	2	991	1,204
Revenue	3	124	170
<b>Expenses</b>			
Expenses	4	(153)	(141)
Finance costs: Interest	6	-	(1)
Net (expense)/revenue before taxation		(29)	28
Taxation	5	(1)	(4)
Net (expense)/revenue after taxation		(30)	24
Total return before distributions		961	1,228
Finance costs: Distributions	6	-	(24)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>961</b>	<b>1,204</b>

<sup>1</sup>Restated (see notes to the financial statements on page 19).

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st October 2010

	Note	31/10/10 £'000	31/10/09 £'000
<b>Opening net assets attributable to shareholders</b>		<b>7,559</b>	<b>6,107</b>
<b>Amounts receivable on issue of shares</b>			
		527	1,499
<b>Amounts payable on cancellation of shares</b>			
		(570)	(1,266)
		(43)	233
Dilution levy		-	1
Stamp duty reserve tax		(2)	(1)
Change in net assets attributable to shareholders from investment activities		961	1,204
Retained distributions on accumulation shares	6	-	15
<b>Closing net assets attributable to shareholders</b>		<b>8,475</b>	<b>7,559</b>

## BALANCE SHEET

As at 31st October 2010

	Notes	31/10/10 £'000	31/10/09 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<b>8,257</b>	<b>7,225</b>
<b>Debtors</b>			
Debtors	7	360	46
Cash and bank balances	8	161	351
<b>Total other assets</b>		<b>521</b>	<b>397</b>
<b>Total assets</b>		<b>8,778</b>	<b>7,622</b>
<b>LIABILITIES</b>			
<b>Creditors</b>			
Creditors	10	(254)	(34)
Bank overdrafts	9	(49)	(21)
Distribution payable on income shares	6	-	(8)
<b>Total liabilities</b>		<b>(303)</b>	<b>(63)</b>
<b>Net assets attributable to shareholders</b>		<b>8,475</b>	<b>7,559</b>

The notes on pages 19 to 21 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th February 2011

Mark Friend  
Managing Director, Operations (of the ACD)

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on page 6.

During the year, the sub-fund has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains or losses and transaction charges are now classified as capital. The effect of this is to change 'Net capital gains' by £nil (2009: an increase of £1,000), with no effect on Net Assets.

### 2. NET CAPITAL GAINS

	31/10/10 £'000	31/10/09 £'000
Non-derivative securities	991	1,203
Currency gains	-	2
Transaction charges	-	(1)
<b>Net capital gains</b>	<b>991</b>	<b>1,204</b>

### 3. REVENUE

	31/10/10 £'000	31/10/09 £'000
Bank interest	1	3
Interest on debt securities	-	10
Offshore CIS revenue	1	-
Franked distributions	43	34
Unfranked distributions	66	116
Management fee rebates	13	7
	<b>124</b>	<b>170</b>

### 4. EXPENSES

	31/10/10 £'000	31/10/09 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	121	101
	<b>121</b>	<b>101</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	9	9
	<b>9</b>	<b>9</b>
<b>Other expenses:</b>		
Auditor's remuneration	6	6
Price publication fees	1	3
PRS	5	8
Registration fees	11	14
	<b>23</b>	<b>31</b>
<b>Total expenses</b>	<b>153</b>	<b>141</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAXATION

(a) The tax charge comprises:

	31/10/10 £'000	31/10/09 £'000
<b>Current tax:</b>		
Irrecoverable income tax	1	4
<b>Total current tax (note 5(b))</b>	<b>1</b>	<b>4</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/10/10 £'000	31/10/09 £'000
Net (expense)/revenue before taxation	(29)	28
	<b>(29)</b>	<b>28</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)

	(6)	5
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(9)	(7)
Irrecoverable income tax	1	4
Expenses not utilised in period	15	4
Overseas dividends non-taxable	-	(2)
<b>Current tax charge (note 5 (a))</b>	<b>1</b>	<b>4</b>

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 £42,370 (2009: £27,737) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-fund's revenue or capital gains changes.

# HURLINGHAM MANAGED GROWTH PORTFOLIO

## 6. FINANCE COSTS

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

	31/10/10 £'000	31/10/09 £'000
Final distribution	-	8
Final accumulation	-	15
	-	23
Add: Revenue deducted on cancellation of shares	-	1
Deduct: Revenue received on issue of shares	-	-
<b>Net distributions for the year</b>	-	24
Interest	-	1
<b>Total finance costs</b>	-	25
The difference between the net revenue after taxation and the amounts distributed comprises:		
Net (expense)/revenue after taxation	(30)	24
Deficit taken to capital	30	-
<b>Finance costs: Distributions</b>	-	24

## 7. DEBTORS

	31/10/10 £'000	31/10/09 £'000
Accrued revenue	26	31
Recoverable income tax	12	15
Management fee rebates	8	-
Sales awaiting settlement	314	-
	360	46

## 8. CASH AND BANK BALANCES

	31/10/10 £'000	31/10/09 £'000
Sterling	161	351
<b>Cash and bank balances</b>	161	351

## 9. BANK OVERDRAFTS

	31/10/10 £'000	31/10/09 £'000
Sterling	49	21
	49	21

## 10. CREDITORS

	31/10/10 £'000	31/10/09 £'000
Accrued expenses	30	21
Amounts payable for cancellation of shares	-	1
Purchases awaiting settlement	224	12
	254	34

## 11. RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2009: £nil).

## 13. FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, as set out in the investment objective and policy on page 15, the main risks arising from the sub-fund's 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 and sub-investment adviser consider 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 investment objective.

### Currency Risk

There was no material direct foreign currency exposure within the sub-fund at the balance sheet date. However, there was significant foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk. At the year end date 14.13% (2009: 14.47%) of the Portfolio of Investments was held in fixed interest.

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. 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 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.

The sub-fund is exposed to counterparty risk with the issuers of structured plans.

### 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 Forward Transactions

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

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risk.

## 14. SHARE CLASSES

The sub-fund currently has two classes of shares, Income and Accumulation. The AMC on each share class is as follows:

Income: 1.50%

Accumulation: 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 15.

## 15. PORTFOLIO TRANSACTION COSTS

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

## DISTRIBUTION TABLE

For the period from 1st November 2009 to 30th April 2010

Expenses exceeded revenue during the period, as a result no distributions were paid.

For the period from 1st May 2010 to 31st October 2010

Final dividend distribution in pence per share

### Income Shares

	Net Income	Equalisation	Distribution Payable/Paid	
			28/02/11	28/02/10
Group 1	-	-	-	0.2868
Group 2	-	-	-	0.2868

### Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			28/02/11	28/02/10
Group 1	-	-	-	0.2931
Group 2	-	-	-	0.2931

## Administration Queries

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## This document is issued by:

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