

PFS PAN DYNAMIC FUND

Annual Report
31 March 2011
(Audited)

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Directory

Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Limited
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 01245 398950
Fax: 01245 398951

Customer Service Centre

PO Box 10728, Chelmsford, Essex, CM1 9PT
Telephone: 0845 308 1456
Fax: 0845 280 1815
E-mail: Evercore@phoenixfundservices.com
(Authorised and regulated by the Financial Services Authority)

Directors of the ACD

R. Elliott (appointed 11 April 2011)
S. A. King
S. D. Mathieson
J. M. Rice (appointed 22 February 2011)

Investment Manager

Evercore Pan Asset Capital Management Limited
Vestry House,
Laurence Pountney Hill,
London, EC4R 0EH
(Authorised and regulated by the Financial Services Authority)

Depositary

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

Auditor

Shipleys LLP
Chartered Accountants & Registered Auditors
10 Orange Street
Haymarket
London WC2H 7DQ
(Authorised and regulated by the Financial Services Authority)

Statement of the Authorised Corporate Director's (ACD) Responsibilities

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

J. M. Rice
S D Mathieson

Directors
Phoenix Fund Services (UK) Limited
8 June 2011

Statement of the Depositary's Responsibilities in Respect of the Company

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable 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') and 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 of the Company.

Report of the Depositary to the Shareholders of the Company for the Period Ended 31 March 2011

Having carried out such procedures as we considered necessary to discharge our responsibilities as depositary of the Company, in our opinion, during the period 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) Limited

8 June 2011

Independent Auditors' Report to the Shareholders of PFS PanDYNAMIC Company

We have audited the financial statements of PFS PanDYNAMIC Company for the period ended 31 March 2011, which comprise the statement of total return, the statement of change in net assets attributable to shareholders, together with the related notes and the distribution tables. The financial reporting framework that has been applied in their preparations is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Scheme Sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. 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 the ACD and Auditors

As explained more fully in the ACD's Responsibilities Statement set out on page 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Investment Manager's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the Shareholders of PFS PanDYNAMIC Company

continued

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of the net revenue and the net gains on the property of the Company for the period then ended;
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds; the rules of the Collective Investment Schemes Sourcebook issued by the Financial Services Authority and United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters

The information given in the Investment Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Guy Fisher,
Senior Statutory Auditor
Shipleys LLP**

Chartered Accountants and Registered Auditors
8 June 2011

Statement of Total Return

for the period 8 March 2010 to 31 March 2011

		08.03.10 – 31.03.11	
	Note	£'000	£'000
Income			
Net capital gains	2		285
Revenue	3	307	
Expenses	4	(108)	
Finance costs: Interest	6	–	
Net revenue before taxation		199	
Taxation	5	–	
Net revenue after taxation			199
Total return before distributions			484
Finance costs: Distributions	6		(203)
Change in net assets attributable to shareholders from investment activities			£281

Statement of Change in Net Assets Attributable to Shareholders

for the period 8 March 2010 to 31 March 2011

	08.03.10 to 31.03.11	
	£'000	£'000
Opening net assets attributable to shareholders		–
Amounts receivable on issue of shares	28,418	
Less: Amounts payable on cancellation of shares	(1,597)	
		26,821
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		281
Retained distribution on Accumulation shares		256
Closing net assets attributable to shareholders		£27,358

PFS PAN DYNAMIC FUND

Balance Sheet

as at 31 March 2011

		31.03.11	
		£'000	£'000
ASSETS			
Investment assets	Note		25,992
Debtors	7	1,064	
Bank balances		4,596	
Total other assets		<u>5,660</u>	
Total assets			<u>31,652</u>
LIABILITIES			
Other liabilities			
Creditors	8	(4,292)	
Distribution payable on Income shares		(2)	
Total other liabilities		<u>(4,294)</u>	
Net assets attributable to shareholders			<u>£27,358</u>

Notes to the Aggregated Financial Statements

for the period 8 March 2010 to 31 March 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) Basis of aggregation

The aggregate financial statements represent the sum of the individual Sub-Funds within the umbrella company.

(c) 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.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(d) 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.

(e) Treatment of expenses

All expenses, except for 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.

Notes to the Aggregated Financial Statements

continued

(f) Taxation

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

Where overseas tax has been deducted from overseas income that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

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.

(g) 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.

Interim distributions may be made at the Investment Manager's discretion and the balance of revenue is distributed in accordance with the regulations.

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

(h) Basis of valuation of investments

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

Collective investment schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting period.

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.

(i) 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.

(j) 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 Sub-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 Aggregated Financial Statements

continued

2. Net Capital Gains	08.03.10 – 31.03.11
	£'000
Non-derivative securities	294
Currency losses	(3)
Forward foreign exchange contracts gains	24
Transaction charges	(30)
Net capital gains	£285
	<hr/> <hr/>
3. Revenue	08.03.10 – 31.03.11
	£'000
UK dividends	307
Total revenue	£307
	<hr/> <hr/>

Notes to the Aggregated Financial Statements

continued

4. Expenses	08.03.10 – 31.03.11
	£'000
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	67
Registration fees	14
	<u>81</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	70
	<u>70</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee (including VAT)	29
Safe custody and other bank charges	5
	<u>34</u>
Other expenses:	
Audit fee (including VAT)	24
FSA fee	4
	<u>28</u>
Expense rebate ^	<u>(105)</u>
Total expenses	<u><u>£108</u></u>

^ Where total expenses, excluding the Investment Manager's fee exceed 0.2% of the Net Asset Value (NAV) of the Sub-Funds, the Investment Manager rebates the total of said expenses to 0.2% of the NAV. The Investment Manager will review the percentage rebate on expenses each year.

Notes to the Aggregated Financial Statements

continued

5. Taxation	08.03.10 – 31.03.11 £'000
(a) Analysis of charge in the period	
Current tax charge (note b)	–
Total tax charge	£–
(b) Factors affecting current tax charge for the period	
Net revenue before taxation	199
Corporation tax at 20%	39
Effects of:	
Non-taxable dividends	(61)
Surplus management expenses	22
Current tax charge (note 5a)	£–
(c) Deferred Tax	

At the year end there is a potential deferred tax asset of £21,855 in relation to surplus management expenses. It is unlikely that the Sub-Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

Notes to the Aggregated Financial Statements

continued

6. Finance Costs	08.03.10 – 31.03.11 £'000
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:	
Distributions	
Interim	20
Final	239
	<hr/> 259
Revenue deducted on cancellation of shares	9
Revenue received on issue of shares	(65)
	<hr/> 203
Finance costs: Distributions	203
Finance costs: Interest	–
	<hr/>
Total finance costs	£203
	<hr/> <hr/>
Reconciliation of net revenue after taxation to net distributions:	
Net revenue after taxation per statement of total return	199
Revenue deficit at year end funded from capital	4
	<hr/>
Finance costs: Distributions	£203
	<hr/> <hr/>
7. Debtors	31.03.11 £'000
Amounts receivable for creation of shares	388
Sales awaiting settlement	552
UK dividends	19
Expense rebate	105
	<hr/>
Total debtors	£1,064
	<hr/> <hr/>

Notes to the Aggregated Financial Statements

continued

8. Creditors	31.03.11
	£'000
Amounts payable for cancellation of shares	234
Purchases awaiting settlement	3,990
Accrued expenses:	
Payable to the Authorised Corporate Director (ACD), associates of the ACD, and agents of either of them:	
ACD's fee	10
Registration fees	4
	<hr/> 14
Payable to the Investment Manager, associates of the Investment Manager, and agents of either of them:	
Investment Manager's fee	22
	<hr/>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fees	4
	<hr/>
Other expenses:	
FSA fee	4
Audit fee	24
	<hr/> 28
	<hr/>
Total creditors	<u><u>£4,292</u></u>

Notes to the Aggregated Financial Statements

continued

9. Related Party Transactions

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

Management fees payable to Evercore Pan Asset Capital Management Limited (the Investment 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) Limited are disclosed in note 4 and amounts due at the period end are shown in note 8.

10. Contingent Liabilities and Commitments

Details of contingent liabilities or outstanding commitments are set out in the notes to the accounts for the relevant Sub-Fund.

11. Derivatives and other Financial Instruments

In pursuing their investment objectives, the Sub-Funds 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 Sub-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 Sub-Fund's may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition the Sub-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 applied throughout the period under review.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-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 Sub-Fund in the context of all their investments.

The Sub-Funds' investment portfolios are 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 Sub-Fund will be exposed.

Notes to the Aggregated Financial Statements

continued

11. Derivatives and other Financial Instruments (continued)

Currency risk

Although the Sub-Funds capital and revenue are denominated in sterling, a proportion of the Sub-Funds investments have currency exposure and, as a result, the revenue and capital value of the Sub-Funds are affected by currency movements.

Foreign currency risk is the risk that the value of the Sub-Funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those Sub-Funds where a proportion of the net assets of the Sub-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 Sub-Funds 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.

Details of foreign currency risk profile per Sub-Fund is set out in the notes to the accounts of the relevant Sub-Fund.

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 Sub-Fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest rate risk is the risk that the value of the Sub-Funds' investments will fluctuate as a result of changes in interest rates. The Sub-Funds invest in floating rate securities. The revenue of these Sub-Funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

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

Details of interest rate risk profile per Sub-Fund is set out in the notes to the accounts of the relevant Sub-Fund.

Notes to the Aggregated Financial Statements

continued

11. Derivatives and other Financial Instruments (continued)

Credit risk

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including Commercial Paper (CP) and Floating Rate Notes (FRN)) there is the possibility of default of the issuer and default in the underlying assets meaning that a Sub-Fund may not receive back the full principal originally invested. Thirdly, 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 Sub-Fund has fulfilled its responsibilities, which could result in the Sub-Fund suffering a loss. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

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 Sub-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 Sub-Fund, the Sub-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 Sub-Fund's 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 Sub-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 Sub-Funds maintain sufficient liquidity to meet known and potential redemption activity. Sub-Fund cash balances are monitored daily by the ACD and the Investment Manager. All of the Sub-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 Sub-Fund has fulfilled its responsibilities which could result in the Sub-Fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counter parties.

Notes to the Aggregated Financial Statements

continued

11. Derivatives and other Financial Instruments (continued)

Derivatives

Sub-Funds 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 revenue or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-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 Sub-Funds and accordingly a sensitivity analysis is not presented in the individual Sub-Fund financial statements.

Fair value of financial assets and financial liabilities

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

12. Portfolio Transaction Costs

Details of portfolio transaction costs are set out in the notes to the accounts for the relevant Sub-Fund.

Investment Objective & Policy

The Sub-Fund will aim to achieve capital growth by investing primarily in Exchange Traded Funds and similar securities. The mix of risk assets such as equities and defensive assets such as fixed income will be adjusted by the Investment Manager in accordance with market conditions and diversified by taking a global approach.

The Sub-Fund will combine a range of classes, including those normally regarded as higher risk, with the aim of producing higher than average returns. This may consequently result in movements of the Sub-Fund's share price which are also higher than average. The Sub-Fund will normally invest predominantly in equity-based index tracking Exchange Traded Funds (ETFs) and other collective investment schemes. The Investment Manager has developed a dynamic asset allocation process which enables investment across a broad range of asset classes and sub-classes in the EU and worldwide. Cash and equivalent investments (such as cash ETFs, short-dated government bonds and government bond ETFs) will be used from time to time to protect the value of the Sub-Fund, especially in times of market uncertainty. The Sub-Fund may invest in overseas securities and currency exposure may be hedged from time to time. The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, money market instruments, depositary receipts, derivative instruments and forward transactions.

The Sub-Fund may invest in derivatives solely for the purposes of hedging with the aim of reducing the risk profile of the Sub-Fund in accordance with the principles of Efficient Portfolio Management. Derivatives can expose the Scheme Property to a higher degree of risk.

The Company permits the use of derivatives for investment purposes by the Sub-Fund, however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund this can affect the risk profile of the Sub-Fund.

Investment Manager's Report

for the period 1 September 2010 to 31 March 2011

The pattern of returns in world equity markets up until the end of 2010 reflected the struggle to achieve decent growth in the developed world versus the much faster growth in emerging markets. The West is still living under the shadow of the Credit Crunch and its banks need to rebuild capital and cash and slow their rate of lending while Western consumers and governments need to spend and borrow less to sort out their own balance sheets.

During the year, the Eurozone crisis regularly came to the fore, having an impact on market sentiment on both sides of the Atlantic with banks back in focus as problems spread to peripheral countries.

2011 began with rising commodity prices and expectations of accelerating growth in developed markets. These were set against fears of overheating and tighter economic policy in the emerging regions. Equity markets were then hit by political waves of protest in the Middle East, and by the cruel tsunami in Japan. By the end of March, investors had decided rates were still low in the West, growth would continue, and the riots and revolts did not seem to be undermining Saudi itself in the heart of the oil fields. The markets grew to live with the smouldering nuclear problems of Japan and the UN/Libyan war which broke out.

The Sub-Fund has a large allocation to exchange traded funds (ETFs) in our favoured overseas regions of Asia and emerging markets. We bought into Japan after the sharp fall in prices which followed the earthquake and tsunami disasters. We have not in the past liked Japan as an investment location, given the ageing population, slow growth and the high levels of state debt. However, we anticipate a stimulus to activity from the need to rebuild parts of the country after the tragedy. We sold Indian equities during the period since we believe the region has significant inflationary problems to overcome and the economy is already cooling. The Sub-Fund has substantial exposure to property REITs around the advanced world. In the major business centres of the world empty space is being absorbed, rents are in many cases rising again and development activity has been hit by the shortage of money. Further diversification is provided through holdings in alternative assets such as agricultural commodities, private equity and infrastructure.

Looking ahead, we expect more difficulties in Euroland, with a Portuguese bail out likely to follow the Irish one. Although Germany has performed well recently, the peripheral Eurozone countries are in trouble. The policy mix of cutting spending, keeping the exchange rate high and raising taxes is not a winning combination. We expect to see the best of growth and market performance in the second quarter of 2011, with worries about global slowdown increasing later in the year as the US and the EU turn to a tighter monetary policy.

Portfolio Statement

as at 31 March 2011

Holding	Security	Value (Note 1h) £'000	% of Total Net Assets 31.03.11
Investment Companies			
Alternatives			
4,527	DB X-Trackers - LPX MM Private Equity ETF	99	4.96
5,407	iShares S&P Emerging Markets Infrastructure	83	4.16
		182	9.12
Asian Equities			
3,941	DB X-Trackers - FTSE China 25 ETF	80	4.00
7,176	DB X-Trackers - MSCI China TRN Index ETF	57	2.85
6,135	HSBC MSCI Japan ETF	90	4.51
849	iShares FTSE China 25 ETF	67	3.35
5,669	iShares MSCI AC Far East ex-Japan Fund	166	8.31
1,366	MSCI China Source ETF	33	1.65
		493	24.67
Commodities			
16,561	ETFS Agriculture ETF	95	4.76
Emerging Market Equities			
3,288	DB X-Trackers - MSCI Emerging Market TRN Index ETF	89	4.46
1,277	MSCI Emerging Market Source ETF	35	1.75
		124	6.21
Property			
10,512	DB X-Trackers - FTSE Global Real Estate ETF	104	5.21
10,599	iShares FTSE EPRA/NAREIT Asia Property Yield Fund	162	8.11
7,981	iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	101	5.06
52,380	iShares FTSE EPRA/NAREIT UK Property Fund	216	10.81
		583	29.19
UK Equities			
14,841	DB X-Trackers - FTSE 100 ETF	91	4.56
US Equities			
12,711	iShares S&P 500 Index Fund	105	5.26
797	S&P 500 Source ETF Index	104	5.21
		209	10.47
	Investment assets	1,777	88.98
	Net other assets	220	11.02
	Net assets	£1,997	100.00

Significant Portfolio Changes

for the period 1 September 2010 to 31 March 2011

Major purchases since launch	Cost £'000
iShares MSCI AC Far East ex-Japan Fund	290
iShares FTSE EPRA/NAREIT UK Property Fund	202
iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	196
iShares FTSE EPRA/NAREIT Asia Property Yield Fund	167
DB X-Trackers FTSE Global Real Estate ETF	103
Other purchases	1,154
Total purchases for the period (note 12)	£2,112

All sales since launch	Proceeds £'000
iShares MSCI AC Far East ex-Japan Fund	119
iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	97
DB X-Trackers - S&P CNX Nifty ETF	76
MSCI Emerging Market Source ETF	57
Total sales for the period (note 12)	£349

Comparative Tables

Net Asset Values

As at 31 March	Net Asset Value (£'000)	No. of shares in issue	Net Asset Value (pence per share)
Class A Accumulation 2011	79	77,992	101.60
Class B Accumulation 2011	1,918	1,875,656	102.23

Price and Revenue History

The table below shows the highest buying and lowest selling prices and the revenue distributions on a calendar year basis in pence per share since launch.

Past performance is not necessarily a guide to the future performance.

Year	Highest (pence)	Lowest (pence)	Net revenue per share (pence)
Class A Accumulation ^			
2010	104.96	100.00	–
2011 ^^	106.26	96.32	–
Class B Accumulation ^			
2010	105.91	98.90	–
2011 ^^	106.10	96.75	–

^ Launch dates: Class A Accumulation 29 November 2010, Class B Accumulation 1 September 2010.

^^ To 31 March 2011.

Total Expense Ratio

The Sub-Fund invests in Exchange Traded Funds and other investment schemes, the expenses incurred by these investments in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with direct expenses of the Sub-Fund.

Expense Type	31 March 2011 %
Class A Accumulation ^	
Investment Manager's charge	1.15
Other expenses	0.20
Synthetic TER	0.56
Total expense ratio	1.91
Class B Accumulation ^	
Investment Manager's charge	0.44
Other expenses	0.20
Synthetic TER	0.56
Total expense ratio	1.20

^ The Total Expense Ratio is annualised based on the expenses incurred during the period.

Comparative Tables

continued

Risk Warning

An investment in an investment company with variable capital 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.

As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.

Statement of Total Return

for the period 1 September 2010 to 31 March 2011

		01.09.10 – 31.03.11	
	Note	£'000	£'000
Income			
Net capital gains	2		9
Revenue	3	3	
Expenses	4	(7)	
Finance costs: Interest	6	–	
Net expense before taxation		(4)	
Taxation	5	–	
Net expense after taxation			(4)
Total return before distributions			5
Finance costs: Distributions	6		–
Change in net assets attributable to shareholders from investment activities			£5

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 September 2010 to 31 March 2011

	01.09.10 – 31.03.11	
	£'000	£'000
Opening net assets attributable to shareholders		–
Amounts receivable on issue of shares	2,037	
Less: Amounts payable on cancellation of shares	(45)	
		1,992
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		5
Closing net assets attributable to shareholders		£1,997

Balance Sheet

as at 31 March 2011

		31.03.11	
	Note	£'000	£'000
ASSETS			
Investment assets			1,777
Debtors	7	162	
Bank balances		110	
Total other assets		<u>272</u>	272
Total assets			<u>2,049</u>
LIABILITIES			
Creditors	8	<u>(52)</u>	(52)
Total other liabilities			<u>(52)</u>
Net assets attributable to shareholders			<u><u>£1,997</u></u>

Notes to the Financial Statements

for the period 1 September 2010 to 31 March 2011

1. Accounting Policies

The Sub-Fund's financial statements have been prepared on the same basis as the Aggregated Financial Statements on page 8.

2. Net Capital Gains

	01.09.10 – 31.03.11
	£'000
Non-derivative securities	12
Transaction charges	(3)
Net capital gains	£9

3. Revenue

	01.09.10 – 31.03.11
	£'000
UK dividends	3
Total revenue	£3

Notes to the Financial Statements

continued

4. Expenses	01.09.10 – 31.03.11 £'000
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	7
Registration fees	2
	<u>9</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	2
	<u>2</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary's fee (including VAT)	5
	<u>5</u>
Other expenses:	
Audit fee (including VAT)	6
FSA fee	1
	<u>7</u>
Expense rebate^	<u>(16)</u>
Total expenses	<u>£7</u>

^ Where total expenses, excluding the Investment Manager's fee exceed 0.2% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Manager rebates the total of said expenses to 0.2% of the NAV. The Investment Manager will review the percentage rebate on expenses each year.

Notes to the Financial Statements

continued

5. Taxation	01.09.10 – 31.03.11 £'000
(a) Analysis of charge in the period	
Current tax charge (note 5b)	–
Total tax charge	£–
(b) Factors affecting current tax charge for the period	
Net expense before taxation	(4)
Corporation tax at 20%	(1)
Effects of:	
Non-taxable dividends	(1)
Surplus management expenses	2
Current tax charge (note 5a)	£–
(c) Deferred Tax	

At the year end there is a potential deferred tax asset of £1,614 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

Notes to the Financial Statements

continued

6. Finance Costs	01.09.10 – 31.03.11
	£'000
Distributions	
Final	–
Revenue deducted on cancellation of shares	–
Revenue received on issue of shares	–
	<hr/>
Finance costs: Distributions	–
	<hr/>
Finance costs: Interest	–
	<hr/>
Total finance costs	£–
	<hr/> <hr/>
Reconciliation of net expense after taxation to net distributions:	
Net expense after taxation per statement of total return	(4)
Revenue deficit at year end funded from capital	4
	<hr/>
Finance costs: Distributions	£–
	<hr/> <hr/>
7. Debtors	31.03.11
	£'000
Amounts receivable for creation of shares	146
Expense rebate	16
	<hr/>
Total debtors	£162
	<hr/> <hr/>

Notes to the Financial Statements

continued

8. Creditors	31.03.11
	£'000
Amounts payable for cancellation of shares	40
Accrued expenses:	
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	2
Registration fee	1
	<hr/> 3
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	1
	<hr/>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	1
	<hr/>
Other expenses:	
FSA fee	1
Audit fee	6
	<hr/> 7
Total creditors	£52
	<hr/> <hr/>

9. Related Party Transactions

Details relating to the Sub-Fund are shown in note 9 of the Aggregated Notes to the Financial Statements on page 15.

10. Contingent Liabilities and Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

Notes to the Financial Statements

continued

11. Derivatives and other Financial Instruments

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 15.

Numerical disclosures relating to the Sub-Fund are as follows:

Currency risk

The table below shows the currency risk profile at the balance sheet date:

31.03.11

Currency	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Sterling	220	1,605	1,825
US dollar	–	172	172
	<u>£220</u>	<u>£1,777</u>	<u>£1,997</u>

Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

31.03.11

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	110	–	1,767	1,877
US dollar	–	–	172	172
	<u>£110</u>	<u>£–</u>	<u>£1,939</u>	<u>£2,049</u>

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	52	52
	<u>£–</u>	<u>£52</u>	<u>£52</u>

Notes to the Financial Statements

continued

12. Portfolio Transaction Costs	01.09.10 – 31.03.11
	£'000
Analysis of purchases	
Purchases before transaction costs	2,110
Transaction costs:	
Commissions	2
Total purchase cost	<u>£2,112</u>
Analysis of sales	
Sales before transaction costs	349
Transaction costs:	
Commissions	–
Net sales proceeds	<u>£349</u>

Investment Objective & Policy

The Sub-Fund will aim to achieve a combination of capital growth and income by investing primarily in Exchange Traded Funds and similar securities. The risk exposure will be balanced according to the market conditions and diversified by taking a global approach.

The Sub-Fund will invest primarily in a mixture of index-tracking instruments, including index-tracking Exchange Traded Funds (ETFs) and other collective investment schemes which capture the performance of fixed income, equities and other asset classes. The Investment Manager has developed a dynamic asset allocation process which enables investment across a broad range of asset classes and sub-classes in the EU and worldwide. Cash and equivalent investments (such as cash ETFs, short-dated government bonds and government bond ETFs) will be used from time to time to protect the value of the Sub-Fund, especially in times of market uncertainty. The Sub-Fund may invest in overseas securities and currency exposure may be hedged from time to time. The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, money market instruments, depositary receipts, derivative instruments and forward transactions.

The Sub-Fund may invest in derivatives for the purposes of hedging with the aim of reducing the risk profile of the Sub-Fund in accordance with the principles of Efficient Portfolio Management. Derivatives can expose the Scheme Property to a higher degree of risk.

Although the Company permits the use of derivatives for investment purposes by the Sub-Fund, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund this can affect the risk profile of the Sub-Fund.

Investment Manager's Report

for the period 8 March 2010 to 31 March 2011

The pattern of returns in world equity markets up until the end of 2010 reflected the struggle to achieve decent growth in the developed world versus the much faster growth in emerging markets. The West is still living under the shadow of the Credit Crunch and its banks need to rebuild capital and cash and slow their rate of lending while Western consumers and governments need to spend and borrow less to sort out their own balance sheets.

During the year, the Eurozone crisis regularly came to the fore, having an impact on market sentiment on both sides of the Atlantic with banks back in focus as problems spread to peripheral countries.

2011 began with rising commodity prices and expectations of accelerating growth in developed markets. These were set against fears of overheating and tighter economic policy in the emerging regions. Equity markets were then hit by political waves of protest in the Middle East, and by the cruel tsunami in Japan. By the end of March, investors had decided rates were still low in the West, growth would continue, and the riots and revolts did not seem to be undermining Saudi itself in the heart of the oil fields. The markets grew to live with the smouldering nuclear problems of Japan and the UN/Libyan war which broke out.

The Sub-Fund has a balanced position between risk assets like equities and defensive assets such as corporate bond exchange traded funds (ETFs). During the period we shortened the duration of the bond holdings in anticipation of rising interest rates, once the authorities on both sides of the Atlantic start to normalise money markets after a long period of very low official interest rates and public purchasing of government bonds to keep yields down. The new shorter maturity bond funds which have been purchased should protect capital values better when interest rates go up, but still provide a useful yield. The equity exposure remains concentrated in our favoured overseas regions of Asia and emerging markets. We introduced China, which we think is good value, although it may not make rapid share price progress until investors can see an end to the monetary tightening and confirmation that it has happened without plunging the economy into a downturn. The Sub-Fund also continues to provide exposure to global property which has some of the characteristics of bonds and some of shares.

Against this background, over the 12 months the Sub-Fund produced a return of +1.0%.

Looking ahead, we expect more difficulties in Euroland, with a Portuguese bail out likely to follow the Irish one. Although Germany has performed well recently, the peripheral Eurozone countries are in trouble. The policy mix of cutting spending, keeping the exchange rate high and raising taxes is not a winning combination. Generally, we recommend no exposure to western sovereign debt, other than very short term near cash investments. Although yields have risen from their lows, they still do not discount the very real problems ahead in state finances in the US and Europe. We expect to see the best of growth and market performance in the second quarter of 2011, with worries about global slowdown increasing later in the year as the US and the EU turn to a tighter monetary policy.

PFS PAN BALANCED FUND

Portfolio Statement

as at 31 March 2011

Holding	Security	Value (Note 1h) £'000	% of Total Net Assets 31.03.11
Investment Companies			
Asian Equities			
22,002	DB X-Trackers - FTSE China 25 ETF	446	3.12
44,706	DB X-Trackers - MSCI China TRN Index ETF	358	2.50
32,195	iShares DJ Asia Pacific Select Dividend 30	598	4.18
1,649	iShares FTSE China 25 ETF	131	0.91
23,987	iShares MSCI AC Far East ex-Japan Fund	702	4.90
8,843	MSCI China Source ETF	215	1.50
		<hr/>	
		2,450	17.11
		<hr/>	
Corporate Bonds			
2,741,309	AXA Sterling Credit Short Duration Bond Fund - INC	2,744	19.16
26,475	iShares Markit iBoxx £ Corporate Bond Fund 1-5 years	2,651	18.52
144	Vanguard UK Investment Grade Bond Index	7	0.05
		<hr/>	
		5,402	37.73
		<hr/>	
Emerging Market Equities			
40,392	DB X-Trackers - MSCI Emerging Market TRN Index ETF	1,095	7.65
		<hr/>	
Property			
37,725	DB X-Trackers - FTSE Global Real Estate ETF	375	2.62
67,296	iShares FTSE EPRA/NAREIT Asia Property Yield Fund	1,028	7.18
24,916	iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	314	2.19
262,786	iShares FTSE EPRA/NAREIT UK Property Fund	1,083	7.56
		<hr/>	
		2,800	19.55
		<hr/>	
UK Equities			
143,671	DB X-Trackers - FTSE 100 ETF	876	6.12
98,187	iShares FTSE UK Dividend Plus Fund	736	5.14
		<hr/>	
		1,612	11.26
		<hr/>	
US Equities			
37,311	iShares S&P 500 Index Fund	307	2.14
2,681	S&P 500 Source ETF Index	349	2.44
		<hr/>	
		656	4.58
		<hr/>	
	Investment assets	14,015	97.88
	Net other assets	303	2.12
		<hr/>	
	Net assets	£14,318	100.00
		<hr/> <hr/>	

Significant Portfolio Changes

for the period 8 March 2010 to 31 March 2011

Major purchases since launch	Cost £'000
AXA Sterling Credit Short Duration Bond Fund - INC	2,969
iShares Markit iBoxx £ Corporate Bond Fund 1-5 years	2,648
iShares Markit iBoxx £ Corporate Bond ex-Financials ETF	2,168
iShares MSCI AC Far East ex-Japan Fund	1,507
iShares Markit iBoxx £ Corporate Bond ETF	1,429
Other purchases	10,775
Total purchases for the period (note 12)	£21,496

Major sales since launch	Proceeds £'000
iShares Markit iBoxx £ Corporate Bond ex-Financials ETF	2,088
iShares Markit iBoxx £ Corporate Bond ETF	1,369
iShares II JPMorgan \$ Emerging Markets Bond Fund ETF	1,042
iShares MSCI AC Far East ex-Japan Fund	842
Vanguard UK Investment Grade Bond Index	552
Other sales	1,635
Total sales for the period (note 12)	£7,528

Comparative Tables

Net Asset Values

As at 31 March	Net Asset Value (£'000)	No. of shares in issue	Net Asset Value (pence per share)
Class A Accumulation 2011	7,395	7,361,671	100.45
Class B Accumulation 2011	6,647	6,574,344	101.11
Class C Income 2011	76	75,697	100.64
Class D Accumulation 2011	200	198,762	100.82

Price and Revenue History

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

Year	Highest (pence)	Lowest (pence)	Net revenue per share (pence)
Class A Accumulation ^			
2010	103.35	94.55	–
2011 ^^	102.99	96.94	0.8771
Class B Accumulation ^			
2010	103.56	94.67	0.1377
2011 ^^	103.33	97.37	1.3476
Class C Income ^			
2010	104.49	95.92	0.2476
2011 ^^	104.48	98.42	1.7773
Class D Accumulation ^			
2010	102.13	101.09	–
2011 ^^	102.71	96.83	0.7907

^ Launch dates: Class A Accumulation 15 March 2010, Class B Accumulation 8 March 2010, Class C Income 30 April 2010 and Class D Accumulation 17 December 2010.

^^ To 31 March 2011.

Comparative Tables

continued

Total Expense Ratio

The Sub-Fund invests in Exchange Traded Funds and other investment schemes, the expenses incurred by these investments in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with direct expenses of the Sub-Fund.

Expense Type	31 March 2011 %
Class A Accumulation	
Investment Manager's charge	1.00
Other expenses	0.20
Synthetic TER	0.38
Total expense ratio	1.58
Class B Accumulation	
Investment Manager's charge	0.43
Other expenses	0.20
Synthetic TER	0.38
Total expense ratio	1.01
Class C Income	
Investment Manager's charge	0.43
Other expenses	0.20
Synthetic TER	0.38
Total expense ratio	1.01
Class D Accumulation	
Investment Manager's charge	0.41
Other expenses	0.20
Synthetic TER	0.38
Total expense ratio	0.99

Risk Warning

An investment in an investment company with variable capital 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.

As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.

Statement of Total Return

for the period 8 March 2010 to 31 March 2011

		08.03.10 – 31.03.11	
	Note	£'000	£'000
Income			
Net capital gains	2		40
Revenue	3	168	
Expenses	4	(51)	
Finance costs: Interest	6	–	
Net revenue before taxation		117	
Taxation	5	–	
Net revenue after taxation			117
Total return before distributions			157
Finance costs: Distributions	6		(117)
Change in net assets attributable to shareholders from investment activities			£40

Statement of Change in Net Assets Attributable to Shareholders

for the period 8 March 2010 to 31 March 2011

	08.03.10 – 31.03.11	
	£'000	£'000
Opening net assets attributable to shareholders		–
Amounts receivable on issue of shares	15,151	
Less: Amounts payable on cancellation of shares	(1,032)	
		14,119
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		40
Retained distribution on Accumulation shares		159
Closing net assets attributable to shareholders		£14,318

PFS PAN BALANCED FUND

Balance Sheet

as at 31 March 2011

		31.03.11	
	Note	£'000	£'000
ASSETS			
Investment assets			14,015
Debtors	7	714	
Bank balances		2,652	
Total other assets		3,366	
Total assets			17,381
LIABILITIES			
Creditors	8	(3,062)	
Distribution payable on Income shares		(1)	
Total other liabilities		(3,063)	
Net assets attributable to shareholders			£14,318

Notes to the Financial Statements

for the period 8 March 2010 to 31 March 2011

1. Accounting Policies

The Sub-Fund's financial statements have been prepared on the same basis as the Aggregated Financial Statements on page 8.

2. Net Capital Gains

	08.03.10 – 31.03.11
	£'000
Non-derivative securities	47
Currency losses	(2)
Forward foreign exchange contracts gains	8
Transaction charges	(13)
Net capital gains	£40

3. Revenue

	08.03.10 – 31.03.11
	£'000
UK dividends	168
Total revenue	£168

Notes to the Financial Statements

continued

4. Expenses	08.03.10 – 31.03.11
	£'000
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	25
Registration fees	5
	<u>30</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	38
	<u>38</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary's fee (including VAT)	10
Safe custody and other bank charges	3
	<u>13</u>
Other expenses:	
Audit fee (including VAT)	6
FSA fee	1
	<u>7</u>
Expense rebate^	<u>(37)</u>
Total expenses	<u>£51</u>

^ Where total expenses, excluding the Investment Manager's fee exceed 0.2% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Manager rebates the total of said expenses to 0.2% of the NAV. The Investment Manager will review the percentage rebate on expenses each year.

Notes to the Financial Statements

continued

5. Taxation

08.03.10 – 31.03.11
£'000

(a) Analysis of charge in the period

Current tax charge (note 5b)

–

Total tax charge

£–

(b) Factors affecting current tax charge for the period

Net revenue before taxation

117

Corporation tax at 20%

23

Effects of:

Non-taxable dividends

(33)

Surplus management expenses

10

Current tax charge (note 5a)

£–

(c) Deferred Tax

At the year end there is a potential deferred tax asset of £10,112 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

Notes to the Financial Statements

continued

6. Finance Costs

08.03.10 – 31.03.11
£'000

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

Distributions

Interim	5
Final	156
	<hr/> 161
Revenue deducted on cancellation of shares	7
Revenue received on issue of shares	(51)
	<hr/> 117
Finance costs: Distributions	117
Finance costs: Interest	–
	<hr/> –
Total finance costs	£117

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per statement of total return	117
	<hr/> 117
Finance costs: Distributions	£117

7. Debtors

31.03.11
£'000

Amounts receivable for creation of shares	113
Sales awaiting settlement	552
UK dividends	12
Expense rebate	37
	<hr/> 714
Total debtors	£714

Notes to the Financial Statements

continued

8. Creditors	31.03.11
	£'000
Amounts payable for cancellation of shares	65
Purchases awaiting settlement	2,972
Accrued expenses:	
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	3
Registration fee	1
	<hr/> 4
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	13
	<hr/>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	1
	<hr/>
Other expenses:	
FSA fee	1
Audit fee	6
	<hr/> 7
Total creditors	£3,062
	<hr/> <hr/>

9. Related Party Transactions

Details relating to the Sub-Fund are shown in note 9 of the Aggregated Notes to the Financial Statements on page 15.

10. Contingent Liabilities and Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

Notes to the Financial Statements

continued

11. Derivatives and other Financial Instruments

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 15.

Numerical disclosures relating to the Sub-Fund are as follows:

Currency risk

The table below shows the currency risk profile at the balance sheet date:

31.03.11

Currency	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Sterling	303	13,451	13,754
US dollar	–	564	564
	<u>£303</u>	<u>£14,015</u>	<u>£14,318</u>

Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

31.03.11

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	2,652	–	14,165	16,817
US dollar	–	–	564	564
	<u>£2,652</u>	<u>£–</u>	<u>£14,729</u>	<u>£17,381</u>

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	3,063	3,063
	<u>£–</u>	<u>£3,063</u>	<u>£3,063</u>

Notes to the Financial Statements

continued

12. Portfolio Transaction Costs

08.03.10 – 31.03.11
£'000

Analysis of purchases

Purchases before transaction costs 21,476

Transaction costs:

Commissions 18

Stamp duty and other charges 2

Total purchase cost **£21,496**

Analysis of sales

Sales before transaction costs 7,535

Transaction costs:

Commissions (7)

Net sales proceeds **£7,528**

PFS PAN BALANCED FUND

Distribution Table

for the period 8 March 2010 to 31 March 2011

Interim

Distribution paid 30 November 2010

Class	Shares	Net	Equalisation	Distribution
A Accumulation	Group 1	0.0000		0.0000
	Group 2	0.0000	0.0000	0.0000
B Accumulation	Group 1	0.1377		0.1377
	Group 2	0.0978	0.0399	0.1377
C Income	Group 1	0.2476		0.2476
	Group 2	0.2476	0.0000	0.2476

Further information

Group 1 – Shares purchased prior to 8 March 2010

Group 2 – Shares purchased on or after 8 March 2010 to 30 September 2010

Final

Distribution payable 31 May 2011

Class	Shares	Net	Equalisation	Distribution
A Accumulation	Group 1	0.8771		0.8771
	Group 2	0.4280	0.4491	0.8771
B Accumulation	Group 1	1.3476		1.3476
	Group 2	0.8370	0.5106	1.3476
C Income	Group 1	1.7773		1.7773
	Group 2	1.2295	0.5478	1.7773
D Accumulation	Group 1	0.7907		0.7907
	Group 2	0.4105	0.3802	0.7907

Further information

Group 1 – Shares purchased prior to 1 October 2010

Group 2 – Shares purchased on or after 1 October 2010 to 31 March 2011

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the 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.

Investment Objective & Policy

The Sub-Fund will aim to achieve a combination of capital growth and income by investing primarily in Exchange Traded Funds (ETFs) and similar securities. The exposure to risk assets like equities versus defensive assets like bonds will be adjusted according to the market conditions and diversified by taking a global approach.

The Sub-Fund will combine a range of asset classes, predominantly those regarded as lower risk, with the aim of offering a defensive and cautious investment approach.

The Sub-Fund will invest primarily in a mixture of index-tracking instruments, including index-tracking Exchange Traded Funds (ETFs) and other collective investment schemes which capture the performance of fixed income, equities and other asset classes. The Investment Manager has developed a dynamic asset allocation process which enables investment across a broad range of asset classes and sub-classes in the EU and worldwide. Cash and equivalent investments (such as cash ETFs, short-dated government bonds and government bond ETFs) will be used from time to time to protect the value of the Sub-Fund, especially in times of market uncertainty. The Sub-Fund may invest in overseas securities and currency exposure may be hedged from time to time. The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, money market instruments, depositary receipts, derivative instruments and forward transactions.

The Sub-Fund may invest in derivatives for the purposes of hedging with the aim of reducing the risk profile of the Sub-Fund in accordance with the principles of Efficient Portfolio Management. Derivatives can expose the Scheme Property to a higher degree of risk.

Although the Company permits the use of derivatives for investment purposes by the Sub-Fund, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund this can affect the risk profile of the Sub-Fund.

Investment Manager's Report

for the period 1 September 2010 to 31 March 2011

The pattern of returns in world equity markets up until the end of 2010 reflected the struggle to achieve decent growth in the developed world versus the much faster growth in emerging markets. The West is still living under the shadow of the Credit Crunch and its banks need to rebuild capital and cash and slow their rate of lending while Western consumers and governments need to spend and borrow less to sort out their own balance sheets.

During the year, the Eurozone crisis regularly came to the fore, having an impact on market sentiment on both sides of the Atlantic with banks back in focus as problems spread to peripheral countries.

2011 began with rising commodity prices and expectations of accelerating growth in developed markets. These were set against fears of overheating and tighter economic policy in the emerging regions. Equity markets were then hit by political waves of protest in the Middle East, and by the cruel tsunami in Japan. By the end of March, investors had decided rates were still low in the West, growth would continue, and the riots and revolts did not seem to be undermining Saudi itself in the heart of the oil fields. The markets grew to live with the smouldering nuclear problems of Japan and the UN/Libyan war which broke out.

The majority of the Sub-Fund is invested in defensive assets. The largest allocation is to corporate bonds which offer higher yields than government bonds. Most government bonds in the west are offering very low yields and leave little scope for disappointment. During the period we shortened the duration of the bond holdings in anticipation of rising interest rates, once the authorities on both sides of the Atlantic start to normalise money markets after a long period of very low official interest rates and public purchasing of government bonds to keep yields down. The new shorter maturity bond funds which have been introduced should protect capital values better when interest rates go up, but still provide a useful yield. The Asia Pacific Dividend ETF was switched into MSCI World because emerging economies are temporarily being more affected by inflationary pressures and are taking earlier action to slow their economies.

Looking ahead, we expect more difficulties in Euroland, with a Portuguese bail out likely to follow the Irish one. Although Germany has performed well recently, the peripheral Eurozone countries are in trouble. The policy mix of cutting spending, keeping the exchange rate high and raising taxes is not a winning combination. Generally, we recommend no exposure to western sovereign debt, other than very short term near cash investments. Although yields have risen from their lows, they still do not discount the very real problems ahead in state finances in the US and Europe. We expect to see the best of growth and market performance in the second quarter of 2011, with worries about global slowdown increasing later in the year as the US and the EU turn to a tighter monetary policy.

PFS PAN DEFENSIVE FUND

Portfolio Statement

as at 31 March 2011

Holding	Security	Value (Note 1h) £'000	% of Total Net Assets 31.03.11
Investment Companies			
Corporate Bonds			
651,193	AXA Sterling Credit Short Duration Bond Fund - INC	652	18.61
1,483	iShares iBoxx £ Corporate Bond ex-Financials ETF	153	4.37
1,250	iShares Markit iBoxx £ Corporate Bond ETF	145	4.14
6,515	iShares Markit iBoxx £ Corporate Bond Fund 1-5 years	652	18.61
9,159	Vanguard UK Investment Grade Bond Index	432	12.33
		2,034	58.06
Global Bonds			
4,188	iShares Barclays Capital Global Inflation Linked Bond	346	9.87
11,872	iShares MSCI World Monthly £ Hedged Fund	330	9.42
		676	19.29
UK Equities			
44,595	iShares FTSE UK Dividend Plus Fund	334	9.52
	Investment assets	3,044	86.87
	Net other assets	460	13.13
	Net assets	£3,504	100.00

Significant Portfolio Changes

for the period 1 September 2010 to 31 March 2011

Major purchases since launch	Cost £'000
iShares Markit iBoxx £ Corporate Bond Fund 1-5 years	652
AXA Sterling Credit Short Duration Bond Fund - INC	650
iShares iBoxx £ Corporate Bond ex-Financials ETF	433
Vanguard UK Investment Grade Bond Index	438
iShares Markit iBoxx £ Corporate Bond ETF	413
Other purchases	1,863
Total purchases for the period (note 12)	£4,449

Major sales since launch	Proceeds £'000
iShares FTSE Gilts UK 0-5 ETF	296
iShares iBoxx £ Corporate Bond ex-Financials ETF	262
iShares II JPMorgan \$ Emerging Markets Bond Fund ETF	259
iShares Markit iBoxx £ Corporate Bond ETF	256
iShares DJ Asia Pacific Select Dividend 30	252
Other sales	3
Total sales for the period (note 12)	£1,328

Comparative Tables

Net Asset Values

As at 31 March	Net Asset Value (£'000)	No. of shares in issue	Net Asset Value (pence per share)
Class A Accumulation 2011	667	728,306	91.63
Class B Accumulation 2011	2,837	3,029,273	93.61

Price and Revenue History

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

Year	Highest (pence)	Lowest (pence)	Net revenue per share (pence)
Class A Accumulation ^			
2010	100.20	95.32	–
2011 ^^	96.08	93.33	0.4991
Class B Accumulation ^			
2010	98.92	93.89	–
2011 ^^	94.74	92.17	0.7381

^ Launch dates: Class A Accumulation 7 October 2010, Class B Accumulation 7 September 2010

^^ To 31 March 2011.

Total Expense Ratio

The Sub-Fund invests in Exchange Traded Funds and other investment schemes, the expenses incurred by these investments in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with direct expenses of the Sub-Fund.

Expense Type	31 March 2011 %
Class A Accumulation ^	
Investment Manager's charge	1.12
Other expenses ^^	0.20
Synthetic TER	0.24
Total expense ratio	1.56
Class B Accumulation ^	
Investment Manager's charge	0.44
Other expenses ^^	0.20
Synthetic TER	0.24
Total expense ratio	0.88

^ The Total Expense Ratio is annualised based on the expenses incurred during the period.

Comparative Tables

continued

Risk Warning

An investment in an investment company with variable capital 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.

As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.

Statement of Total Return

for the period 1 September 2010 to 31 March 2011

		07.09.10 – 31.03.11	
	Note	£'000	£'000
Income			
Net capital losses	2		(80)
Revenue	3	35	
Expenses	4	(15)	
Finance costs: Interest	6	–	
Net revenue before taxation		20	
Taxation	5	–	
Net revenue after taxation			20
Total return before distributions			(60)
Finance costs: Distributions	6		(20)
Change in net assets attributable to shareholders from investment activities			£(80)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 September 2010 to 31 March 2011

		07.09.10 – 31.03.11	
		£'000	£'000
Opening net assets attributable to shareholders			–
Amounts receivable on issue of shares		3,783	
Less: Amounts payable on cancellation of shares		(225)	
			3,558
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			(80)
Retained distribution on Accumulation shares			26
Closing net assets attributable to shareholders			£3,504

PFS PAN DEFENSIVE FUND

Balance Sheet

as at 31 March 2011

		31.03.11	
		£'000	£'000
	Note		
ASSETS			
Investment assets			3,044
Debtors	7	67	
Bank balances		1,191	
Total other assets		1,258	
Total assets			4,302
LIABILITIES			
Creditors	8	(798)	
Total other liabilities		(798)	
Net assets attributable to shareholders			£3,504

Notes to the Financial Statements

for the period 1 September 2010 to 31 March 2011

1. Accounting Policies

The Sub-Fund's financial statements have been prepared on the same basis as the Aggregated Financial Statements on page 8.

2. Net Capital Losses

01.09.10 – 31.03.11
£'000

Non-derivative securities	(77)
Transaction charges	(3)
Net capital losses	£(80)

3. Revenue

01.09.10 – 31.03.11
£'000

UK dividends	35
Total revenue	£35

Notes to the Financial Statements

continued

4. Expenses

01.09.10 – 31.03.11
£'000

Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:

ACD's fee	9
Registration fees	2
	<hr/>
	11
	<hr/>

Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:

Investment Manager's fee	4
	<hr/>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fee (including VAT)	5
	<hr/>

Other expenses:

Audit fee (including VAT)	6
FSA fee	1
	<hr/>
	7
	<hr/>

Expense rebate^	(12)
	<hr/>

Total expenses	£15
	<hr/> <hr/>

^ Where total expenses, excluding the Investment Manager's fee exceed 0.2% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Manager rebates the total of said expenses to 0.2% of the NAV. The Investment Manager will review the percentage rebate on expenses each year.

Notes to the Financial Statements

continued

5. Taxation

01.09.10 – 31.03.11
£'000

(a) Analysis of charge in the period

Current tax charge (note 5b)

–

Total tax charge

£–

(b) Factors affecting current tax charge for the period

Net revenue before taxation

20

Corporation tax at 20%

4

Effects of:

Non-taxable dividends

(7)

Surplus management expenses

3

Current tax charge (note 5a)

£–

(c) Deferred Tax

At the year end there is a potential deferred tax asset of £3,150 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

Notes to the Financial Statements

continued

6. Finance Costs	01.09.10 – 31.03.11
	£'000
<p>The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:</p>	
Distributions	
Final	26
Revenue deducted on cancellation of shares	1
Revenue received on issue of shares	(7)
Finance costs: Distributions	20
Finance costs: Interest	–
Total finance costs	£20
Reconciliation of net revenue after taxation to net distributions:	
Net revenue after taxation per statement of total return	20
Finance costs: Distributions	£20
7. Debtors	
	31.03.11
	£'000
Amounts receivable for creation of shares	50
UK dividends	5
Expense rebate	12
Total debtors	£67

Notes to the Financial Statements

continued

8. Creditors	31.03.11
	£'000
Amounts payable for cancellation of shares	129
Purchases awaiting settlement	657
Accrued expenses:	
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	2
Registration fee	1
	<hr style="width: 100%; border: 0.5px solid black;"/>
	3
	<hr style="width: 100%; border: 0.5px solid black;"/>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	1
	<hr style="width: 100%; border: 0.5px solid black;"/>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	1
	<hr style="width: 100%; border: 0.5px solid black;"/>
Other expenses:	
FSA fee	1
Audit fee	6
	<hr style="width: 100%; border: 0.5px solid black;"/>
	7
	<hr style="width: 100%; border: 0.5px solid black;"/>
Total creditors	£798
	<hr style="width: 100%; border: 1.5px solid black;"/>

9. Related Party Transactions

Details relating to the Sub-Fund are shown in note 9 of the Aggregated Notes to the Financial Statements on page 15.

10. Contingent Liabilities and Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

Notes to the Financial Statements

continued

11. Derivatives and other Financial Instruments

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 15.

Numerical disclosures relating to the Sub-Fund are as follows:

Currency risk

The table below shows the currency risk profile at the balance sheet date:

31.03.11

Currency	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Sterling	460	3,044	3,504
	<u>£460</u>	<u>£3,044</u>	<u>£3,504</u>

Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

31.03.11

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	1,191	–	3,111	4,302
	<u>£1,191</u>	<u>£–</u>	<u>£3,111</u>	<u>£4,302</u>

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	798	798
	<u>£–</u>	<u>£798</u>	<u>£798</u>

Notes to the Financial Statements

continued

12. Portfolio Transaction Costs

01.09.10 – 31.03.11
£'000

Analysis of purchases

Purchases before transaction costs

4,443

Transaction costs:

Commissions

4

Stamp duty and other charges

2

Total purchase cost

£4,449

Analysis of sales

Sales before transaction costs

1,329

Transaction costs:

Commissions

(1)

Net sales proceeds

£1,328

Distribution Table

for the period 1 September 2010 to 31 March 2011

Final

Distribution payable 31 May 2011

Class	Shares	Net	Equalisation	Distribution
A Accumulation	Group 1	0.4991		0.4991
	Group 2	0.3496	0.1495	0.4991
B Accumulation	Group 1	0.7381		0.7381
	Group 2	0.5177	0.2204	0.7381

Further information

Group 1 – Shares purchased prior to 7 September 2010

Group 2 – Shares purchased on or after 7 September 2010 to 31 March 2011

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the 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.

Investment Objective & Policy

The Sub-Fund will aim to achieve capital growth by investing primarily in Exchange Traded Funds and similar securities. The risk exposure will be balanced according to the market conditions and diversified by taking a global approach.

The Sub-Fund will invest primarily in equity-based index tracking Exchange Traded Funds (ETFs) and other collective investment schemes. The Investment Manager has developed a dynamic asset allocation process which enables investment across a broad range of asset classes and sub-classes in the EU and worldwide. Cash and equivalent investments (such as cash ETFs, short-dated government bonds and government bond ETFs) will be used from time to time to protect the value of the Sub-Fund, especially in times of market uncertainty. The Sub-Fund may invest in overseas securities and currency exposure may be hedged from time to time. The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, money market instruments, depositary receipts, derivative instruments and forward transactions.

The Sub-Fund may invest in derivatives solely for the purposes of hedging with the aim of reducing the risk profile of the Sub-Fund in accordance with the principles of Efficient Portfolio Management. Derivatives can expose the Scheme Property to a higher degree of risk.

The Company permits the use of derivatives for investment purposes by the Sub-Fund, however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund this can affect the risk profile of the Sub-Fund.

Investment Manager's Report

for the period 8 March 2010 to 31 March 2011

The pattern of returns in world equity markets up until the end of 2010 reflected the struggle to achieve decent growth in the developed world versus the much faster growth in emerging markets. The West is still living under the shadow of the Credit Crunch and its banks need to rebuild capital and cash and slow their rate of lending while Western consumers and governments need to spend and borrow less to sort out their own balance sheets.

During the year, the Eurozone crisis regularly came to the fore, having an impact on market sentiment on both sides of the Atlantic with banks back in focus as problems spread to peripheral countries.

2011 began with rising commodity prices and expectations of accelerating growth in developed markets. These were set against fears of overheating and tighter economic policy in the emerging regions. Equity markets were then hit by political waves of protest in the Middle East, and by the cruel tsunami in Japan. By the end of March, investors had decided rates were still low in the West, growth would continue, and the riots and revolts did not seem to be undermining Saudi itself in the heart of the oil fields. The markets grew to live with the smouldering nuclear problems of Japan and the UN/Libyan war which broke out.

The Sub-Fund has a combination of risk assets like equities and defensive assets such as corporate bond exchange traded funds (ETFs). During the period we shortened the duration of the bond holdings in anticipation of rising interest rates, once the authorities on both sides of the Atlantic start to normalise money markets after a long period of very low official interest rates and public purchasing of government bonds to keep yields down. The new shorter maturity bond funds which have been purchased should protect capital values better when interest rates go up, but still provide a useful yield. The equity exposure remains concentrated in our favoured overseas regions of Asia and emerging markets and also continues to provide exposure to global property. We took profits on Indian equities during the period since we believe the region has significant inflationary problems to overcome and the economy is already cooling. We added alternative assets including private equity because companies are raising money again for new and expanding ventures and emerging market infrastructure because we expect continued emphasis on infrastructure development as emerging economies grow.

Against this background, over the 12 months the Sub-Fund produced a return of +2.4%.

Looking ahead, we expect more difficulties in Euroland, with a Portuguese bail out likely to follow the Irish one. Although Germany has performed well recently, the peripheral Eurozone countries are in trouble. The policy mix of cutting spending, keeping the exchange rate high and raising taxes is not a winning combination. Generally, we recommend no exposure to western sovereign debt, other than very short term near cash investments. Although yields have risen from their lows, they still do not discount the very real problems ahead in state finances in the US and Europe. We expect to see the best of growth and market performance in the second quarter of 2011, with worries about global slowdown increasing later in the year as the US and the EU turn to a tighter monetary policy.

PFS PAN GROWTH FUND

Portfolio Statement

as at 31 March 2011

Holding	Security	Value (Note 1h) £'000	% of Total Net Assets 31.03.11
Investment Companies			
Alternatives			
8,472	DB X-Trackers LPX MM Private Equity ETF	185	2.45
24,060	iShares S&P Emerging Markets Infrastructure	370	4.91
		<u>555</u>	<u>7.36</u>
Asian Equities			
18,776	DB X-Trackers - FTSE China 25 ETF	380	5.04
2,962	DB X-Trackers - MSCI China TRN Index ETF	24	0.32
14,591	HSBC MSCI Japan ETF	213	2.83
4,170	iShares FTSE China 25 ETF	330	4.38
27,881	iShares MSCI AC Far East ex-Japan Fund	816	10.82
		<u>1,763</u>	<u>23.39</u>
Commodities			
14,727	iShares S&P Global Timber & Forestry Fund	185	2.45
Corporate Bonds			
737,192	AXA Sterling Credit Short Duration Bond Fund - INC	738	9.79
3,604	iShares Markit iBoxx £ Corporate Bond Fund 1-5 years	361	4.79
		<u>1,099</u>	<u>14.58</u>
Emerging Market Equities			
19,560	DB X-Trackers - MSCI Emerging Market TRN Index ETF	530	7.03
Property			
29,379	DB X-Trackers - FTSE Global Real Estate ETF	292	3.87
34,660	iShares FTSE EPRA/NAREIT Asia Property Yield Fund	529	7.02
23,827	iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	300	3.98
142,230	iShares FTSE EPRA/NAREIT UK Property Fund	587	7.79
		<u>1,708</u>	<u>22.66</u>
UK Equities			
74,561	DB X-Trackers - FTSE 100 ETF	454	6.02
US Equities			
777	CS ETF (IE) Nasdaq 100	60	0.80
47,406	iShares S&P 500 Index Fund	390	5.17
23,749	Lyxor ETF NASDAQ 100	139	1.84
2,094	S&P 500 Source ETF Index	273	3.62
		<u>862</u>	<u>11.43</u>
	Investment assets	7,156	94.92
	Net other assets	383	5.08
	Net assets	£7,539	100.00

Significant Portfolio Changes

for the period 8 March 2010 to 31 March 2011

Major purchases since launch	Cost £'000
iShares MSCI AC Far East ex-Japan Fund	1,091
iShares £ Corporate Bond ETF	878
DB X-Trackers - MSCI Emerging Market TRN Index ETF	853
AXA Sterling Credit Short Duration Bond Fund - INC	736
iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	599
Other purchases	6,332
Total purchases for the period (note 12)	£10,489

Major sales since launch	Proceeds £'000
iShares £ Corporate Bond ETF	844
DB X-Trackers - MSCI World TRN Index ETF	413
DB X-Trackers - MSCI Emerging Market TRN Index ETF	378
iShares FTSE EPRA/NAREIT Developed Markets Property Yield Fund	344
iShares MSCI AC Far East ex-Japan Fund	340
Other sales	1,326
Total sales for the period (note 12)	£3,645

Comparative Tables

Net Asset Values

As at 31 March	Net Asset Value (£'000)	No. of shares in issue	Net Asset Value (pence per share)
Class A Accumulation 2011	1,606	1,572,071	102.14
Class B Accumulation 2011	5,696	5,529,060	103.02
Class C Income 2011	80	76,207	104.41
Class D Accumulation 2011	157	155,600	100.79

Price and Revenue History

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

Year	Highest (pence)	Lowest (pence)	Net revenue per share (pence)
Class A Accumulation ^			
2010	103.43	89.63	0.0655
2011 ^^	104.68	96.85	0.5578
Class B Accumulation ^			
2010	104.27	89.95	0.3577
2011 ^^	105.53	97.79	0.8520
Class C Income ^			
2010	106.87	92.68	0.2867
2011 ^^	108.16	100.09	1.0284
Class D Accumulation ^			
2010	102.35	101.05	–
2011 ^^	103.60	95.75	0.1133

^ Launch dates: Class A Accumulation 23 March 2010, Class B Accumulation 8 March 2010, Class C Income 30 April 2010 and Class D Accumulation 20 December 2010.

^^ As at 31 March 2011.

Comparative Tables

continued

Total Expense Ratio

The Sub-Fund invests in Exchange Traded Funds and other investment schemes, the expenses incurred by these investments in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with direct expenses of the Sub-Fund.

Expense Type	31 March 2011 %
Class A Accumulation	
Investment Manager's charge	0.96
Other expenses	0.20
Synthetic TER	0.48
Total expense ratio	1.64
Class B Accumulation	
Investment Manager's charge	0.44
Other expenses	0.20
Synthetic TER	0.48
Total expense ratio	1.12
Class C Income	
Investment Manager's charge	0.43
Other expenses	0.20
Synthetic TER	0.48
Total expense ratio	1.11
Class D Accumulation	
Investment Manager's charge	0.41
Other expenses	0.20
Synthetic TER	0.48
Total expense ratio	1.09

Risk Warning

An investment in an investment company with variable capital 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.

As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.

Statement of Total Return

for the period 8 March 2010 to 31 March 2011

		08.03.10 – 31.03.11	
	Note	£'000	£'000
Income			
Net capital gains	2		316
Revenue	3	101	
Expenses	4	(35)	
Finance costs: Interest	6	–	
Net revenue before taxation		66	
Taxation	5	–	
Net revenue after taxation			66
Total return before distributions			382
Finance costs: Distributions	6		(66)
Change in net assets attributable to shareholders from investment activities			£316

Statement of Change in Net Assets Attributable to Shareholders

for the period 8 March 2010 to 31 March 2011

		08.03.10 – 31.03.11	
		£'000	£'000
Opening net assets attributable to shareholders			–
Amounts receivable on issue of shares		7,447	
Less: Amounts payable on cancellation of shares		(295)	
			7,152
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			316
Retained distribution on Accumulation shares			71
Closing net assets attributable to shareholders			£7,539

PFS PAN GROWTH FUND

Balance Sheet

as at 31 March 2011

		31.03.11	
	Note	£'000	£'000
ASSETS			
Investment assets			7,156
Debtors	7	121	
Bank balances		643	
Total other assets		<u>764</u>	764
Total assets			<u>7,920</u>
LIABILITIES			
Creditors	8	(380)	
Distribution payable on Income shares		(1)	
Total other liabilities		<u>(381)</u>	(381)
Net assets attributable to shareholders			<u><u>£7,539</u></u>

Notes to the Financial Statements

for the period 8 March 2010 to 31 March 2011

1. Accounting Policies

The Sub-Fund's financial statements have been prepared on the same basis as the Aggregated Financial Statements on page 8.

2. Net Capital Gains

	08.03.10 – 31.03.11
	£'000
Non-derivative securities	312
Currency losses	(1)
Forward foreign exchange contracts gains	16
Transaction charges	(11)
	<hr/>
Net capital gains	£316
	<hr/> <hr/>

3. Revenue

	08.03.10 – 31.03.11
	£'000
UK dividends	101
	<hr/>
Total revenue	£101
	<hr/> <hr/>

Notes to the Financial Statements

continued

4. Expenses

08.03.10 – 31.03.11

£'000

Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:

ACD's fee	26
Registration fees	5
	<hr/>
	31
	<hr/>

Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:

Investment Manager's fee	26
	<hr/>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fee (including VAT)	9
Safe custody and other bank charges	2
	<hr/>
	11
	<hr/>

Other expenses:

Audit fee (including VAT)	6
FSA fee	1
	<hr/>
	7
	<hr/>

Expense rebate^

(40)

Total expenses

£35

^ Where total expenses, excluding the Investment Manager's fee exceed 0.2% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Manager rebates the total of said expenses to 0.2% of the NAV. The Investment Manager will review the percentage rebate on expenses each year.

Notes to the Financial Statements

continued

5. Taxation

08.03.10 – 31.03.11
£'000

(a) Analysis of charge in the period

Current tax charge (note 5b)

–

Total tax charge

£–

(b) Factors affecting current tax charge for the period

Net revenue before taxation

66

Corporation tax at 20%

13

Effects of:

Non-taxable dividends

(20)

Surplus management expenses

7

Current tax charge (note 5a)

£–

(c) Deferred Tax

At the year end there is a potential deferred tax asset of £6,979 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

Notes to the Financial Statements

continued

6. Finance Costs

08.03.10 – 31.03.11
£'000

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

Distributions

Interim	15
Final	57
	<hr/>
	72
Revenue deducted on cancellation of shares	1
Revenue received on issue of shares	(7)
	<hr/>
Finance costs: Distributions	66
	<hr/>
Finance costs: Interest	–
	<hr/>
Total finance costs	£66
	<hr/> <hr/>

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per statement of total return	66
	<hr/>
Finance costs: Distributions	£66
	<hr/> <hr/>

7. Debtors

31.03.11
£'000

Amounts receivable for creation of shares	79
UK dividends	2
Expense rebate	40
	<hr/>
Total debtors	£121
	<hr/> <hr/>

Notes to the Financial Statements

continued

8. Creditors	31.03.11
	£'000
Purchases awaiting settlement	361
Accrued expenses:	
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:	
ACD's fee	3
Registration fee	1
	<hr/> 4
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:	
Investment Manager's fee	7
	<hr/>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	1
	<hr/>
Other expenses:	
FSA fee	1
Audit fee	6
	<hr/> 7
	<hr/>
Total creditors	£380
	<hr/> <hr/>

9. Related Party Transactions

Details relating to the Sub-Fund are shown in note 9 of the Aggregated Notes to the Financial Statements on page 15.

10. Contingent Liabilities and Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

Notes to the Financial Statements

continued

11. Derivatives and other Financial Instruments

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 15.

Numerical disclosures relating to the Sub-Fund are as follows:

Currency risk

The table below shows the currency risk profile at the balance sheet date:

31.03.11

Currency	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	–	139	139
Sterling	381	6,744	7,125
US dollar	2	273	275
	<u>£383</u>	<u>£7,156</u>	<u>£7,539</u>

Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

31.03.11

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	–	–	139	139
Sterling	643	–	6,863	7,506
US dollar	–	–	275	275
	<u>£643</u>	<u>£–</u>	<u>£7,277</u>	<u>£7,920</u>

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	381	381
	<u>£–</u>	<u>£381</u>	<u>£381</u>

Notes to the Financial Statements

continued

12. Portfolio Transaction Costs

08.03.10 – 31.03.11
£'000

Analysis of purchases	
Purchases before transaction costs	10,480
Transaction costs:	
Commissions	9
Total purchase cost	£10,489
Analysis of sales	
Sales before transaction costs	3,649
Transaction costs:	
Commissions	(4)
Net sales proceeds	£3,645

Distribution Table

for the period 8 March 2010 to 31 March 2011

Interim

Distribution paid 30 November 2010

Class	Shares	Net	Equalisation	Distribution
A Accumulation	Group 1	0.0655		0.0655
	Group 2	0.0623	0.0032	0.0655
B Accumulation	Group 1	0.3577		0.3577
	Group 2	0.3511	0.0066	0.3577
C Income	Group 1	0.2867		0.2867
	Group 2	0.2867	0.0000	0.2867

Further information

Group 1 – Shares purchased prior to 8 March 2010

Group 2 – Shares purchased on or after 8 March 2010 to 30 September 2010

Final

Distribution payable 31 May 2011

Class	Shares	Net	Equalisation	Distribution
A Accumulation	Group 1	0.5578		0.5578
	Group 2	0.4706	0.0872	0.5578
B Accumulation	Group 1	0.8520		0.8520
	Group 2	0.5221	0.3299	0.8520
C Income	Group 1	1.0284		1.0284
	Group 2	0.2494	0.7790	1.0284
D Accumulation	Group 1	0.1133		0.1133
	Group 2	0.1124	0.0009	0.1133

Further information

Group 1 – Shares purchased prior to 1 October 2010

Group 2 – Shares purchased on or after 1 October 2010 to 31 March 2011

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the 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

PFS Pan Dynamic Fund (the “Company”) is incorporated in England and Wales as an ICVC under registration number IC000813. The shareholders are not liable for the debts of the Company.

The Company is authorised by the FSA as a UCITS Scheme under the COLL Sourcebook and is an umbrella company for the purposes of the OEIC Regulations with each Fund being a UCITS Scheme. The effective date of the authorisation order made by the FSA was 17 February 2010.

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.

Structure of the Company

Evercore Asset Management Limited is structured as an umbrella company. Provision exists for an unlimited number of Sub-Funds, and at the date of this report, the Sub-Funds launched within the OEIC are shown below:

PanAGGRESSIVE Fund
PanBALANCED Fund
PanDEFENSIVE Fund
PanGROWTH Fund

Classes of Shares

The Instrument of Incorporation allows each Sub-Fund to issue gross Income and gross Accumulation shares as well as net Income and net Accumulation shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each distribution period.

Valuation Point

The scheme property of each Sub-Fund will normally be valued at 12:00 noon 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 Sub-Fund at any time if it considers it desirable to do so, with the Depositary's approval.

General Information

continues

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 10728, Chelmsford, Essex, CM1 9PT

Or by telephone to:

0845 308 1456

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 Sub-Fund which represents the net asset value of the Sub-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 and in the Financial Times. 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 free of charge 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 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.

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Phoenix Fund Services (UK) Ltd.

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