



**PHOENIX**  
Fund Services

**PFS Taube Global Fund**

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Annual Report 31 December 2011 (Audited)

**Contents**

**Page**

Directory . . . . .	1
Investment Objective and Policy . . . . .	2
Investment Manager's Report . . . . .	3
Portfolio Statement . . . . .	6
Statement of Authorised Corporate Directors Responsibilities . . . . .	8
Certification of Accounts by the Authorised Corporate Director . . . . .	8
Statement of the Depositary's Responsibilities and Report . . . . .	9
Independent Auditor's Report to the Shareholders of the Fund . . . . .	10
Comparative Tables . . . . .	12
Statement of Total Return . . . . .	13
Statement of Change in Net Assets Attributable to Shareholders . . . . .	13
Balance Sheet . . . . .	14
Notes to the Financial Statements . . . . .	15
Distribution Table . . . . .	27
General Information . . . . .	28

## Directory

### Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Ltd  
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.phoenixfundservices.com](http://www.phoenixfundservices.com)  
(Authorised and regulated by the Financial Services Authority)

### Customer Service Centre

PO Box 10529, Chelmsford, Essex CM1 9NQ  
Telephone: 0845 026 4284  
Fax: 0845 280 2419  
E-mail: [taubedealing@phoenixfundservices.com](mailto:taubedealing@phoenixfundservices.com)  
(Authorised and regulated by the Financial Services Authority)

### Directors of the ACD

R.W. Elliott (appointed 11 April 2011)  
S.A. King  
S.D. Mathieson (retired 31 October 2011)  
A.C. Reed (appointed 1 November 2011)  
J.M. Rice (appointed 22 February 2011)

### Investment Advisers

Nils Taube Investments Limited  
20-22 Bedford Row, London WC1R 4US  
(Authorised and regulated by the Financial Services Authority)

### Fund Manager

Chandos Gore Langton

### Depository

BNY Mellon Trust and Depository (UK) Ltd  
The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA  
(Authorised and regulated by the Financial Services Authority)

### Auditor

KPMG Audit Plc  
Chartered Accountants & Registered Auditors  
15 Canada Square, Canary Wharf, London E14 5AG

## Investment Objective and Policy

The objective of the Company is to produce long-term capital growth. The Investment Manager's policy is to hold a diversified portfolio of quoted or traded equity investments in companies incorporated in any country or quoted or traded on any stock exchange or over-the-counter market. It may invest in any and all geographical areas or economic sectors. The Company may also, subject to a limit of 10% of the Company's value, invest in unquoted equity investments and listed securities in ineligible markets. It is anticipated that the Portfolio may from time to time include units in collective investment schemes, money market instruments, cash and fixed income securities. Sound long-term value is the main criterion in selecting investments.

It is the policy of the Investment Manager that the Company should normally be close to fully invested. This policy is however subject to the need to retain liquidity for the purpose of effecting the redemptions, the efficient management of the Company in accordance with the objectives and for ancillary purposes. In addition, there may be occasions when much higher levels of liquidity will exist. For example, the Investment Manager may wish to mitigate adverse movements in the financial markets by increasing the level of liquidity and/or the Company is in receipt of large cash sums following the creation or cancellation of units or the realisation of investments.

It is the ACD's intention that derivatives and forward transactions be used for EPM purposes. Derivatives and forward transactions, which may make the portfolio composition of the Company highly volatile, may be used for investment purposes on providing Shareholders with 60 days' advance notice.

## Investment Manager's Report

for the year from 01 January 2011 to 31 December 2011

### First quarter

Equity markets ended the first quarter on a strong note, despite a nearly continual flow of potentially negative news. The consequences of the Australian floods and the Japanese earthquake and resulting tsunami will be felt for a long time to come. The ramifications of the instability in the Middle East are likely to be unclear for many years. In the EU the ECB has continued to struggle with the lingering sovereign debt crisis, while in the US the Federal Reserve has continued its "QE2" purchases of Treasury bonds.

The long term effect of the media frenzy over the nuclear power problems in Japan will probably be further to weaken Western pro-nuclear political will. Liquefied natural gas (LNG) imports to Japan will be bolstered. Coupled with the unknown unknowns that may result from Saudi Arabia's occupation of Bahrain and consequent Iranian worries, the energy supply situation is most concerning. Nils Taube Investments Limited remains a firm believer in the continued good sense in investing in "oil in safe places", an idea first developed by the eponymous founder. Other themes present in the portfolio include agriculture, water and real estate, with a continuing focus on investment in companies that are able to grow their dividends. We remain open-minded and optimistic, but cautious. While a recession is not likely, a global growth scare is a serious possibility as central banks adjust their posture towards the higher inflationary trends, and we expect that equities will react to this. But the underlying companies are in good shape with restored liquidity and margins enabling dividend increases, share buy-backs and takeovers.

### Second quarter

Global equity markets ended the second quarter on a stronger note as the EU patched up the Greek finances. Indeed, it is a measure of the severity of European problems that markets in other regions should notice this at all. But trying to fix a solvency problem caused by too much debt by applying yet more debt is implausible as a solution, other than to buy time for politicians (and the banking system).

Asset markets have become increasingly schizophrenic this year, in response to mixed inflation/deflation and political signals. In the USA the end of the quantitative easing program "QE2" has arrived and the politics make it unlikely to be replaced, unless the economy deteriorates significantly. But it is noteworthy that the Chinese Premier declared recently that China inflation was now under control and the end of the Chinese monetary tightening is probably near. We shall monitor this closely.

We continue to focus on themes that have served us well. "Energy in safe places" contributed strongly to performance through El Paso Energy, while "dividend paying companies with dividend growth" has become widely recognized as a core reason to own equities. The underlying companies are in good shape, with restored liquidity and margins enabling dividend increases and share buy-backs.

### Third quarter

The third quarter began with investors worrying about Europe and ended with a panic engulfing just about everything else, which is curious as while expectations got ahead of reality early in the year, the current economic data is starting to beat some very gloomy forecasts, and is not at recessionary levels. Meanwhile equity prices have fallen back across the world in a highly correlated manner. "Risk-on/Risk-off" attended by very high volatility undermines investors' mood and their wealth.

## Investment Manager's Report

continued

As the year has progressed we have adapted our investment style by holding substantial levels of cash and by an increased level of hedging using FTSE 100 futures. We have reduced our positions in less liquid, smaller capitalisation holdings. These actions have succeeded in reducing volatility and preserving investors' capital. We were early to take profits in gold and gold shares and following recent sharp falls we shall be watching for opportunities to redeploy capital here. We continue to monitor companies and themes that have served us well and our belief in the value of equities in companies with good balance sheets and well covered and growing dividends is undiminished in a near-zero interest rate world.

Valuations in Germany, Japan and some Emerging Markets are beginning to discount everything but the worst possible economic outcome, presenting potential investment bargains. We anticipate that markets will in due course over-shoot on the downside and shortly offer opportunities to profitably deploy some of our cash reserves.

### Fourth quarter

The fourth quarter of 2011 closed a difficult year for equity investors as a second banking crisis developed in Europe. As the year closed the US Federal Reserve dramatically led major central banks to increase US dollar swap lines (i.e. US loans) to ease the situation.

Our policy this year has been to adapt to market conditions by holding significant liquidity (currently 19.8% of NAV) and to hedge equity positions using a short position in FTSE 100 futures (currently 34.8% of NAV). Shareholders have benefited from the agreed takeover of El Paso Energy, a US gas pipeline company, at a 37% premium to the previous market price. This was our biggest holding (7.86% of NAV) as of 31 December 2011, and we have held shares since December 2008. The acquirer, Kinder Morgan is offering shares and cash and we remain holders of El Paso Energy in the expectation that the merged company will continue to do well.

### Summary

The area where we continue to be optimistic is the energy business. Our emphasis on "oil in safe places" look increasingly well founded as the Middle East continues to be highly unstable politically, and Iran looms menacingly ever larger as it gets closer to obtaining nuclear weapons. The underlying companies are in good shape, with restored liquidity and margins enabling dividend increases and share buy-backs.

We have reduced emerging market exposure due to worry that European banks withdrawing from lending outside their home countries will cause credit problems, exacerbating the regional effects of Chinese monetary tightening.

The outlook remains obscure. The 2012 political landscape is complicated by significant elections in Russia, France and the US, a leadership change in China in October as well as significant political frictions between members of the EU and severe strains within Germany itself.

We are very aware that corporate margins have probably peaked and that earnings estimates need to be reduced. But in a near zero interest rate world equities will continue to have appeal to investors for their capacity to pay dividends and for the potential for that dividend to offer a real return.

We also wish to highlight the fact that Lipper continues to rate the Fund as a "Leader for Capital Preservation" following its third anniversary in April 2010, and that the fund exhibits the lowest volatility within its peer group (Source: MoneyFacts, January 2012).

## Investment Manager's Report

continued

### Investment Returns

At year end the MSCI World Index is down 5.6%; by contrast the Fund is down 3.0% and shareholders have experienced significantly lower volatility. From inception in March 2007 the performance remains good - the MSCI World Index is up 9.4% while the Fund is up 13.4%.

### Chandos Gore Langton

Nils Taube Investments Limited

29 February 2012

## Portfolio Statement

as at 31 December 2011

Holding	Security	Market Value £	% of total net assets 2011
<b>United Kingdom (20.24%)</b>			
52,500	Admiral	447,300	2.42
2,225,000	Lloyds Banking	574,829	3.11
380,000	London & Stamford Property	410,400	2.22
37,500	Royal Dutch Shell 'B'	920,063	4.98
210,000	Sainsbury (J)	634,200	3.43
213,526	Thomas Murray Network Management	32,029	0.17
		<hr/>	
		3,018,821	16.33
		<hr/>	
<b>North America (18.64%)</b>			
390,000	Azabache Energy	157,725	0.85
25,500	C&C Energia	120,047	0.65
85,000	El Paso Energy	1,453,221	7.86
52,500	Parex Resources	230,237	1.25
35,000	Petrominerales	363,823	1.97
42,000	Quanta Services	581,854	3.15
37,500	W.R Berkley	829,339	4.49
128,200	Westernzagros Resources	51,847	0.28
		<hr/>	
		3,788,093	20.50
		<hr/>	
<b>Europe (14.06%)</b>			
13,125	Anheuser-Busch Inbev	518,609	2.81
26,250	Eutelsat Communications	661,074	3.58
13,000	Fresenius Medical Care	570,080	3.08
15,750	Legrand	326,919	1.77
58,589	Wannago Europe*	-	-
		<hr/>	
		2,076,682	11.24
		<hr/>	
<b>Far East (including Japan) (24.91%)</b>			
685,000	Aboitiz Power	298,000	1.61
59,000	Bridgestone	859,056	4.65
3,000,000	Energy Development	275,108	1.49
400,000	SembCorp Industries	803,930	4.35
31,500	Seven & I	564,024	3.05
21,000	Tokyo Electron	686,699	3.72
79,000	Yaskawa Electric	432,752	2.34
		<hr/>	
		3,919,569	21.21
		<hr/>	

## Portfolio Statement

continued

<b>Holding</b>	<b>Security</b>	<b>Market Value £</b>	<b>% of total net assets 2011</b>
<b>Rest of the World (9.14%)</b>			
145,000	Fortescue Metals	407,481	2.21
52,500	IIOF	177,320	0.96
42,500	National Australia Bank	654,644	3.54
150,000	QRXPharma	148,921	0.81
34,000	YPF Sociedad Anonima ADR	758,059	4.10
		2,146,425	11.62
<b>Derivatives (1.11%)</b>			
(117)	FTSE 100 Index 16 March 2012 Future	(148,590)	(0.80)
<b>Investment assets (88.10%)</b>		<b>14,801,000</b>	<b>80.10</b>
<b>Net other assets (11.90%)</b>		<b>3,677,110</b>	<b>19.90</b>
<b>Net assets</b>		<b>18,478,110</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated.

The percentages in brackets show the equivalent % holdings as at 31.12.10

\* This is a delisted security and has been valued at the managers best assesment of its fair value.

## Statement of the Authorised Corporate Director's Responsibilities

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices.

The Financial Services Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook") requires the ACD to prepare financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expenses and of the net gains/losses on the property of the Company for that year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures, which are required to be disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Certification of Annual Report by the Authorised Corporate Director

In accordance with the requirements of the OEIC Regulations and COLL, we hereby certify the Report on behalf of the ACD, Phoenix Fund Services (UK) Ltd.

**J.M. Rice**

**A.C. Reed**

Directors

Phoenix Fund Services (UK) Ltd

29 February 2012

## Statement of the Depositary's Responsibilities in Respect of the Fund

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible movable property) which is entrusted to it.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the COLL Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"), the Company's instrument of incorporation and prospectus in relation to the pricing of, and dealings in, shares in the Company, the application of income of the Company, and the investment and borrowing powers and restrictions applicable to the Company.

## Report of the Depositary to the Shareholders of the Company for the Year Ended 31 December 2011

Having carried out such procedures as we considered necessary to discharge our responsibilities as depositary of the Company, in our opinion, during the year under review, we confirm that, except in respect of the matter referred to below, in all other material respects the Company has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income, in accordance with the rules in the COLL Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and prospectus of the Company. In respect of the matter referred to above, as depositary, we have instructed the ACD to improve their monitoring of investment and borrowing powers and restrictions applicable to the Sub-Funds.

**BNY Mellon Trust & Depositary (UK) Ltd**

29 February 2012

## Independent Auditors' Report to the Shareholders of PFS Taube Global Fund

We have audited the financial statements of the Company for the year ended 31 December 2011 set out on pages 13 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Services Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Authorised Corporate Director ("the ACD") Phoenix Fund Services (UK) Ltd and the auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 8, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 31 December 2011 and of its net revenue and net capital losses on the property of the Company for the year then ended; and
- have been prepared in accordance with the requirements of the Instrument of Incorporation, Statement of Recommended Practice relating to Authorised Funds and the COLL Rules.

### Opinion on other matters prescribed by the COLL Rules

In our opinion the information given in the Authorised Corporate Directors' Report is consistent with the financial statements.

We have received all of the information and explanations which we consider necessary for the purposes of the audit.

## **Independent Auditors' Report to the Shareholders of PFS Taube Global Fund**

continued

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

**Ravi Lamba**

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants

15 Canada Square, Canary Wharf, London E14 5AG

29 February 2012

## Comparative Tables

### Net asset value

Year as at 31 December	Income Shares			Accumulation Shares		
	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
2009	5,211,935	4,707,622	110.71	13,461,679	11,833,983	113.75
2010	5,702,781	5,016,974	113.67	14,682,810	12,550,885	116.99
2011	4,827,729	4,422,932	109.15	13,650,381	12,032,653	113.44

### Price history & distribution record

The table below shows the highest and lowest prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Year	Income Shares			Accumulation Shares		
	Highest (pence)	Lowest (pence)	Net distribution (pence per share)	Highest (pence)	Lowest (pence)	Net distribution (pence per share)
2007*	109.70	96.74	1.1950	109.70	96.74	1.1950
2008	106.30	83.00	1.2990	107.50	83.97	1.3140
2009	112.95	84.88	1.0160	115.76	87.00	1.0412
2010	117.95	103.01	0.6740	121.19	105.84	0.6925
2011	119.53	103.92	0.6084	122.81	107.40	0.6288

\* Launched 2 April 2007 at 100.00p

### Total expense ratios

Expense type	31 December 2011 %	31 December 2010 %
Investment Manager's charge	1.50	1.50
Other expenses	0.49	0.31
<b>Total expense ratio</b>	<b>1.99</b>	<b>1.81</b>

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## Statement of Total Return

for the year ended 31 December 2011

	Note	31.12.11		31.12.10	
		£	£	£	£
Income					
Net capital (losses)/gains	2		(706,788)		431,560
Revenue	3	519,175		497,149	
Expenses	4	(393,442)		(353,090)	
Finance costs: interest	6	(1,514)		(376)	
Net revenue before taxation		124,219		143,683	
Taxation	5	(19,345)		(21,841)	
Net revenue after taxation			104,874		121,842
<b>Total return before distributions</b>			<b>(601,914)</b>		<b>553,402</b>
Finance costs: distributions	6		(104,868)		(121,273)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>£(706,782)</b>		<b>£432,129</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2011

	31.12.11		31.12.10	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>20,385,591</b>		<b>18,673,614</b>
Amounts received on issue of shares	32,423		1,787,655	
Less: Amounts paid on cancellation of shares	(1,308,783)		(594,722)	
		(1,276,360)		1,192,933
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(706,782)		432,129
Retained distribution on accumulation shares		75,661		86,915
<b>Closing net assets attributable to shareholders</b>		<b>£18,478,110</b>		<b>£20,385,591</b>

**Balance Sheet**

as at 31 December 2011

	Note	31.12.11		31.12.10	
		£	£	£	£
<b>ASSETS</b>					
<b>Investment assets</b>		<b>14,949,590</b>		<b>17,974,246</b>	
Debtors	7	30,632		16,541	
Bank balances	9	<u>3,860,339</u>		<u>2,457,606</u>	
<b>Total other assets</b>		<b>3,890,971</b>		<b>2,474,147</b>	
<b>Total assets</b>		<b>£18,840,561</b>		<b>£20,448,393</b>	
<b>LIABILITIES</b>					
<b>Investment liabilities</b>		<b>(148,590)</b>		<b>(14,430)</b>	
Creditors	8	(16,726)		(14,558)	
Distribution payable on income shares		(26,909)		(33,814)	
Bank overdrafts	9	<u>(170,226)</u>		<u>-</u>	
<b>Total other liabilities</b>		<b>(213,861)</b>		<b>(48,372)</b>	
<b>Total liabilities</b>		<b>(362,451)</b>		<b>(62,802)</b>	
<b>Net assets attributable to shareholders</b>		<b>£18,478,110</b>		<b>£20,385,591</b>	

## Notes to the Financial Statements

for the year ended 31 December 2011

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

#### (b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an earned basis.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, including those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue for the year on an accruals basis.

#### (e) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

#### (f) Distribution policy

The net revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is funded from capital.

At the period end, there were no items of a capital nature.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Fund

## Notes to the Financial Statements

continued

### (g) Basis of valuation of investments

Listed investments are valued at bid prices at close on the last business day of the accounting year excluding any accrued interest in the case of fixed interest securities.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The fair value of derivatives is the cost of closing out the contract on the balance sheet date.

The fair value of open forward foreign currency contracts is calculated with reference to the changes in the spot rate, changes in interest rate differential and the reduced term left to maturity.

### (h) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

### (i) Dilution levy

The ACD may require a dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy.

## Notes to the Financial Statements

continued

<b>2 Net Capital (Losses)/Gains</b>	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	(739,899)	1,569,571
Derivative securities	(242,907)	(369,125)
Currency gains/(losses)	282,798	(765,012)
Transaction charges	(6,780)	(3,874)
<b>Net capital (losses)/gains</b>	<b>£(706,788)</b>	<b>£431,560</b>
<b>3 Revenue</b>	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
UK dividends: Ordinary	129,182	253,915
Overseas dividends	388,802	243,227
Bank interest	1,191	7
<b>Total revenue</b>	<b>£519,175</b>	<b>£497,149</b>

## Notes to the Financial Statements

continued

<b>4 Expenses</b>	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director (ACD), associates of the ACD, and agents of either of them:		
ACD's fee	29,354	28,028
Registration fees	22,411	–
	<u>51,765</u>	<u>28,028</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	<u>297,743</u>	<u>289,914</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees (including VAT)	9,527	8,381
Safe custody and other bank charges	4,797	3,668
	<u>14,324</u>	<u>12,049</u>
Other expenses:		
Audit fee (including VAT)	8,475	8,625
Other audit fee	3,900	–
FSA fee	(2,475)	3,070
Legal fees	14,300	8,785
Printing costs	5,410	2,619
	<u>29,610</u>	<u>23,099</u>
<b>Total expenses</b>	<b><u>£393,442</u></b>	<b><u>£353,090</u></b>

## Notes to the Financial Statements

continued

<b>5 Taxation</b>	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
(a) Analysis of charge in the year		
Overseas tax	19,345	21,841
<b>Current tax charge (note 5b)</b>	<b>£19,345</b>	<b>£21,841</b>
<hr/>		
(b) Factors affecting taxation charge for the year		
Net revenue before taxation	124,219	143,683
Corporation tax at 20%	24,844	28,737
Effects of:		
Movement in surplus management expenses	78,753	70,692
Overseas tax expensed	19,345	21,841
Non-taxable dividends	(103,597)	(99,429)
<b>Current tax charge (note 5a)</b>	<b>£19,345</b>	<b>£21,841</b>
<hr/>		
c ) Deferred Tax		
Provision at the start of the year	–	–
Deferred tax in profit and loss account (note 5a)	–	–
<b>Provision at the end of the year</b>	<b>£–</b>	<b>£–</b>
<hr/>		

At the year end there is a potential deferred tax asset of £187,762 (2010: £109,009) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in this period.

## Notes to the Financial Statements

continued

### 6 Finance Costs

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.11 £	31.12.10 £
<b>Distributions</b>		
Final distribution	102,570	120,729
Revenue deducted on cancellation of shares	2,414	3,056
Revenue received on issue of shares	(116)	(2,512)
<b>Finance costs: Distributions</b>	<b>104,868</b>	<b>121,273</b>
Finance costs: Interest	1,514	376
<b>Total finance costs</b>	<b>£106,382</b>	<b>£121,649</b>
<b>Reconciliation of net revenue after taxation to net distributions:</b>		
Net revenue after taxation per statement of total return	104,874	121,842
Undistributed income brought forward	3	(566)
Undistributed income carried forward	(9)	(3)
<b>Finance costs: Distributions</b>	<b>£104,868</b>	<b>£121,273</b>

### 7 Debtors

	31.12.11 £	31.12.10 £
Amounts receivable on creations	–	71
Dividends receivable	16,736	3,550
Overseas tax recoverable	13,896	12,920
<b>Total debtors</b>	<b>£30,632</b>	<b>£16,541</b>

## Notes to the Financial Statements

continued

<b>8 Creditors</b>	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
<b>Accrued expenses:</b>		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
Registration fees	2,521	–
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody and other bank charges	518	1,357
Other expenses:		
FSA fee	315	3,070
Printing & Stationary fees	1,372	1,506
Audit and tax fee	12,000	8,625
	13,687	13,201
<b>Total creditors</b>	<b>£16,726</b>	<b>£14,558</b>
<b>9 Cash and bank balances</b>		
	<b>31.12.11</b>	<b>31.12.10</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	2,522,245	2,078,700
Overdraft positions	(170,226)	–
Broker cash	1,338,094	378,906
<b>Cash and bank balances</b>	<b>£3,690,113</b>	<b>£2,457,606</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Authorised Corporate Director and other fees payable to Phoenix Fund Services (UK) Ltd (the ACD) are disclosed in note 4 and amounts due at the period end are shown in note 8.

Management fees payable to Nils Taube Investments Limited (the Managers) are disclosed in note 4 and amounts due at the period end are shown in note 8.

Depository and other fees payable to BNY Mellon Trust & Depository (UK) Ltd are disclosed in note 4 and amounts due at the period end are shown in note 8.

### 11. Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date. (2010:Nil)

### 12. Derivatives and other Financial Instruments

In pursuing its investment objectives, the Fund may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The Fund may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition the Fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been consistent for both years through which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. This means the value of an investors' holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Fund in the context of all their investments.

The Funds' investment portfolio is exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Services Authorities Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Fund will be exposed.

## Notes to the Financial Statements

continued

### 12. Derivatives and other Financial Instruments (continued)

#### Currency risk

Although the Fund's capital and income are denominated in sterling, a proportion of the Fund's investments have currency exposure and, as a result, the income and capital value of the Fund are affected by currency movements.

Foreign currency risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For Funds where a proportion of the net assets of the Fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the Fund and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

The table below details the foreign currency risk profile at the balance sheet date.

#### 31.12.11

Currency	Monetary exposures £	Non-monetary exposures £	Total £
Australian dollar	–	1,388,366	1,388,366
Canadian dollar	2,331	923,680	926,011
Euro	3,990	2,076,682	2,080,672
Hong Kong dollar	2,396,654	–	2,396,654
Japanese yen	4,492	2,542,531	2,547,023
Philippines peso	–	573,108	573,108
Singapore dollar	–	803,930	803,930
Swiss franc	9,905	–	9,905
US dollar	464	3,622,472	3,622,936
	<b>£2,417,836</b>	<b>£11,930,769</b>	<b>£14,348,605</b>

## Notes to the Financial Statements

continued

### 12. Derivatives and other Financial Instruments (continued)

#### 31.12.10

Currency	Monetary exposures £	Non-monetary exposures £	Total £
Australian dollar	-	1,863,205	1,863,205
Canadian dollar	3,085	1,323,205	1,326,290
Euro	49,284	2,867,088	2,916,372
Hong Kong dollar	1,857,685	-	1,857,685
Japanese yen	-	3,331,732	3,331,732
Philippines peso	-	256,739	256,739
Singapore dollar	-	1,025,078	1,025,078
Swiss franc	31,020	-	31,020
Thai baht	-	464,733	464,733
US dollar	201,357	2,717,089	2,918,446
	<b>£2,142,431</b>	<b>£13,848,869</b>	<b>£15,991,300</b>

#### Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Fund's assets comprise equity shares which neither pay interest nor have a maturity date (2010:Same).

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

#### Credit risk

Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities, which could result in the Fund suffering a loss. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

## Notes to the Financial Statements

continued

### 12. Derivatives and other Financial Instruments (continued)

#### Liquidity risk

There is little exposure to credit or cash flow risk. There are no net borrowings or unlisted securities and so little exposure to liquidity risk.

Under normal circumstances, a Fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Fund, the Fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the Funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Funds' portfolio in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on the CP and FRN markets, seeking to ensure the Fund maintains sufficient liquidity to meet known and potential redemption activity. Fund cash balances are monitored daily by the ACD and the Investment Manager. All of the Funds' financial liabilities are payable on demand or in less than one year.

#### Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Fund has fulfilled its responsibilities which could result in the Fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counterparties.

#### Derivatives

The Fund may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes.

The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the ACD there is no sophisticated derivative use within the Fund and accordingly a sensitivity analysis is not presented.

#### Fair value of financial assets and liabilities

There is no material difference between the carrying values and fair values of the financial instruments disclosed in the balance sheet.

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

	31.12.11 £	31.12.10 £
Analysis of purchases		
Purchases before transaction costs	19,440,637	28,446,314
Transaction costs:		
Commissions	40,133	66,006
Stamp Duty and other charges	32,759	71,540
	<u>72,892</u>	<u>137,546</u>
<b>Total purchase cost</b>	<b><u>£19,513,529</u></b>	<b><u>£28,583,860</u></b>
Analysis of sales		
Sales before transaction costs	22,056,425	29,106,796
Transaction costs:		
Commissions	(46,566)	(66,449)
Other charges	(3,164)	(2,071)
	<u>(49,730)</u>	<u>(68,520)</u>
<b>Net sales proceeds</b>	<b><u>£22,006,695</u></b>	<b><u>£29,038,276</u></b>

## Distribution Tables

for the year ended 31 December 2011

### Final Distribution in pence per share

#### Income Share Distribution

Shares	Net Income	Equalisation	Distribution payable 2011	Distribution paid 2010
Group 1	0.6084	–	0.6084	0.6740
Group 2	0.3806	0.2278	0.6084	0.6740

#### Accumulation Share Distribution

Shares	Net Income	Equalisation	Distribution payable 2011	Distribution paid 2010
Group 1	0.6288	–	0.6288	0.6925
Group 2	0.2027	0.4261	0.6288	0.6925

Group 1 - Shares purchased prior to 1 January 2011

Group 2 - Shares purchased on or after 1 January 2011 and before 31 December 2011

#### Equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents accrued revenue included in the purchase price of the Shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for capital gains tax purposes.

## General Information

### **Authorised Status and Structure of the Company**

PFS Taube Global Fund (the “Company”) is structured as an Investment Company with Variable Capital (“ICVC”), and qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) Scheme. The company does not intend to have an interest in immovable or tangible movable property.

The Company is authorised and regulated in the UK by the Financial Services Authority (“FSA”) as a UCITS Scheme under the COLL Sourcebook. The Company was incorporated in England and Wales on 23 February 2007 under registration number IC000513. The Shareholders are not liable for the debts of the Company.

### **Head Office**

Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW

### **Address for Service**

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### **Base Currency**

The base currency of the Company is Pounds Sterling.

### **Share Capital**

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset value of the Fund.

### **Classes of Shares**

The Company currently has the following classes of shares available for investment:

Sterling shares  
Swiss Franc shares  
US Dollar shares

At present only the Sterling class is active.

The Company can issue different classes of shares in respect of the Fund.

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

## General Information

continued

### Valuation Point

The Scheme Property of the Company and each Fund will normally be valued at 12:00 mid day on each Dealing Day for the purpose of calculating the price at which Shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Fund at any time if it considers it desirable to do so, with the Depositary's approval.

### Buying and Selling of Shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8:30am and 4:30pm. Instructions to buy or sell shares may either be in writing to:

PO Box 10529, Chelmsford, Essex, CM1 9NQ

Or by telephone to:

0845 026 4284

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### Pricing Basis

There is a single price for buying, selling and switching shares in a Fund which represents the Net Asset Value of the Fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Management Association website at [www.fundlistings.com](http://www.fundlistings.com) and on the Financial Times website at [www.FT.com](http://www.FT.com). Neither, the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

### Risk Warning

An investment in an Investment Company with Variable Capital (ICVC) should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

