

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

Interim Short Report for the period from 1st May 2010 to 31st October 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 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)

30/04/2010

2.26%

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.

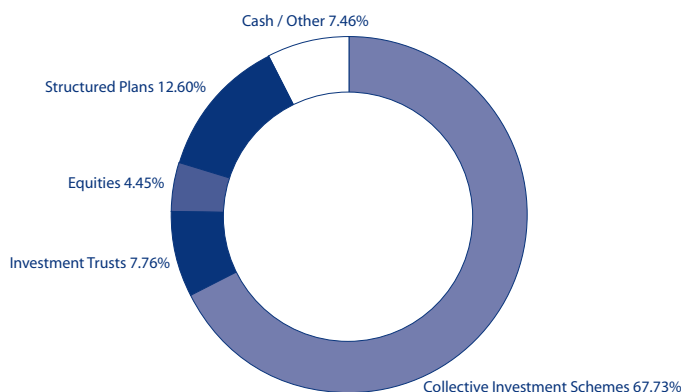
Portfolio Turnover Rate (PTR)

30/04/2010

-98.60%

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 31/10/2010



Top Ten Holdings as at 31/10/2010

Rensburg UK Equity Income	4.89%
Rathbone Income	4.68%
Schroder Income Maximiser 'A'	4.62%
Neptune Income 'B'	4.50%
TwentyFour Monument Bond	4.49%
PSigma Income	4.45%
Henderson Preference & Bond	4.25%
Standard Life UK Equity High Income	4.16%
Royal London Corporate Bond	4.11%
AXA US Short Duration High Yield	4.10%

Fund Facts

Launch date:	5 January 2009
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

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2008 ¹	Income	100.00	100.00
2009	Income	118.83	89.32
	Accumulation	120.73	89.32
2010 ²	Income	125.59	115.42
	Accumulation	131.46	119.64

¹ 11 December 2008 to 31 December 2008.

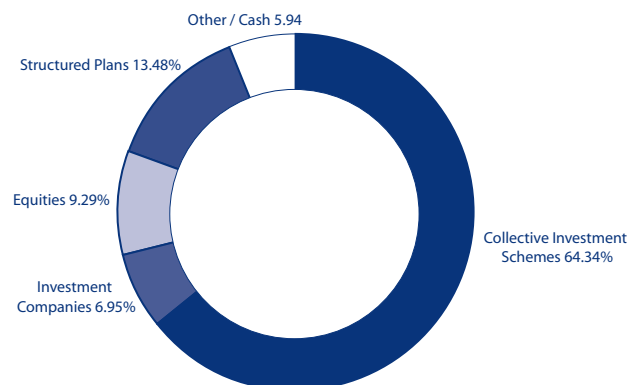
² To 31 October 2010.

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
31/07/2010	30/09/2010	Income	1.1642
		Accumulation	1.2296
31/10/2010	31/12/2010	Income	1.2316
		Accumulation	1.2916

Asset Allocation as at 30/04/2010



Top Ten Holdings as at 30/04/2010

Standard Life UK Equity High Income	5.02%
Henderson Preference & Bond	5.01%
Aegon Sterling Corporate Bond 'B'	4.97%
Legal & General Dynamic Bond	4.95%
Ignis Corporate Bond	4.30%
Rensburg UK Equity Income	4.29%
PSigma Income	4.28%
Rathbone Income	4.24%
Neptune Income 'B'	4.18%
Royal London Corporate Bond	4.04%

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Investment Review

Performance

During the period under review, the Fund performed relatively well, registering a return of 3.3%, as compared to the figure of 2.0% for its sector average.

Portfolio Activity

With the market in full yo-yo mode, much of our activity over the last six months has been centred around taking profits when markets are strong, then topping up the laggards at times of weakness. We have also, as always, been focusing on defending the level of income payments the Fund pays, as it is first and foremost an income fund, and we have no intention of letting down our investors who rely on this income to fund their day-to-day lives.

So, in addition to the smaller trades, there were a few new additions to the Fund, as well as some holdings that we exited completely. One of the new additions was Axa US Short-Duration High Yield, which helped us to top up our corporate bond exposure. We added this in June, as high-yield bonds had improved in value prior to that point, while we felt that the fund itself offers a more attractive trade-off between risk and reward than the wider high-yield market.

Around the same time, we had one of our structured products matured, having produced a return that comfortably beat the market over the course of its life. Prior to that we had also sold our holding in the Goldman Sachs Dividend-Linked Equity Income structured product, it having produced an excellent return in both absolute and relative terms. We re-invested the proceeds across a number of our existing equity positions.

We also sold out of our holding in Henderson UK Property, locking in the profits we have made since we bought into this Fund last year. Commercial property prices have recovered markedly since, but we sense that the recovery is slowing to a halt. In addition to this consideration, the high levels of cash held in most direct property funds is likely to dilute the income they pay to us, and that we can therefore pay to our own investors.

Outlook

With savings rates so depressed on high street bank accounts, we believe that the genuinely income-led approach of this Fund is as appealing as it's ever been. We have focused steadfastly on maintaining a diverse portfolio of assets that, when combined, should defend investors' capital against specific one-off risks (the like of which investors in BP have just become painfully aware of) while providing a decent income that will grow over time (thereby providing some protection against the ravages of inflation). We're satisfied that the Fund is well set to deliver on these simple but increasingly hard-to-meet objectives.

From our perspective, focusing on valuations and fundamentals is the most sensible investment approach in this environment (and any other environment, for that matter). Swathes of the equity markets qualify in this respect, as companies are generally in good nick, while the best-run businesses should continue to churn out results even if deflationary pressures prevail. Corporate bonds also look a reasonable option, although many have begun to look slightly expensive. Investors

are likely to continue seeing these assets as an attractive alternative to the thin gruel offered by bank accounts.

Source: Premier Fund Managers Limited, November 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 Report & Accounts, which is available on request, or from the Fund's website, www.theelanfund.co.uk.

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
30/04/2009	Income	95.27
	Accumulation	-
30/04/2010	Income	121.79
	Accumulation	126.13
31/10/2010	Income	123.44
	Accumulation	130.52

Investment Risks

In order to place emphasis on the generation of income as a higher priority than capital growth, the Elan High 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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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. 2312106795

