

PFS PRODIGY ASIA EMERGING MARKETS FUND

Annual report 30 June 2011 (Audited)

PFS PRODIGY ASIA EMERGING MARKETS FUND

Contents	Page
Directory	1
Investment Objective and Policy	2
Investment Adviser's Report	3
Portfolio Statement	4
Statement of Authorised Corporate Directors Responsibilities	7
Certification of Accounts by the Authorised Corporate Director	7
Statement of the Depositary's Responsibilities and Report	8
Independent Auditor's Report to the Shareholders of the Fund	9
Comparative Tables	11
Statement of Total Return	12
Statement of Change in Net Assets Attributable to Shareholders	12
Balance Sheet	13
Notes to the Financial Statements	14
Distribution Table	28
General Information	29

Directory

Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Limited
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 01245 398950
Fax: 01245 398951
(Authorised and regulated by the Financial Services Authority)

Customer Service Centre

PO Box 10530, Chelmsford, Essex, CM1 9NR
Telephone: 0845 026 4285
Fax: 0845 280 2423
E-mail: prodigy@phoenixfundservices.com
(Authorised and regulated by the Financial Services Authority)

Directors of the ACD

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

Investment Advisers

Prodigy Capital Partners LLP
54 Marshall Street, London
W1F 9BH
(Authorised and regulated by the Financial Services Authority)

Fund Manager

David Robinson

Depositary

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

Auditor

Shipleys LLP
Chartered Accountants & Statutory Auditors
10 Orange Street, Haymarket, London WC2H 7DQ

Investment Objective and Policy

Investment Objective

The investment objective of the Fund is to achieve absolute positive returns annually in all market conditions with risk managed in such a way that portfolio losses should be contained.

The Fund seeks to achieve its investment objective by following the investment strategy. There can be no assurance that the investment objective of the Fund will be achieved.

Investment Policy

The Fund's investment strategy is to invest in transferable securities mainly in Asian emerging markets. The Fund may invest in transferable securities that are listed in developed markets, such as for example the UK or USA or Australia, where the operations of the company are within Asian emerging markets, derivatives and forward transactions.

For the purposes of the above Investment Policy, "mainly" means that the Fund will normally seek to be invested as to at least 70% in Asian emerging market transferable securities.

The Fund seeks to reduce risk and volatility in the portfolio by:

- Spreading the investments across uncorrelated sector-related investment themes;
- Analysis of currency exposure and, where appropriate, use of currency hedges to reduce the potential for significant volatility in the Fund's Net Asset Value attributable to currency movements; and
- Applying a disciplined investment process including risk management policies and procedures, incorporating the use of hedging instruments, identification of low risk trade entry points and the application of stop losses.

Investment Adviser's Report

for the year from 1 July 2010 to 30 June 2011

The PFS Prodigy Asian Emerging Markets Fund rebounded in the first half of the year from June 2010 as policy measures to address the European debt crisis brought relief to equity markets globally and the Federal Reserve in the United States acted to support asset markets through a second program of quantitative easing. The Fund remained cautiously positioned in the early months of the reporting period but exposure increased late in August 2010, capturing the full upside in the ensuing months.

Some Asian emerging markets started to come under pressure from November 2010, as investors began to worry about inflation pressures and policy responses, particularly in China and India. These pressures continued in 2011 particularly after April when stresses reappeared in the European monetary system and investors in the US equity market started to fret about slowing growth and gridlock in Washington over plans to address fiscal deficits.

Throughout the reporting period, the investment manager has remained committed to core positions in higher quality, cash flow generative businesses focused on emerging markets and Asia. These include some US and European listed multinationals which can maintain or enhance market leadership and profitability during turbulent economic conditions. On the periphery of the portfolio the investment manager invested in several higher risk, high conviction stocks. These include junior gold mining stocks Avocet Mining and Kingsrose Mining and Sino Prosper State Gold. These positions have outperformed the overall portfolio, justifying their inclusion despite the higher risks associated with them.

Looking ahead, the investment manager foresees a recovery in equity markets from an extreme sell-off in August 2011, although trading is likely to remain volatile. After an extended period of under-performance, emerging market stocks are likely to enter a period of significant out-performance as monetary policy tools deployed to deal with inflationary threats are relaxed or even reversed. This is especially the case in China, where key inflation components such as food prices are either stabilising or falling. As before, the approach will be to buy high quality stocks on weakness.

PFS PRODIGY ASIA EMERGING MARKETS FUND

Portfolio Statement

as at 30 June 2011

Holding	Security	Value (Note 1g) £	% of Total Net Assets 2011
	Australia (0.00%)		
12,307	Equatorial Resources	18,876	1.85
33,833	Kingrose Mining	30,007	2.93
		<hr/>	<hr/>
		48,883	4.78
	China (4.56%)		
59,958	China Construction Bank 'H'	30,957	3.03
	Hong Kong (4.48%)		
22,001	Café de Coral	33,250	3.25
4,199	Cheung Kong	38,150	3.73
12,000	China Resources Enterprise	30,306	2.97
1,570,000	Sino Prosper State Gold Resources	33,304	3.26
1,960	Tencent	32,979	3.23
60,999	Want Want China	36,621	3.58
		<hr/>	<hr/>
		204,610	20.02
	Indonesia (6.28%)		
	Japan (0.00%)		
12,000	Toshiba	38,965	3.81
	Malaysia (2.67%)		
	Singapore (7.84%)		
30,001	Raffles Medical	35,619	3.48
4,001	Singapore Airlines	28,786	2.82
14,000	Singapore Technologies Engineering	21,310	2.09
		<hr/>	<hr/>
		85,715	8.39
	Switzerland (0.00%)		
241	Dufry	18,826	1.84
283	Sulzer	28,493	2.79
		<hr/>	<hr/>
		47,319	4.63

PFS PRODIGY ASIA EMERGING MARKETS FUND

Portfolio Statement

continued

Holding	Security	Value (Note 1g) £	% of Total Net Assets 2011
Thailand (5.13%)			
2,300	Banpu Public	33,292	3.26
246,500	Golden Land Property Development	16,990	1.66
13,900	KasikornBank Public Co (NVDR)	34,519	3.38
32,000	Sri Trang Agro Industry PCL	17,860	1.75
12,500	Sri Trang Agro Industry PCL-NVDR	6,589	0.64
		<hr/>	
		109,250	10.69
United Kingdom (5.07%)			
8,776	Avocet Mining	18,868	1.85
4,857	HSBC Holdings	30,007	2.93
2,484	Ocean Wilsons Holdings	33,907	3.32
1,824	Standard Chartered Contract for Difference	6,456	0.63
		<hr/>	
		89,238	8.73
United States (26.54%)			
899	Anheuser-Busch Cos InBev ADR's Contract for Difference	4,919	0.48
799	Coca Cola Co Contract for Difference	5,874	0.57
1,400	Corning Inc Contract for Difference	1,032	0.10
1,900	iShares iBoxx \$ Inv Grade Corp Bond Fund ETF	130,296	12.75
1,200	Jardine Matheson Holdings	42,604	4.17
2,029	Koninklijke Philips Electronics NY Reg Contract for Difference	(6,599)	(0.64)
152	Samsung Electronics 144A GDR's	36,620	3.58
1,749	Unilever NV Contract for Difference	2,455	0.24
		<hr/>	
		217,201	21.25

Portfolio Statement

continued

Holding	Security	Value (Note 1g) £	% of Total Net Assets 2011
	United States - Futures (1.06%)		
2	S&P 500 EMINI Index 17-Sep-11 Future	2,647	0.26
	Korea - Options (0.09%)		
	CAD Forward Currency Contracts (-0.23%)		
	CHF Forward Currency Contracts (0.17%)		
	KRW Forward Currency Contracts (-0.01%)		
	Investment assets (63.65%)	874,785	85.59
	Net other assets (36.35%)	147,336	14.41
	Net assets	1,022,121	100.00

All holdings are ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent % holdings as at 30 June 2010.

Statement of the Authorised Corporate Directors 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
R. Elliott
S.A. King
S D Mathieson

Directors
Phoenix Fund Services (UK) Limited
16 September 2011

Statement of the Depositary's Responsibilities

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 for the Year Ended 30 June 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 Fund.

BNY Mellon Trust & Depositary (UK) Limited

16 September 2011

Independent Auditor's report to the shareholders of PFS Prodigy Asia Emerging Markets Fund

We have audited the financial statements of the PFS Prodigy Asia Emerging Markets Fund for the period ended 30 June 2011, which comprise the statement of total return, the statement of change in net assets attributable to shareholders and the balance sheet 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 7, 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 Adviser'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 Auditor's report to the shareholders of PFS Prodigy Asia Emerging Markets Fund (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 30 June 2011 and of the net expense 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 Adviser's report for the financial period 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 & Statutory Auditors

16 September 2011

Comparative Tables

Net Asset Values

Share Class as at 30 June	Accumulation shares			
	Year	Net asset value £	No. of shares in issue	Net asset value £ per share
Class A	2010	2,238,490	236,525	9.46
	2011	159,789	13,322	11.99
Class I	2010	534,279	5,432	98.36
	2011	862,332	7,836	110.04

Price history & distribution record

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

Share Class as at 30 June	Accumulation shares			
	Year	Highest £	Lowest £	Net revenue per share
Class A	2009*	10.47	9.71	0.0000p
	2010	11.06	9.26	0.0000p
	2011	11.25	9.90	0.0000p
Class I	2010**	114.80	96.58	0.0000p
	2011	116.84	105.38	0.0000p

*From launch on 24 August 2009

** From launch on 16 February 2010

Total Expense Ratio

Share Class	Expense Type	30 June 2011 %	30 June 2010 %
Class A	Investment Adviser's charge	1.50	1.50
	Other expenses	1.89	3.82
	Total expense ratio	3.39	5.32
Class I	Investment Adviser's charge	1.00	1.00
	Other expenses	2.24	2.05
	Total expense ratio	3.24	3.05

The total expense ratio is annualised based on the fees incurred during the accounting year.

Risk Warning

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

Statement of Total Return

for the year ended 30 June 2011

	Note	01.07.10 to 30.06.11		24.08.09 to 30.06.10	
		£	£	£	£
Income					
Net capital gains / (losses)	2		344,038		(33,237)
Revenue	3	72,170		28,584	
Expenses	4	(110,420)		(105,538)	
Finance costs: interest	6	(22,319)		(19,259)	
Net expense before taxation		(60,569)		(96,213)	
Taxation	5	(6,596)		(2,895)	
Net expense after taxation			(67,165)		(99,108)
Total return before distributions			276,873		(132,345)
Change in net assets attributable to shareholders from investment activities			276,873		(132,345)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2011

	01.07.10 to 30.06.11		24.08.09 to 30.06.10	
	£	£	£	£
Opening net assets attributable to shareholders		2,772,769		–
Amounts receivable on issue of shares	546,362		3,054,659	
Less:				
Amounts payable on cancellation of shares	(2,581,686)		(149,545)	
		(2,035,324)		2,905,114
Dilution levy		7,803		–
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		276,873		(132,345)
Closing net assets attributable to unitholders		1,022,121		2,772,769

PFS PRODIGY ASIA EMERGING MARKETS FUND

Balance Sheet

as at 30 June 2011

	Note	30.06.11		30.06.10	
		£	£	£	£
ASSETS					
Investment assets			881,384		1,816,012
Debtors	7	3,726		297,229	
Bank balances		<u>282,692</u>		<u>2,026,951</u>	
Total other assets			286,418		2,324,180
Total assets			1,167,802		4,140,192
LIABILITIES					
Investment liabilities			(6,599)		(51,242)
Creditors	8	(22,094)		(1,273,098)	
Bank overdrafts		<u>(116,988)</u>		<u>(43,083)</u>	
Total other liabilities			(139,082)		(1,316,181)
Total liabilities			(145,681)		(1,367,423)
Net assets attributable to shareholders			1,022,121		2,772,769

Notes to the Financial Statements

for the year ended 30 June 2011

1. Accounting policies

(a) Basis of accounting

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

(b) Recognition of revenue

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

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

Revenue from unquoted securities are recognised when the entitlement to the dividend is established

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

Underwriting commission is taken to revenue and recognised when the issue takes place except where the fund is required to take up some or all of those shares underwritten, in which case the appropriate proportion is deducted from the cost of those shares.

(c) Treatment of stock and special dividends

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

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

(d) Treatment of expenses

All expenses, 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 Financial Statements

continued

(e) **Taxation**

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

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

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

(f) **Distribution policy**

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

(g) **Basis of valuation of investments**

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

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

(h) **Exchange rates**

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

(i) **Dilution levy**

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

Notes to the Financial Statements

continued

2. Net capital gains / (losses)	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£
Non-derivative securities	258,304	108,853
Derivative securities	(48,699)	(34,184)
Currency gains / (losses)	57,182	(123,996)
Forward foreign exchange contracts gains	82,696	22,704
Transaction charges	(5,445)	(6,614)
Net capital gains / (losses)	344,038	(33,237)

3. Revenue	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£
UK dividends: Ordinary	6,975	961
Overseas dividends	64,871	27,517
Bank interest	324	106
Total revenue	72,170	28,584

Notes to the Financial Statements

continued

4. Expenses	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	24,623	18,463
Registration fees	9,653	9,994
	<hr/> 34,276	<hr/> 28,457
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	38,695	28,933
Investment Adviser's performance fee	16,118	-
	<hr/> 54,813	<hr/> 28,933
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	8,818	6,977
Safe custody and other bank charges	1,550	1,156
	<hr/> 10,368	<hr/> 8,133
Other expenses:		
Audit fee (including VAT)	7,400	7,000
FSA fee	(370)	1,100
Legal fees	-	31,915
Printing costs	3,933	-
	<hr/> 10,963	<hr/> 40,015
Total expenses	<hr/> 110,420	<hr/> 105,538

Notes to the Financial Statements

continued

5. Taxation	01.07.10 to 30.06.11 £	24.08.09 to 30.06.10 £
(a) Analysis of charge in the year:		
Overseas tax	6,596	2,895
Current tax charge (note 5b)	6,596	2,895
(b) Factors affecting taxation charge for the year		
Net expense before taxation	(60,569)	(96,213)
Corporation tax at 20%	(12,114)	(19,243)
Effects of:		
UK dividends	(1,395)	(192)
Non-taxable overseas dividends	(12,974)	(5,503)
Excess management expenses	26,483	24,938
Overseas tax expensed	6,596	2,895
Current tax charge (note 5a)	6,596	2,895

(c) Deferred Tax

At the year end there is a potential deferred tax asset of £46,123 (2010: £20,320) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Finance costs	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£

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

Distributions

Final	–	–
Finance costs: interest	22,319	19,259
Total finance costs	£22,319	£19,259

7. Debtors	30.06.11	30.06.10
	£	£
Currency deals outstanding	–	292,375
Bank interest receivable	–	30
UK Dividends	607	–
Overseas dividends	2,748	4,782
Overseas tax recoverable	371	–
Prepaid expenses:		
Investment Adviser's fee	–	42
Total debtors	3,726	297,229

Notes to the Financial Statements

continued

8. Creditors	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£
Purchases awaiting settlement	-	954,539
Amounts payable on cancellations	-	9,662
Currency deals outstanding	-	290,919
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	2,014	1,890
Registration fee	2,493	2,840
	4,507	4,730
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	926	3,173
Investment Adviser's performance fee	6,532	-
	7,458	3,173
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	709	781
Bank interest payable	-	1,088
Safe custody and other bank charges	90	106
	799	1,975
Other expenses:		
Audit fee	7,200	7,000
FSA fee	730	-
Listing fee	-	1,100
Printing costs	1,400	-
	9,330	8,100
Total creditors	22,094	1,273,098

Notes to the 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.

Investment advisor fees payable to Prodigy Capital Partners LLP are disclosed in note 4 and amounts due at the period end are shown in note 8.

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

10. Contingent liabilities and commitments

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

11. Derivatives and other financial instruments

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

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

The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been applied throughout the year 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 Fund might suffer through holding market positions in the face of price movements. This means the value of an investors' holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Fund in the context of all their investments.

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

Notes to the Financial Statements

continued

11. Derivatives and other financial instruments (continued)

Currency risk

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

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

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

30.06.11

Currency	Monetary exposures £	Non-monetary exposures £	Total £
Australian dollar	1,050	48,882	49,932
Chinese Yuan	1,159	–	1,159
Euro	(1,569)	–	(1,569)
Hong Kong dollar	57,629	235,568	293,197
Korean won	(10,014)	–	(10,014)
Japanese yen	(8,001)	38,965	30,964
Singapore dollar	(2)	103,575	103,573
Sterling	154,656	89,237	243,893
Swiss franc	370	47,319	47,689
Thai baht	–	91,390	91,390
United States dollar	(47,942)	219,849	171,907
Total	147,336	874,785	1,022,121

Notes to the Financial Statements

continued

11. Derivatives and other financial instruments (continued)

30.06.10

Currency	Monetary exposures £	Non-monetary exposures £	Total £
Australian dollar	865	–	865
Canadian dollar	136,453	–	136,453
Chinese Yuan	2,687	–	2,687
Danish krona	12,432	–	12,432
Euro	(1,363)	–	(1,363)
Hong Kong dollar	21,815	250,647	272,462
Indonesian rupiah	1,145	174,142	175,287
Japanese yen	(15,122)	–	(15,122)
Korean won	21,765	2,489	24,254
Malaysian ringgit	–	74,163	74,163
Singapore dollar	(1,515)	217,212	215,697
Sterling	1,216,002	140,544	1,356,546
Swiss franc	143,214	–	143,214
Thai baht	–	142,318	142,318
United States dollar	(532,524)	765,400	232,876
Total	1,005,854	1,766,915	2,772,769

Interest rate risk

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

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

Notes to the Financial Statements

continued

11. Derivatives and other financial instruments (continued)

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

30.06.11

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Australian dollar	1,050	48,882	49,932
Chinese Yuan	–	1,159	1,159
Hong Kong dollar	57,628	235,568	293,196
Japanese yen	–	38,965	38,965
Singapore dollar	–	104,582	104,582
Sterling	194,944	89,237	284,181
Swiss franc	–	47,690	47,690
Thai baht	–	91,390	91,390
United States dollar	29,070	227,637	256,707
Total	282,692	885,110	1,167,802

Currency	Floating rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	(1,569)	–	(1,569)
Korean won	(10,014)	–	(10,014)
Japanese yen	(8,001)	–	(8,001)
Singapore dollar	(1,009)	–	(1,009)
Sterling	(18,195)	(22,094)	(40,289)
United States dollar	(78,200)	(6,599)	(84,799)
Total	(116,988)	(28,693)	(145,681)

Notes to the Financial Statements

continued

11. Derivatives and other financial instruments (continued)

30.06.10

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Australian dollar	865	–	865
Chinese Yuan	–	2,687	2,687
Danish krona	12,432	–	12,432
Hong Kong dollar	21,319	251,968	273,287
Indonesian rupiah	–	255,744	255,744
Korean won	–	2,489	2,489
Malaysian ringgit	–	95,178	95,178
Singapore dollar	–	302,392	302,392
Sterling	1,890,156	20,108	1,910,264
Swiss franc	–	143,214	143,214
Thai baht	–	188,090	188,090
United States dollar	102,180	851,370	953,550
Total	2,026,952	2,113,240	4,140,192

Currency	Floating rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Canadian dollar	–	136,453	136,453
Euro	(1,363)	–	(1,363)
Hong Kong dollar	–	(824)	(824)
Indonesian rupiah	–	(80,457)	(80,457)
Japanese yen	(15,122)	–	(15,122)
Korean won	(25,084)	46,849	21,765
Malaysian ringgit	–	(21,015)	(21,015)
Singapore dollar	(1,515)	(85,180)	(86,695)
Sterling	–	(553,718)	(553,718)
Thai baht	–	(45,772)	(45,772)
United States dollar	–	(720,675)	(720,675)
Total	(43,084)	(1,324,339)	(1,367,423)

Notes to the 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 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 Fund has fulfilled its responsibilities, which could result in the Fund suffering a loss. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

Liquidity risk

Liquidity risk is the risk that a Fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised. Recent market issues following the credit crunch resulted in a significant reduction in liquidity of the bond markets and FRN markets in particular.

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

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

Counterparty risk

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

Notes to the Financial Statements

continued

11. Derivatives and other financial instruments (continued)

Derivatives

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

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

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

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

Fair value of financial assets and liabilities

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

12. Portfolio transaction costs	01.07.10 to 30.06.11	24.08.09 to 30.06.10
	£	£
Analysis of purchases		
Purchases before transaction costs	3,257,411	6,969,070
Transaction costs:		
Commissions	4,359	1,971
Stamp duty and other charges	1,166	1,283
	<u>5,525</u>	<u>3,254</u>
Total purchase cost	<u>3,262,936</u>	<u>6,972,324</u>
Analysis of sales		
Sales before transaction costs	4,365,505	5,302,919
Transaction costs:		
Commissions	(6,138)	(1,639)
Other charges	(2,089)	(1,310)
	<u>(8,227)</u>	<u>(2,949)</u>
Net sales proceeds	<u>4,357,278</u>	<u>5,299,970</u>

Distribution Table

for the year ended 30 June 2011

Accumulation Share Distribution

Final allocated 31 August 2011

Class	Shares	Net income			Distribution 2010
		Net	Equalisation	Distribution 2011	
Class A	Group 1	-	-	-	-
	Group 2	-	-	-	-
Class I	Group 1	-	-	-	-
	Group 2	-	-	-	-

General information

Authorised Status

PFS Prodigy Capital Partners Fund (the “Company”) is structured as an Investment Company with Variable Capital (‘ICVC’) and is classified as a ‘UCITS’ and an ‘Umbrella company’. The Company was incorporated in England on 5 August 2009 under registered number IC000759. The Company is authorised and regulated in the UK by the Financial Services Authority (‘FSA’), 25 The North Colonnade, Canary Wharf, London E14 5HS, UK.

The Company currently has one Sub-Fund, PFS Prodigy Asia Emerging Markets Fund (the “Fund”). The base currency of the Fund is sterling.

All Shares issued are denominated in pounds sterling.

Shareholders are not liable for the debts of the Fund. Shareholders are not liable to make any further payment after they have paid the price on the purchase of Shares.

Investment Policy

The investment objective of the Fund is to achieve absolute positive returns annually in all market conditions with risk managed in such a way that portfolio losses should be contained.

The Fund seeks to achieve its investment objective by following the investment strategy. There can be no assurance that the investment objective of the Fund will be achieved.

The Fund’s investment strategy is to invest in transferable securities mainly in Asian emerging markets. The Fund may invest in transferable securities that are listed in developed markets, such as for example the UK or USA or Australia, where the operations of the company are within Asian emerging markets, derivatives and forward transactions. For the purposes of the above Investment Policy, “mainly” means that the Fund will normally seek to be invested as to at least 70% in Asian emerging market transferable securities.

Valuation of the fund

The Net Asset Value per Share of a Fund is currently calculated at 12.00 noon on each Dealing Day (the Valuation Point). Subject to the FSA Regulations the Manager may at any time carry out an additional valuation if the Manager considers it desirable to do so. Where a Fund is invested in stocks or markets which are closed at the time of the fund valuation, there is a risk that the quoted prices of those stocks may be out of date and unreliable. In accordance with the FSA regulations, the Manager may make adjustments to the value of any investments which may be materially impacted by out of date prices through a technique known as fair value pricing.

Shares

The Fund has two types of Shares, Class A and Class I Shares available for purchase.

General information

continued

Buying and selling units

Shares in the Company can be bought, sold or switched on any dealing day, meaning Monday to Friday excluding UK public and bank holidays and any day on which the London Stock Exchange plc is not open for the normal full duration of its trading hours ('Dealing Day').

Buying, selling and switch requests should be made by sending a completed application form to the Manager at Phoenix Fund Services (UK) Ltd, PO Box 10530, Chelmsford, Essex CM1 9NR, United Kingdom. The relevant application forms are available from the Manager's website: www.phoenixfundservices.com. Alternatively, requests to buy, sell or switch shares may be made by telephone free of charge on 0845 026485 or by Fax on 0845 2802423. (Requests to buy shares by telephone or fax will only be accepted from investors who can confirm that they have received the relevant Simplified Prospectus pre-sale.)

The Manager has the right to reject, in whole or in part, any application to buy shares without providing an explanation.

In the case of switches between share classes, the Manager will not apply a switching fee. If such a Switching Fee is introduced in the future, the switching fee will be payable to the Manager and a period of 60 days notice will be given to all shareholders.

The Manager reserves the right to refuse a request to sell or switch shares if the value of sale or switch would result in the investor holding less than the minimum holding in any class, which is currently £20,000 for Class A Shares and £2,000,000 for Class I Shares. The investor may be required to sell or switch his/her entire holding.

A shareholder who switches between sub-funds or share classes of the Company will not be given a right by law to withdraw from or cancel the transaction.

All profits and/or losses which the Manager makes when acting as principal in connection with the sale and repurchase of Shares will be retained by the Manager.

The Manager is under no obligation to account to the Shareholders (or any of them) for any profits made by the Manager on the issue of Shares in a Fund or on the re-issue or cancellation of Shares previously redeemed by the Manager.

General information

continued

Dealing Charges

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price. A SDRT provision may also be levied in addition to the price on the purchase or redemption of Shares.

In order to protect the value of shares for existing investors in the Fund, the Manager may make a dilution adjustment on the issue and/or redemption of shares in the Fund. A dilution adjustment is an adjustment to the share prices. This is intended to cover the costs and taxes associated with dealing.

The Manager may impose a charge on the purchase of Shares. The current initial charge for both Class A and Class I Shares of the Fund is 4%. The initial charge is a percentage of the gross subscription amount from a potential Shareholder.

No redemption charge is currently imposed.

Prices

The most recent prices of Shares are currently available on the Manager's website: www.phoenixfundservices.com or www.investmentuk.org or by calling the Manager's Contract Centre on 0845 0264285 and/or Fax No: 0845 2802423.

Other Information

The Instrument of Incorporation, the most recent version of the Prospectus and the Simplified Prospectus, the most recent long and short annual and half yearly reports of the Fund may be inspected free of charge during normal business hours on any business day at the offices of the ACD. Shareholders may obtain copies of the above documents from the ACD.

Complaints concerning the operation or marketing of the Fund may be referred to the Compliance Officer at Phoenix Fund Services (UK) Ltd, Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW or if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

The Fund should be regarded as a longer-term investment and investors should be aware that the value of their shares and the income from them can go down as well as up.

Distributions and reports

An annual and interim report and accounts will be prepared in respect of the Fund each year. The annual long reports will be made available and published up to four months after the annual accounting date of the Fund and interim long reports will be made available and published up to two months following the interim accounting date of the Fund. The short reports will be sent to Shareholders up to four months after the annual accounting date of the Fund and up to two months following the interim accounting date of the Fund.

The Fund accumulates income on the last day of February and 31 August each year.



Phoenix Fund Services (UK) Ltd.

Registered in England No 6252939. Authorised and regulated by the Financial Services Authority.