

The Liberation No.IV Fund, a sub-fund of The Liberation Fund

Annual Short Report for the period from 1st November 2009 to 31st October 2010

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 Fund's website, www.theliberationfund.co.uk.

Investment Objective and Policy

The investment objective of the Liberation No. IV Fund is to provide income together with some capital appreciation from a portfolio of global investments. The Fund will achieve this by investing in units in collective investment schemes and may also invest in equities, fixed interest securities, money market instruments and warrants.

Subject to the above, the 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 Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Total Expense Ratio (TER)

31/10/2010
2.38%

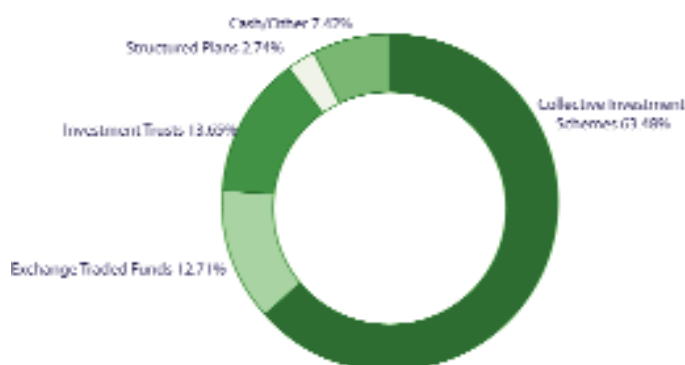
The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the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

Portfolio Turnover Rate (PTR)

31/10/2010
22.13%

The PTR is a ratio that reflects the volume of trading within the 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 Fund's shares and is expressed as a percentage of the Fund's average net asset value.

Asset Allocation as at 31/10/2010



Top Ten Holdings as at 31/10/2010

| | |
|---|-------|
| M&G Optimal Income Sterling | 7.67% |
| L&G Dynamic Bond | 7.62% |
| City Financial Strategic Gilt 'B' | 7.54% |
| Allianz Gilt Yield Fund 'C' | 7.42% |
| iShares FTSE EPRA/NAREIT UK Property Fund | 6.90% |
| Premier Pan European Property Share Fund | 5.76% |
| JPMorgan Income Opportunity | 4.33% |
| JO Hambro UK Equity Income | 3.92% |
| Artemis Income Fund 'I' Class | 3.89% |
| L&G Growth Trust | 2.87% |

Investment Risks

The Fund deducts all charges, including the annual management charge, from capital rather than income. This may result in the income paid being higher than would otherwise have been the case and the growth in the capital may be constrained.

Fund Facts

| | |
|---------------------------|--|
| Launch date: | 12 February 2007 |
| Ex-dividend dates: | 31 January, 30 April, 31 July, 31 October |
| Income dates: | 31 March, 30 June, 30 September, 31 December |

Performance Record

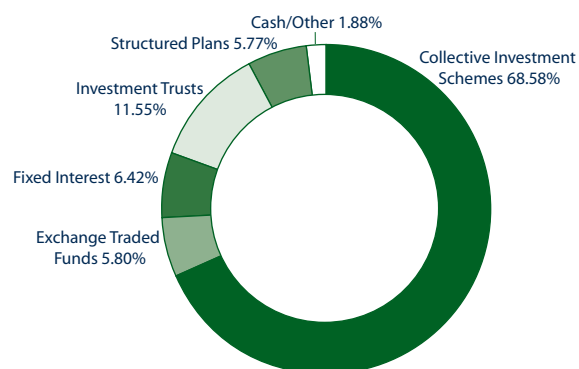
| Year | Share Class | Highest Price (p) | Lowest Price (p) |
|-------------------|--------------|-------------------|------------------|
| 2007 ¹ | Income | 100.60 | 93.98 |
| | Accumulation | 100.95 | 95.55 |
| 2008 | Income | 96.19 | 67.15 |
| | Accumulation | 97.79 | 70.72 |
| 2009 | Income | 83.45 | 63.21 |
| | Accumulation | 90.36 | 67.11 |
| 2010 ² | Income | 85.95 | 78.60 |
| | Accumulation | 95.06 | 86.39 |

¹ 12 February 2007 to 31 December 2007.

² To 30 October 2010.

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.

Asset Allocation as at 31/10/2009



Top Ten Holdings as at 31/10/2009

| | |
|---------------------------------------|--------|
| City Financial Strategic Gilt 'B' | 10.33% |
| M&G Optimal Income Sterling | 9.72% |
| Premier Pan European Property Share | 7.35% |
| Invesco Corporate Bond | 7.27% |
| UK Treasury 4.75% 07/06/2010 | 6.42% |
| MedicX | 4.31% |
| Schroder Income Maximiser 'A' | 3.80% |
| Artemis Income Fund 'I' Class | 3.51% |
| River & Mercantile UK Equity Core 'A' | 3.31% |
| Harewood Enhanced Property Recovery | 3.19% |

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Investment Review

Performance

During the period under review, the Liberation No.IV Fund rose by 7.1%.

Portfolio Activity

We believe that the recovery will be muted compared to previous economic cycles, as indebted Western economies continue to tackle their debt burdens. Therefore, we believe the market will place a premium on good quality companies with strong balance sheets, that are able to grow top line sales in a slow growth environment. This will favour traditional stockpickers and to capture this theme, we sold River & Mercantile UK Equity and replaced this holding with Legal & General Growth Trust, managed by Robert Churchlow, as well as adding to our holdings in JOCHM UK Equity Income and Artemis Income.

We bought into JPMorgan Consumer Trends, a global fund managed by Peter Kirkman, which looks to profit from the changing appetite of the consumer in both the West and the Emerging Markets. He will invest in the themes through both locally listed companies and large multinational companies. He has an active management style and will move the portfolio around depending on where he sees the greatest opportunities and most attractive valuations.

Turning to the bond markets, we have been surprised by the strength of UK Gilts where yields have fallen further as the UK has been seen as a relative safe haven for international investors, when compared with many of the countries within the Eurozone. However, we believe this is unlikely to continue and our focus remains on absolute return funds such as JPMorgan Income Opportunities and Legal & General Dynamic Bond, which invest globally and are able to protect against the downside should yields rise as developed nations seek to finance their huge budget deficits.

Outlook

Data on the global recovery, particularly from the US, still looks mixed and there remain concerns over bank lending. The key issue for US president Obama is employment, so whilst these figures appear weak, along with US consumption and the housing market, then the US Federal Reserve Bank (Fed) is likely to lean towards more accommodative policies. And where the US goes, other economies follow. Although areas such as Asia and Emerging Markets are growing at a faster rate and driving the global recovery, the US still plays a huge psychological role in determining the direction of the global economic recovery. Therefore, any action taken by the Fed is likely to be seen elsewhere.

The final quarter of the year is traditionally a strong period for markets, but with markets advancing during the typically weak autumn months, there is a question we could see the reverse of that trend as well. As the Fed and Bank of England actions with regards to Quantitative Easing become a reality, investors may lose their enthusiasm for risk assets with nothing further on the horizon on which to focus.

As such, we continue to balance the Portfolio between defensive and risky assets. If we see any weakening in equities, we are willing to tip more towards risky assets but we are not willing to chase prices at these levels.

Source: North Investment Partners, 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 full Investment Review is available in the Long-form Interim Report & Accounts, which is available on request, or from the Fund's website, www.theliberationfund.co.uk.

Net Asset Values

| As at | Share Class | Net Asset Value per Share (p) |
|------------|--------------|-------------------------------|
| 31/10/2008 | Income | 70.78 |
| | Accumulation | 74.42 |
| 31/10/2009 | Income | 81.01 |
| | Accumulation | 87.87 |
| 31/10/2010 | Income | 84.67 |
| | Accumulation | 94.26 |

Dividend Distribution

| EX date | Paid / Payable | Share Class | Distribution per Share (p) |
|------------|----------------|--------------|----------------------------|
| 31/01/2010 | 31/03/2010 | Income | 0.4861 |
| | | Accumulation | 0.5272 |
| 30/04/2010 | 30/06/2010 | Income | 0.5532 |
| | | Accumulation | 0.6244 |
| 31/07/2010 | 31/09/2010 | Income | 0.5118 |
| | | Accumulation | 0.5638 |

Other Information

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|---|--|
| <i>Authorised Corporate Director (ACD) & Registered Office:</i> | Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE |
| <i>Auditor:</i> | Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU |
| <i>Depository:</i> | The Royal Bank of Scotland plc, Trustee and Depository Services, The Broadstone, 50 South Gyle Crescent, Edinburgh, EH12 9UZ |
| <i>Administrators & Registrar:</i> | Northern Trust International Fund Administration Services (UK) Limited & Northern Trust Global Services Limited, PO Box 55736, 50 Bank Street, Canary Wharf, London, E14 1BT |

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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. 2806106433

