

# The Liberation Balanced Fund, a sub-fund of The Liberation Fund

Interim Short Report for the period from 1st November 2007 to 30th April 2008

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the period. Copies of the Long-Form Interim Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Premier website, [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk)

## Investment Objective and Policy

The investment objective of the Liberation Balanced Fund is to provide a capital growth together with some income from a portfolio of global investments. The Fund will achieve this by investing in equities and may also invest in units in collective investment schemes, fixed interest securities, money market instruments and warrants.

## Fund Facts

**Launch date:** 11th May 2007  
**Ex-dividend dates:** 31st January, 30th April, 31st July, 31st October  
**Income dates:** 31st March, 30th June, 30th September, 31st December

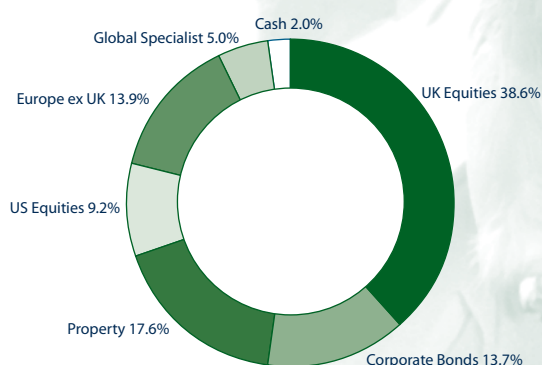
## Total Expense Ratios (TERs)

31/10/2007

2.23%

The TERs show the annual operating expenses of the 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 to different schemes. The TER for income and accumulation shares is the same.

## Asset Allocation as at 30/04/2008



Source:North Investment Partners Ltd

## Top Ten Holdings as at 30/04/2008

DB X-Trackers FTSE 100	19.47%
Lyxor ETF FTSE 100	18.65%
iShares FTSE EPRA/NAREIT UK Property	17.33%
iShares DJ Euro Stoxx 50	15.55%
iShares £ Corporate Bond	14.32%
iShares S&P 500	10.40%
iShares FTSE 100	2.69%

## Risk Profile

As the Fund has a global portfolio of investments, there is a risk that the income and capital value of the Fund may be affected by currency movements if a significant proportion of the Fund's assets are either denominated in other currencies or are investments in unit trusts or investment funds with substantial currency exposure.

## Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 <sup>1</sup>	Income	100.68	91.85
	Accumulation	100.68	91.78
2008 <sup>2</sup>	Income	96.83	85.44
	Accumulation	96.83	85.45

<sup>1</sup> 11th May 2007 to 31st December 2007

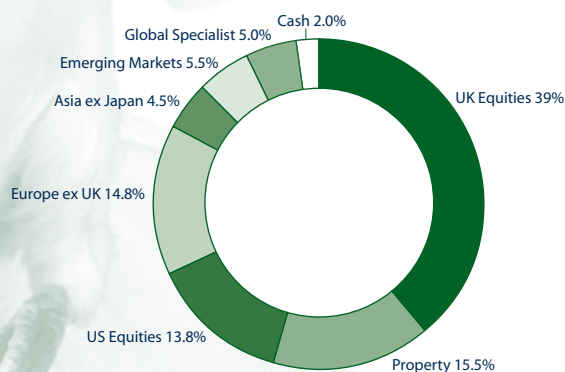
<sup>2</sup> To 30th April 2008

Past performance is not a guide to future returns. The price of units and shares and the return from them may go down as well as up and you may get back less than you invested.

## Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/10/2007	Income	98.42
	Accumulation	98.65
30/04/2008	Income	91.06
	Accumulation	91.08

## Asset Allocation as at 31/10/2007



Source:North Investment Partners Ltd

## Top Ten Holdings as at 31/10/2007

DB X-Trackers FTSE 100	16.24%
Lyxor International	16.24%
Insight Liquidity	15.08%
iShares £ Corporate Bond	11.73%
iShares DJ Euro Stoxx 50	9.85%
iShares FTSE EPRA/NAREIT UK Property	9.38%
iShares S&P 500	9.35%
iShares MSCI Japan Index	5.20%
iShares MSCI Emerging Markets Index	3.32%
iShares MSCI Far East ex-Japan	3.10%

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## Investment Review

### Performance

The Fund's asset value in the six months to April 2008 fell by 6.5% reflecting the distribution of the underlying portfolio. The IMA Balanced Managed Sector also fell, by 5.9%.

### Market Review

The Liberation Balanced Fund was launched in mid-May 2007 with the aim of tracking an asset distribution, as determined by North Investment, by investing in Exchange Traded Funds (ETFs). The rationale for investing in ETFs is to gain the required geographical exposure but at a lower cost than investing through other collective investment schemes such as investment companies and unit trusts.

In the UK, where the Liberation Balanced Fund has over 40% of its assets invested, the Fund holds ETFs linked to the FTSE 100 Index. The index represents some 83% of the London market's capitalisation.

### Portfolio Activity

In effect we are indirectly invested in the FTSE 100 Index's constituents of BP, HSBC, GlaxoSmithKline and so on down to the hundredth largest company - but with a total expense ratio (TER) of 0.3% on the ETFs, and dealing spreads typically being much narrower than dealing in shares. The weighted TER on the underlying portfolio is 0.28%.

Exposure to Japan, Other Asia and Emerging Markets has been eliminated and cash reduced in favour of greater exposure to other asset classes such as property since we last reported.

New entrants to the ETF market, including Lyxor (a wholly owned subsidiary of Societe Generale) and Deutsche Bank, are driving down the TERs of standard ETFs allowing us in turn to manage down the TER within our portfolio. For instance, in the UK we have lowered the TER on our underlying ETFs to 0.3% from 0.4% since launch by switching into these new offerings.

Otherwise, holders should not expect too much turnover in the underlying portfolio other than to keep weightings in-line with the determined asset allocation.

### Outlook

Equity markets struggled to make progress over the period, but this should be seen in the context of a volatile period for stock markets due to ongoing concerns both about the US economy and the effects of the global credit crunch.

Source: Premier Fund Managers Limited, June 2008.

Performance data taken from Financial Express Analytics, total return, bid to bid, UK sterling. Past performance is not a guide to future returns.

## Other Information

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You should remember that past performance is not a guide to future returns and the price of shares and the income from them may go down as well as up and you may get back less than you invested. Investment in these funds should be viewed as a long term investment. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Monthly cash withdrawals may lead to erosion of the capital value of your investment should you take a higher cash withdrawal than the growth or income generated. 2706084979