

# The Liberation No.V Fund, a sub-fund of The Liberation Fund

## Interim Short Report for the period from 1st November 2009 to 30th April 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](http://www.theliberationfund.co.uk).

### Investment Objective and Policy

The investment objective of the Liberation No. V Fund is to provide a total return from a portfolio of global investments. The Fund will achieve this by investing mainly 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).

### Fund Facts

<b>Launch date:</b>	6 December 2005
<b>Ex-dividend dates:</b>	31 October, 30 April
<b>Income dates:</b>	28 February, 30 June

### Total Expense Ratio (TER)

31/10/2009  
2.41%

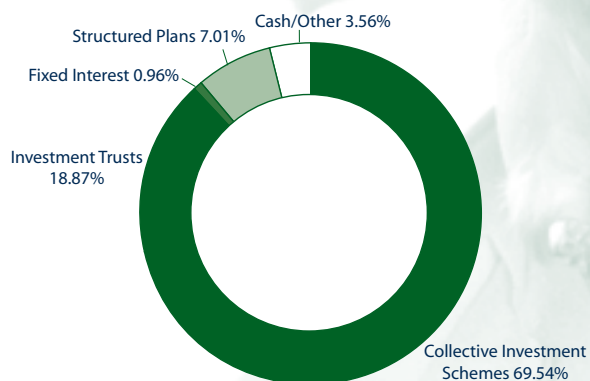
The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the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

### Portfolio Turnover Rate (PTR)

31/10/2009  
147.7%

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 30/04/2010



### Top Ten Holdings as at 30/04/2010

Schroder European Alpha Plus 'A'	4.70%
JO Hambro UK Opportunities	4.59%
Rensburg UK Equity Income	4.45%
Ignis Argonaut European Income 'I'	4.41%
Legal & General Dynamic Bond 'I'	4.32%
Legal & General Growth	4.24%
Baillie Gifford Corporate Bond 'B'	4.04%
MedicX	3.98%
Rathbone Income	3.98%
PSigma Income	3.92%

### Investment Risks

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)
2005 <sup>1</sup>	Income	101.82	99.96
	Accumulation	101.83	99.95
2006	Income	109.27	100.53
	Accumulation	109.90	100.61
2007	Income	113.10	102.22
	Accumulation	114.10	103.77
2008	Income	105.65	67.15
	Accumulation	107.25	69.23
2009	Income	92.73	60.89
	Accumulation	96.66	62.58
2010 <sup>2</sup>	Income	98.47	90.19
	Accumulation	102.74	94.02

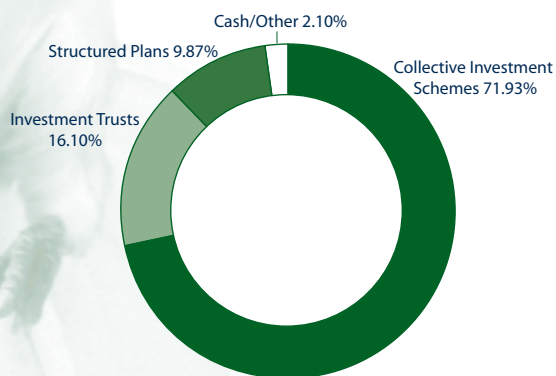
<sup>1</sup> 6 December 2005 to 31 December 2005. <sup>2</sup> To 30 April 2010.

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.

### Dividend Distribution (in pence per share)

XD date	Paid/Payable	Share Class	Distribution per Share (p)
30/04/2010	30/06/2010	Income	0.6263
		Accumulation	0.6534

### Asset Allocation as at 31/10/2009



### Top Ten Holdings as at 31/10/2009

Legal & General Dynamic Bond 'I'	5.85%
Standard Life Global REIT 'I'	5.38%
JO Hambro UK Growth	4.51%
Rensburg UK Equity Income	4.48%
Baillie Gifford Corporate Bond 'B'	4.27%
Rathbone Income	4.17%
Royal London Corporate Bond	4.16%
Legal & General Growth	4.09%
Cazenove UK Dynamic	4.03%
Marlborough UK Large Cap Growth	3.93%

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## Investment Review

### Performance

Most stock markets have continued to rise over the last six months, albeit at a much steadier pace than we saw in the break-neck rally of the preceding half year. Corporate bonds and property have also fared well over the six month period, but gilts went nowhere, producing neither a loss nor a positive return over the reporting period. The Fund was able to produce a strongly positive return for the six months, rising by 8.7%.

### Portfolio Activity

We made several changes to the Fund's holdings over the six months, which were in addition to the changes to the overall asset allocation issued to us by North (which broadly saw slight rises to UK and European equities at the expense of corporate bonds and gilts).

In December we added Henderson Diversified Income. This dynamically managed credit fund further diversifies our bond exposure, while also providing some protection against the threat of rising interest rates. We also added a structured product, Harewood Enhanced Property Recovery, during the month, also to provide greater diversity and to help us harness the recovery in commercial property prices.

Early in the New Year, we added a holding in Aberforth UK Smaller Companies as it was available at a discount to the value of its underlying holdings, which themselves look undervalued to us. We then disposed of our holding in Finsbury Worldwide Pharmaceutical Trust, with the proceeds used to top up our preferred specialist pick; New Star Technology. Tech companies are no longer the highly speculative investments they were ten years ago, with many now boasting very strong balance sheets and strong growth prospects. Their unpopularity with investors scarred by the technology crash has also kept prices at attractive levels.

The final month of the period saw more changes than most: We sold our holding in Cazenove UK Dynamic following the news that its manager, Neil Pegrum, had decided to leave Cazenove to join Soros Fund Management. Neil was a significant reason for buying this Fund, and while the new manager, Julie Dean, is highly competent, we believe that the medium-term future for this fund lies on a different tack than it was previously on. We therefore decided to sell the fund before any restructuring takes place. We also sold Neptune European Opportunities as, at over £1bn in size, we feel this fund may not be as nimble as it once was.

We recycled the proceeds from the Cazenove sale into Neptune Income, run by the highly experienced manager Robin Geffen, and Chelverton UK Equity Income. The latter fund focuses almost exclusively on dividend-paying smaller companies, which makes it a good replacement for Cazenove, which itself had a relatively high weighting in small caps. Chelverton are specialists in this area, and we know their process well having held their fund in other portfolios we run for a number of years.

### Outlook

We remain in an environment where we continue to see economic, political and regulatory volatility. At the beginning of the year we said to investors that 2010 would be a "risk on, risk off" market and this so far has proved to be the case. The massive reflation trade initiated by the West to prevent a 1930's style crash has succeeded for now. The challenge ahead is how to withdraw this stimulus without derailing an economic recovery. For this challenge there is no historic precedent to follow, although those indebted nations know that they must reduce their spending and increase their tax revenues. The low interest rate environment remains the main support for risk assets.

Source: Premier Fund Managers Limited, May 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](http://www.theliberationfund.co.uk).

## Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/10/2008	Income	71.54
	Accumulation	73.56
31/10/2009	Income	88.90
	Accumulation	92.77
30/04/2010	Income	95.86
	Accumulation	100.67

## Other Information

Authorised Corporate Director (ACD) & Registered Office:

**Premier Portfolio Managers Limited,**  
Eastgate Court, High Street, Guildford,  
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Depository:

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Trustee and Depository Services,  
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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. 2906106438

