

The Liberation Absolute Growth Fund, a sub-fund of The Liberation Fund

Annual Short Report for the year ending 31st October 2008

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the year. Copies of the Long-Form Annual 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 Absolute Growth Fund is to achieve steady capital growth. The Fund will achieve this by investing principally in a portfolio of securities which, in the Investment Adviser's opinion, are lower risk securities and which will produce capital appreciation over the longer term. 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

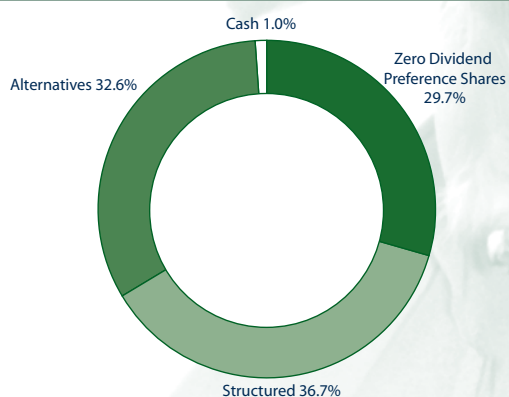
Launch date:	11th May 2007
Ex-dividend dates:	30th April and 31st October
Income dates:	28 February and 30 June

Total Expense Ratio (TER)

31/10/2008	2.83%
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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.

Asset Allocation as at 31/10/2008



Source: Premier Fund Managers Limited

Top Ten Holdings as at 31/10/2008

Symphony 15% FTSE Defensive Autocall	10.36%
Merrill Lynch FTSE 100 Stepped Growth & Income	9.95%
M&G Recovery ZDP	9.55%
Goldman Sachs FTSE 100 Index 29/12/2014	9.54%
AcenciA Debt Strategies	8.95%
Dexion Equity Alternative	8.68%
MW Tops	8.47%
Utilico ZDP	8.47%
Elders 16A Capital Accumulation II	7.53%
JP Morgan Private Equity ZDP	7.13%

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 ¹	Income	100.68	91.85
	Accumulation	100.68	91.78
2008 ²	Income	96.83	71.69
	Accumulation	96.83	72.03

¹ 11th May 2007 to 31st December 2007.

² To 31st October 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.

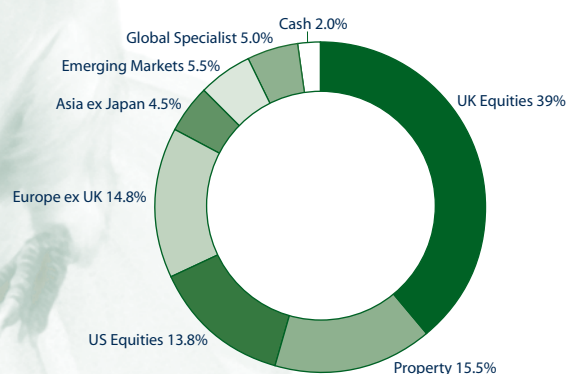
Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/10/2007	Income	98.42
	Accumulation	98.65
31/10/2008	Income	71.27
	Accumulation	71.95

Dividend Distribution (in pence per share)

EX date	Paid/Payable	Share Class	Distribution per Share (p)
31/07/2008	30/09/2008	Income	0.4177
		Accumulation	0.4858
31/10/2008	27/02/2009	Income	0.1706
		Accumulation	0.1790

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

Up until 6 October 2008 when the investment strategy was changed, the Fund's net asset value moved broadly in line with the European and UK markets. The US exposure was beneficial due largely to the strength of the dollar. Over the course of the year the Fund was down 25.7%. This compares with a decline of 30.9% in the FTSE 100 Index, 22.0% in the Dow Jones Eurostoxx and 16.0% in the S&P 500 (sterling returns).

Portfolio Activity

At the start of the period the asset allocation was 32.5% in the UK and 14.9% in cash. Shortly after the start of the year this was adjusted to reduce cash and increase equity market exposure, particularly the UK. The new allocation remained constant until the ETF portfolio was liquidated in October.

Outlook

The fund of hedge fund area now offers significant upside both short and longer term. The current crisis has thrown up many opportunities particularly in credit based funds and all trades are likely to be less 'crowded' as many funds wind themselves up. In the short term, the discount to asset values, which had averaged 3 to 4% a couple of months ago, have widened to around 25%. A reduction in volatility combined with a narrowing of credit spreads in banks should see structured product prices begin to rise. Some recovery in equity markets will boost these returns. On a longer term view much of our exposure will pay out the accumulated coupons even at well below current levels even if it is a matter of sitting it out.

The falls in interest rates, which we view as inevitable, combined with a narrowing of credit spreads would produce useful returns from our Zero Dividend Preference Share (ZDP) investments. The pull to redemption means in most cases these returns are not dependent on any equity market recovery. The worries over further banking collapses, widening credit spreads, hedge fund exposure and leverage are all worsened by the prevailing clouds, but as these clear we expect to make good money and unlike equity investors this expectation is not built on an equity market recovery merely some stability.

Source: Premier Fund Managers Limited, November 2008. Performance data taken from Financial Express Analytics, total return, bid to bid, UK sterling. Past performance is not a guide to future returns.

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

Investment Risks

There is a market risk. This is the risk that the value of investments and any income from them, can fall as well as rise. Neither capital or income is guaranteed.

This Fund may invest in derivatives for investment purposes. Although this may mean that the value of the Fund could be subject to volatility from time to time, investing in derivatives is not expected to alter the risk profile of the Fund.

Historically, zero dividend preference shares proved to be a lower risk investment than more traditional shares. However, serious falls in stockmarket levels can produce material changes to their structure. Most zeros are now regarded as lower risk investments than equities.

A fund which invests heavily in securities (including zero dividend preference shares) which may be subject to significant levels of borrowing, often known as "gearing", is vulnerable to sudden and large falls in value which may result in no realisable value if there is a sufficiently large fall in value of the underlying investments subject to gearing.

Important Information

On 6th October 2008, the name of the Fund changed from the Liberation Balanced Fund to the Liberation Absolute Growth Fund. At the same time, the investment policy was changed to that now stated. All information within this Short Report prior to this date is for the Liberation Balanced Fund.

Important Notice

With effect from 6th October 2008, the annual management charge increased from 1.15% to 1.65%.

On 14th August 2008, shareholders approved a change to the investment powers of the funds to allow the Fund to invest in a wider range of instruments.

Other Information

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

Auditors: **Grant Thornton UK LLP,**
30 Finsbury Square, London, EC2P 2YU

Depository: **The Royal Bank of Scotland plc,**
Trustee and Depository Services,
The Broadstone, 50 South Gyle Crescent,
Edinburgh, EH12 9UZ

Administrators & Registrar: **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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Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is an ISA manager and markets a number of funds. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. Premier Portfolio Managers Limited is also a member of the Investment Management Association.

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 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. 2702095512