

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

Annual Short Report for the period from 1 May 2010 to 30 April 2011



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).

Fund Facts

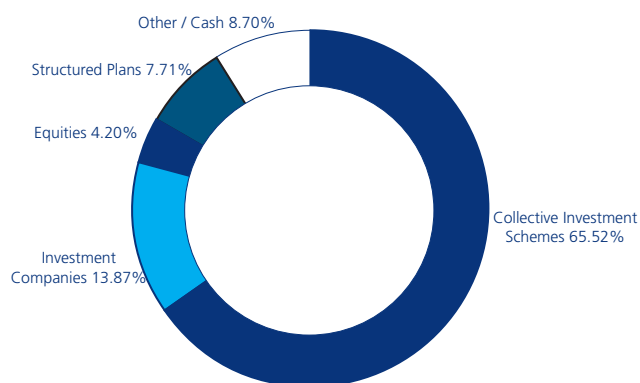
Launch date:11 December 2008 (rolling launch)
 Ex-dividend dates:31 January, 30 April, 31 July and 31 October
 Income dates:31 March, 30 June, 30 September and 31 December
 IMA sector:Cautious Managed

Total Expense Ratio (TER)

30/04/2011
 2.18%

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 30/04/2011



Top Ten Holdings as at 30/04/2011

Rensburg UK Equity Income	5.05%
Standard Life UK Equity High Income	4.76%
Neptune Income 'B'	4.75%
Rathbone Income	4.73%
Schroders Income Maximiser 'A'	4.61%
PSigma Income	4.29%
Royal London Corporate Bond 'B'	4.12%
TwentyFour Monument Bond	4.07%
Baillie Gifford Corporate Bond 'B'	4.06%
Aegon Sterling Corporate Bond 'B'	3.93%

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	Income	125.78	115.42
	Accumulation	132.96	119.64
2011 ²	Income	127.87	123.86
	Accumulation	136.18	131.88

¹ 11th December 2008 to 31st December 2008.

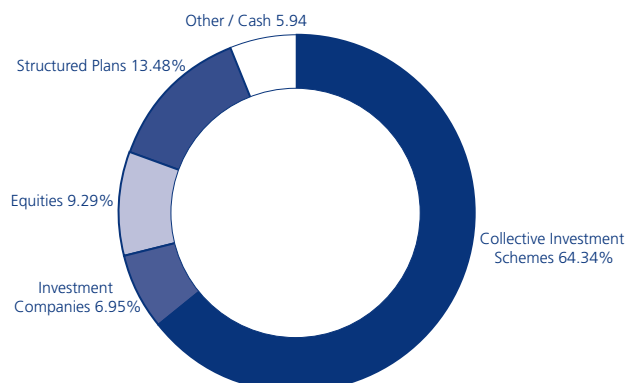
² To 30th April 2011.

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.

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
30/04/2011	Income	126.51
	Accumulation	136.31

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

Over the period 1st May 2010 to 30th April 2011, the Fund generated a return of 7.6%. This put it ahead of the IMA Managed Balanced Sector's average return of 5.9%.

Portfolio Activity

The Fund's positive performance was driven largely by its weightings in equities and corporate bonds, while the biggest detractors were the small weighting in Japanese equities and the relatively light position in government bonds. While there have been several changes to the holdings of the Fund during the period, the base strategy has remained the same. We are aiming to generate a high and rising income for our investors, and are looking for a broad spread of assets that will achieve that aim, while spreading the risks of investing so we are not narrowly focused on one asset class. In doing so, our bias is always towards the assets that we think offer the most attractive valuations, as opposed to the most exciting outlook, as over time these tend to provide good returns with a useful level of capital protection.

In the current environment, we think some of the best assets for achieving that goal are shares in good, old-fashioned, high-quality companies. Such equities currently look good value, having been ignored by investors more interested in playing the higher-growth (and higher risk) Emerging Market equity game. Many of these companies are industry leaders, giving them a better chance of protecting their profits and dividends from the ravages of rising inflation. And, conversely, they are likely to be strong enough to stay the course should we suffer deflation too.

Outlook

Issues such as the Middle East turmoil, rocketing oil prices, European government solvency and tragic natural disasters don't usually make for an environment that suits riskier assets such as equities. Astoundingly though, share prices have been fairly robust, as if equity investors are somehow oblivious to these real-world nuisances. In trying to understand this nonchalance, we can only point at improved US economic news combined with firm indications that the US Federal Reserve will be keeping interest rates lower for longer. But to us, the current situation seems eerily reminiscent of summer 2008, when equity markets incorrectly dismissed the damaging impact of cripplingly expensive oil.

That statement probably needs tempering slightly - we're not predicting another credit crisis. In fact, we're not predicting anything at all: we're merely suggesting that the hazards mentioned above, combined with stock markets that have done little else but rally hard in the last six months, warrant taking more caution, not less. As such, we have begun to trim back our equity and high-yield bond exposure as we move into the Fund's next financial year.

However, our base, long-term view remains largely unchanged - in the current environment, high-quality equities offer the best balance between risk and reward. As such, and despite trimming back recently, these remain our assets of choice.

Source: Premier Fund Managers Limited, May 2011. 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.

Full details are in the Long-Form Report and Accounts and Simplified Prospectus, available on request or from the Fund's website, www.theelanfund.co.uk.

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
31/01/2011	31/03/2011	Income	0.8997
		Accumulation	0.9584
30/04/2011	30/06/2011	Income	1.4749
		Accumulation	1.5881

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.

Important Information

The Royal Bank of Scotland plc (RBS), the depositary of the Fund, has indicated its intention to transfer its Trustee and Depositary Services business to National Westminster Bank plc prior to 31 October 2011.

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

Depositary: The Royal Bank of Scotland plc, Trustee & Depositary Services, The Broadstone, 50 South Gyle Crescent, Edinburgh, EH12 9UZ

Administrators & Registrar: Northern Trust Global Fund 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. 1908117252 August 2011