PHOENIX Fund Services

PFS Taube Global Fund

Short Report 31 December 2011

Investment Objective and Policy

The objective of the Company is to produce long-term capital growth.

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

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

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

Investment Manager's Report

for the year from 1 January 2011 to 31 December 2011

First quarter

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

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

Second quarter

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

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

We continue to focus on themes that have served us well. "Energy in safe places" contributed strongly to performance through El Paso Energy, while "dividend paying companies with

Investment Manager's Report
continued

dividend growth" has become widely recognized as a core reason to own equities. The underlying companies are in good shape, with restored liquidity and margins enabling dividend increases and share buy-backs.

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

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

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

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

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

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

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

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

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

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

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

Chandos Gore Langton
Nils Taube Investments Limited
29 February 2012

Fund Facts

Accounting and distribution dates

	Accounting	Distribution
Final	31 December	5 April
Interim	30 June	N/A

Fund performance

Share Class	Net asset value as at 31.12.11 (pence per share)	Net asset value as at 31.12.10 (pence per share)	Net asset value % change
Class A Accumulation	113.44	116.99	(3.03)

The performance of the Fund is based on the net asset value per Accumulation Share.

Net asset values

Year as at 31 December	Income Shares			Accumulation Shares		
	Net asset value (£)	Number of shares in issue	Net asset value (pence per share)	Net asset value (£)	Number of shares in issue	Net asset value (pence per share)
2009	5,211,935	4,707,622	110.71	13,461,679	11,833,983	113.75
2010	5,702,781	5,016,974	113.67	14,682,810	12,550,885	116.99
2011	4,827,729	4,422,932	109.15	13,650,381	12,032,653	113.44

Price history & distribution record

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

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

* Launched 2 April 2007 at 100.00p

Total expense ratios

Expense type	31 December 2011 %
Investment Manager's charge	1.50
Other expenses	0.49
Total expense ratio	**1.99**

Expense type	31 December 2010 %
Investment Manager's charge	1.50
Other expenses	0.31
Total expense ratio	**1.81**

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 received 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.

Geographical spread of investments

31 December 2011

Far East (including Japan)	21.21%
North American	20.50%
United Kingdom	16.33%
Rest of the World	11.62%
Europe	11.24%
Derivatives	(0.80%)
Net other assets	19.90%

31 December 2010

Far East (including Japan)	24.91%
United Kingdom	20.24%
North American	18.64%
Europe	14.06%
Rest of the World	9.14%
Derivatives	1.11%
Net other assets	11.90%

Fund Facts

continued

Major holdings

The top ten holdings at the end of each year are shown below

Holding	% of Fund as at 31.12.11
El Paso Energy	7.86
Royal Dutch Shell 'B'	4.98
Bridgestone	4.65
W.R Berkley	4.49
SembCorp Industries	4.35
YPF Sociedad Anonima ADR	4.10
Tokyo Electron	3.72
Eutelsat Communications	3.58
National Australia Bank	3.54
Sainsbury (J)	3.43

Holding	% of Fund as at 31.12.10
SembCorp Industries	5.03
Petrominerales	4.71
Diageo	4.53
Tokyo Electron	4.17
Royal Dutch Shell 'B'	3.89
El Paso Energy	3.66
Toyota Motor	3.55
Woodside Petroleum	3.55
BAE Systems	3.40
Admiral	3.34

General Information

Authorised Status and Structure of the Company

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

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

Buying and selling units

The ACD will accept orders for the purchase and sale of shares on normal business days between 8.30am and 4.30pm. Instructions to buy or sell shares may either be in writing to: PO Box 10529, Chelmsford, Essex CM1 9NQ or by telephone on 0845 026 4284.

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

Report and accounts

This document is a short report of PFS Taube Global Fund for the period ended 31 December 2011. The full Report and Accounts for the Fund are available upon written request to Phoenix Fund Services (UK) Ltd, PO Box 10529, Chelmsford, Essex CM1 9NQ.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Risk Profile

The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objectives.

PHOENIX
Fund Services

Directory

Authorised Corporate Director & Registrar

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

Customer Service Centre

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

Directors of the ACD

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

Investment Advisers

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

Depositary

BNY Mellon Trust and 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

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