

# The Liberation No.VI 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. 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.

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)

31/10/2009

2.69%

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.

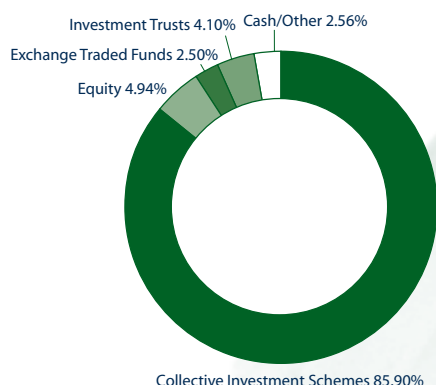
## Portfolio Turnover Rate (PTR)

31/10/2009

555.0%

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 UK Alpha Plus	9.63%
Royal London UK Mid Cap 'B'	8.69%
Henderson European Special Situations	7.80%
Threadneedle UK Equity Alpha Fund	7.80%
M&G Recovery Class A Income	7.32%
Premier Pan European Property Share	6.91%
Threadneedle American Select Fund	6.74%
L&G Dynamic Bond	6.56%
Rensburg UK Managers Focus Trust	5.98%
Neptune European Opportunities 'B'	5.76%

## 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.

## Fund Facts

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

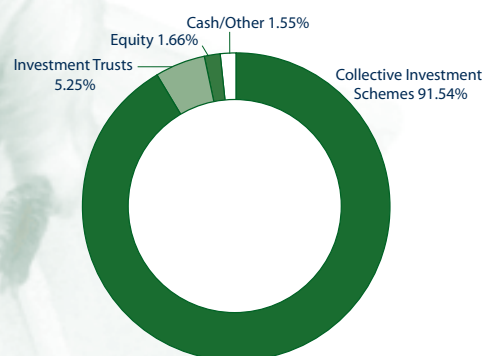
## Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/10/2008	Income	80.11
	Accumulation	81.81
31/10/2009	Income	92.91
	Accumulation	96.06
30/04/2010	Income	102.27
	Accumulation	105.82

## Dividend Distribution

XD date	Paid/Payable	Share Class	Distribution per Share (p)
30/04/2010	30/06/2010	Income	0.0756
		Accumulation	0.0769

## Asset Allocation as at 31/10/2009



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

M&G UK Select	9.35%
Schroder UK Alpha Plus	8.90%
Threadneedle UK Equity Alpha Fund	8.34%
Rensburg UK Managers Focus Trust	7.60%
Premier Pan European Property Share	6.89%
Royal London UK Strategic Growth	6.73%
L&G Dynamic Bond	6.11%
Neptune European Opportunities 'B'	5.89%
CF Odey Continental European	5.18%
iShares FTSE EPRA/NAREIT UK Property Fund	4.49%

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## Investment Review

### Performance

During the reporting period, the Fund rose 10.4%.

### Portfolio Activity

The last six months have seen a further rise in equity markets generally, as there is growing evidence that the global economy is recovering. However, what is becoming increasingly clear is that the pace of recovery differs around the world. Emerging economies, particularly those in the Far East, are seeing stronger growth, while the developed world is finding recovery far slower. For example, the UK GDP (Gross Domestic Product) figure for the fourth quarter has been recently revised, increasing up to 0.4%, despite the stimulus provided over the year.

During the period there were advised changes to the asset allocation for the Fund. However, these were only marginal, with fixed interest reduced from 8.4% to 6.6%, property increased from 18.1% to 18.5%, UK and US increased from 42.5% to 43.3% and 8.9% to 10.3% respectively, while Europe was reduced from 14.7% to 13.5%.

Following the asset allocation changes and to reflect our slightly more positive outlook for equities, we sold the holding of M&G Optimal Income (Fixed Interest). We have also increased the Fund's exposure to mid caps (where we feel analysts are still overly pessimistic on earnings) for the added potential of increasing mergers and acquisitions.

This has led us to increase our holdings in Henderson European Special Situations and Royal London UK Mid Cap, at the expense of Odey Continental European and Newton Income funds. In addition to this we have also initiated a holding in Gartmore UK Alpha, which is a multi cap fund with a mid cap bias managed by Leigh Himsworth who joined Gartmore in September 2009.

### Outlook

Longer term equity assets still appear fair value against an improving global economy, and the UK stock market as opposed to the UK economy appears well placed to benefit from this recovery. Going forward therefore, we remain cautiously optimistic about the outlook for financial markets. The low interest rates available on liquid monies is driving cash into longer term homes; we remain relaxed about equity valuations generally, but remain wary about the ability of policymakers to continue following the fine recovery line.

Source: Close Asset Management 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 upon request, or from the Liberation Fund website at [www.theliberationfund.co.uk](http://www.theliberationfund.co.uk).

## 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	Income	99.12	73.29
	Accumulation	101.94	74.79
2010 <sup>2</sup>	Income	104.40	93.68
	Accumulation	107.92	96.73

<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.

## Other Information

*Authorised Corporate Director (ACD) & Registered Office:* **Premier Portfolio Managers Limited,**  
Eastgate Court, High Street, Guildford, Surrey, GU1 3DE

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