

Elan High Income Fund, a sub Fund of the Elan Fund

Interim Short Report for the period from 1st May 2009 to 31st October 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 Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Fund's website, www.theelanfund.co.uk.

Investment Objective and Policy

The investment objective of the Elan High Income Fund is to provide a high level of income from a portfolio of investments by investing in collective investment schemes. The Fund may also invest in equities, fixed interest securities, money market instruments and warrants. The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective of the Fund).

Subject to the above, the Fund may invest in any asset class or 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)

30/04/2009
3.67%

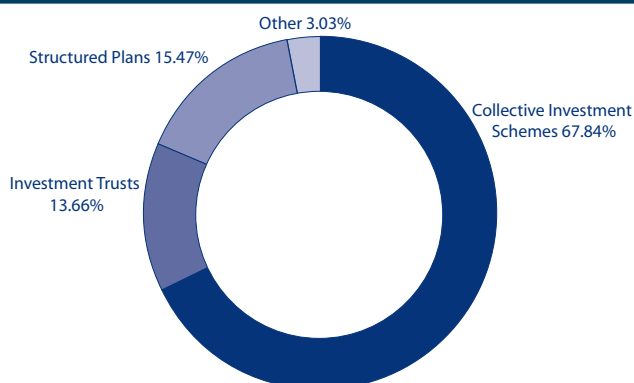
The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes.

Portfolio Turnover Rate (PTR)

30/04/2009
29.30%

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 31/10/2009



Top Ten Holdings as at 31/10/2009

Standard Life UK Equity Higher Income	5.04%
Henderson Preference & Bond 'I'	4.95%
Ignis Corporate Bond	4.89%
Legal & General Dynamic Bond	4.84%
Aegon Sterling Corporate Bond	4.67%
Royal London Corporate Bond	4.62%
M&G High Strategic Bond	4.61%
Baillie Gifford Corporate Bond 'B'	4.51%
Rensburg UK Equity Income	4.38%
Rathbone Income	4.24%

Fund Facts

Launch date:11 December 2008 (rolling launch)
Ex-dividend dates:31 January, 30 April, 31 July and 31 October
Income dates:31 March, 30 June, 30 September and 31 December
IMA sector:.....Cautious Managed

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
30/04/2009	Income	95.27
31/10/2009	Income	114.89
	Income	116.78

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2008 ¹	Income	100.00	100.00
	Income	117.56	89.32
2009 ²	Income	118.34	89.32
	Accumulation		

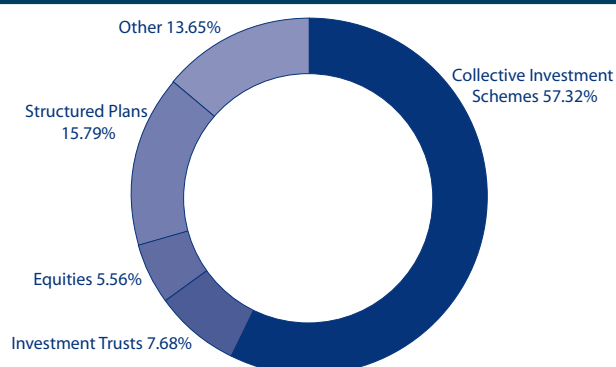
¹ 11th December 2008 to 31st December 2008. ² To 31st October 2009.

Past performance is not a guide to future returns. The price of units and the income 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	Share Class	Distribution
31/07/2009	30/09/2009	Income	0.7921
		Accumulation	0.4075
31/10/2009	31/12/2009	Income	1.1251
		Accumulation	1.1451

Asset Allocation as at 30/04/2009



Top Ten Holdings as at 30/04/2009

M&G Strategic Bond	6.32%
Rensburg UK Equity Income	6.23%
Aegon Sterling Corporate Bond	5.53%
Neptune Income 'B'	5.48%
Henderson Preference & Bond 'I'	5.46%
Standard Life UK Equity High Income	5.37%
PSigma Income	5.36%
Royal London Corporate Bond	5.34%
Ecofin Water and Power	4.49%
Elders Merrill Lynch 16A Capital Accumulation II	4.12%

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Investment Review

Performance

The interim reporting period, which began in May this year, was an exceptionally good one for financial markets. It was dominated by the rally in corporate bond and share prices as they rebounded from the depressed levels they had reached just two months earlier. The Fund performed very well in this environment, producing a decent level of income while creating a total return of 21.27% for the six months; as compared to the return of 13.75% generated by the IMA Cautious Managed Sector average.

Portfolio Activity

Having inherited the Fund in January, much of our earlier activity in the period came as we continued to build up a comprehensive and well-diversified portfolio using inflows into the Fund. This included the addition of modest weightings in two income paying smaller company funds, run by small-cap investment specialists Aberforth and Chelverton. In addition to these, we made certain that the Fund had sufficient exposure to corporate bonds throughout the period, as the attractive yields and favourable risk-reward characteristics of these assets looked particularly compelling. We did this by adding Ignis Corporate Bond to the portfolio, and making sure that we were fully weighted in other bond funds such as Henderson Preference & Bond and Aegon Sterling Corporate Bond. We still think these assets offer reasonable value, although the bargain-basement prices we saw six months ago have now passed into history.

However, one new fund we added towards the end of the period still offers access to assets that look deeply under valued. TwentyFour Monument Bond Fund invests in Residential Mortgage-Backed Securities (RMBS), which, like corporate bonds, were sold off heavily in the depths of the credit crisis. However, unlike corporate bonds, they have not yet recovered. So at their current levels, we think these securities offer plenty of potential for positive returns, but also a level of protection against possible future issues such as rising inflation.

Outlook

We've benefited greatly from the rally in equities and corporate bonds, so our debate between our team members has centred on how much, if at all, we should be putting the brakes on. We responded in the last couple of months by reducing our equity exposure slightly in favour of alternative sources of value, which seems only sensible given how far and fast we've come. This move reduced the equity figure we show on a factsheet, but what is less obvious is how the underlying make-up of this figure has changed. Our process, which majors on taking profits and recycling them into underperformers, has naturally reduced our exposure to the fast and the furious and upped our weight in the big and the boring.

This suits us fine. Steadier sectors like pharmaceuticals and utilities have been left behind in the so-called "dash for trash" (investors rushing back into last

year's losers, which had generally been riskier investments), and many still look enticingly cheap considering their high yields and defensive natures. We now have a sizable weighting in funds that are focused on these types of stocks. This feels like the right place to be: we think they can make perfectly acceptable returns from here, but they are unlikely to crash and burn if markets lose their nerve.

Source: Premier Fund Managers Limited, November 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.

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.theelanfund.co.uk.

Investment Risks

In order to place emphasis on the generation of income as a higher priority than capital growth, the Elan Diversified Income Fund deducts all charges from capital rather than income. This may result in the income paid by the Fund being higher than would otherwise have been the case and the growth in the capital sum may be constrained.

Other Information

Authorised Corporate Director (ACD) & Registered Office:	Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE
Auditor:	Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU
Depository:	The Royal Bank of Scotland plc, Trustee & Depository Services, The Broadstone, 50 South Gyle Crescent, Edinburgh, EH12 9UZ
Administrators & Registrar:	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 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. 2212096082

