

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

Interim Short Report for the period from 1st November 2008 to 30th April 2009

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. VI Fund is to provide capital growth in excess of the return available from cash deposits over the medium to long term from a portfolio of global investments. The Fund will achieve this by investing mainly in units in collective investments schemes and may also invest in equities, fixed interest securities, money market instruments and warrants.

## Fund Facts

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

## Total Expense Ratio (TER)

31/10/2008

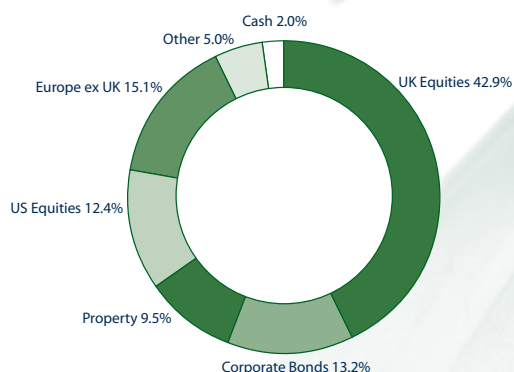
2.64%

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.

## Dividend Distribution

XD date	Paid/Payable	Share Class	Distribution per Share (p)
30/04/2009	30/06/2009	Income	0.6328
		Accumulation	0.5846

## Asset Allocation as at 30/04/2009



Source:North Investment Partners Ltd

## Top Ten Holdings as at 30/04/2009

M&G UK Select	10.13%
Threadneedle UK Equity Alpha Fund	9.90%
Cazenove European 'X'	8.26%
BoNY Mellon Newton Income	6.82%
JO Hambro US Opportunities	6.68%
Royal London UK Strategic Growth	6.68%
CF Odey Continental European	5.50%
Rensburg UK Mangers Focus Trust	4.74%
M&G Optimal Income Fund	4.38%
L&G Dynamic Bond	3.64%

## 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	102.88	99.84
	Accumulation	102.89	99.84
2006	Income	110.30	99.93
	Accumulation	110.79	99.96
2007	Income	114.92	104.23
	Accumulation	115.53	105.32
2008	Income	110.21	75.63
	Accumulation	111.36	76.36
2009 <sup>2</sup>	Income	86.41	73.29
	Accumulation	88.19	74.79

<sup>1</sup> 6th December 2005 to 31st December 2005.

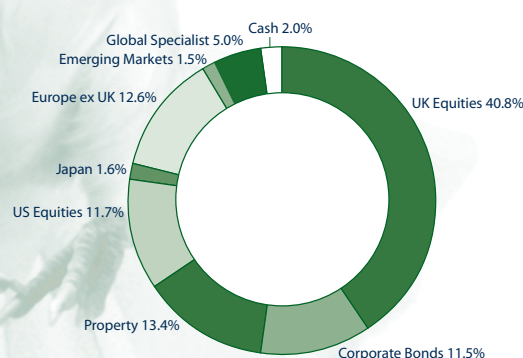
<sup>2</sup> To 30th April 2009.

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)
31/10/2008	Income	80.11
	Accumulation	81.81
30/04/2009	Income	80.43
	Accumulation	82.71

## Asset Allocation as at 31/10/2008



Source:North Investment Partners Ltd

## Top Ten Holdings as at 31/10/2008

M&G UK Select	10.22%
Cazenove European 'X'	9.90%
Threadneedle UK Equity Alpha Fund	9.90%
iShares FTSE 100	5.30%
Schroder UK Alpha Plus	5.11%
Neptune Global Equity	4.79%
Martin Currie North American	4.54%
M&G Corporate Bond	4.43%
Gartmore US Opportunities	4.01%
iShares S&P 500	3.69%

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## Investment Review

### Performance

During the reporting period the Fund rose 1.33%.

### Market Review

Policy makers acted aggressively with the Bank of England cutting base rates in November and December 2008, and again in January, February and March 2009 such that the base rate presently stands at 0.5%, the lowest level since the Bank of England was set up in 1694. Tied into this monetary loosening in February, quantitative easing plans were announced, allowing for the purchase of up to £150bn of assets.

Similar easing has been seen internationally and across the globe there have been further major capital injections into the banking sector. This massive effort, tied in with further support for the banking system, appears, for the moment at least, to have brought respite to the financial sector. The economic data coming through has confirmed that most of the Western world has entered recession. However, the credit crisis has meant that the policy measures taken have been aggressively reflationary.

Market lows were reached at the beginning of March with the S&P 500 trading at levels last seen in 1996 and the FTSE 100 Index hitting a 6 year low. However since that point, investors have been looking for signs that the stabilisation in the banking sector will lead to economic recovery. The risk aversion that we have seen since summer 2008 finally appears to be easing and risk assets have bounced strongly but only back to the levels seen at the start of 2009.

On the political front we have seen the historic election of Barack Obama in November 2008 who in his first 100 days has had to face the challenges of the above economic backdrop. It is obviously too early to say what kind of a president he is but the actions taken generally have appeared sensible and timely. However, his administration is faced with some huge medium term challenges, not just in the financial sector but also the motor industry and healthcare, and it will be these that define his presidency.

For the moment at least, markets appear to be taking the view that the glass is half full rather than half empty!

### Portfolio Activity

Over the period, the asset allocation was reviewed twice with UK and US equities increasing while Japan and Asia were cut to zero weighting. As a result, we sold our holdings in JO Hambro Japan, Societe Generale Japan, and First State Asia Pacific.

Having started the period in capital preservation mode, we became cautiously optimistic that the action being taken by governments and

central banks would mean the global economy would not enter a depression, and as a result selectively looked to increase our market exposure from the end of February onwards.

This was initially via mid cap equities as we initiated holdings in Royal London UK Strategic Growth and Threadneedle American Select as well as adding to Rensburg UK Managers Focus. Towards the end of the period, we also bought into Hexam Global Emerging Markets and Premier Pan European Property Share Fund.

Within bonds, we continued to add to credit risk by initiating a position in L&G Dynamic Bond, increasing M&G Optimal Income and selling Thames River Global Bond.

### Outlook

The return of risk appetite has seen a climb in Asia and emerging markets and these rises have spilled over into strength in a number of related areas such as oil, copper and the Baltic Dry Index (cost of shipping). These are all signs to us that markets are now starting to look through the banking crisis to hopes that financial markets will start to normalise as they look ahead to economic recovery.

Source: Close Private Asset Management Limited, May 2009. 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.

## Other Information

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