

# PFS TAUBE GLOBAL FUND

Interim short report 30 June 2011 (Unaudited)

## Directory

### Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Limited  
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### Customer Service Centre

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(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

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

### Fund Manager

Chandos Gore Langton

### Depository

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

### Auditor

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

## Investment Manager's Report

for the half year from 01 January 2011 to 30 June 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.

### Q1

Despite a nearly continual flow of potentially negative news in the first quarter, equity markets ended March 2011 on a strong note. 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 continued to struggle with the lingering sovereign debt crisis, while in the US the Federal Reserve 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; the effects of this are already being seen – Germany's Association of Energy and Water Industries have said (in early April) that 'the technology should be phased out by 2020'. As a further consequence it is likely that 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 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 in the first quarter included agriculture, water and real estate, with a continued focus on investment in companies that are able to grow their dividends. While we do not think a recession is 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.

## Investment Manager's Report

continued

### Q2

The patching-up of Greece's finances by the EU (albeit on what is certain to be a temporary basis) meant that global equity markets ended the second quarter on a strong note. 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). The European holiday season is now in full swing, and with the emergence of Germany to write apparently unlimited cheques, we anticipate that Euro worries will abate – for now.

Raising its ugly head as the Eurozone crisis plays out is the threat of a debt crisis in the US. A resolution to these worries is expected in early August, albeit a temporary one. It should be borne in mind that the presidential election is 15 months away and promises to be a lively campaign.

### Summary

Bearing all this in mind, we continue to focus on themes that have served us well. 'Energy in safe places' contributed strongly to performance through El Paso Energy Corp, while 'dividend paying companies with dividend growth' has become widely recognized as a core reason to own equities.

We also wish to highlight the fact that Lipper has rated 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, June 2011).

### Investment Returns

Year to date return for the PFS Taube Global Fund is +3.3%, and the Top 5 contributors to this return were El Paso Energy (+138 bps), Fresenius Medical Care (+82 bps), Bridgestone (+81 bps), Lynas Corp (+50 bps) and Starpharma (+44 bps).

## Fund Facts

### Accounting & Distribution Dates

	Accounting	Distribution
Final	31 December	30 April
Interim	30 June	31 August

### Fund Size

Year	Income Shares			Accumulation Shares		
	Net Asset Value £	No. of shares in issue	Net Asset Value (pence per share)	Net Asset Value £	No. of shares in issue	Net Asset Value (pence per share)
31.12.08	4,091,051	4,301,841	95.10	14,902,404	15,487,845	96.22
31.12.09	5,211,935	4,707,622	110.71	13,461,679	11,833,983	113.75
31.12.10	5,702,781	5,016,974	113.67	14,682,810	12,550,885	116.99
30.06.11	5,432,668	4,646,329	116.92	14,872,340	12,306,637	120.85

### Performance Record

	Performance to 30 June 2011 (%)		
	6 Months	1 Year	Launch
Accumulation units	3.29	13.24	20.85

Source: Phoenix Fund Services (UK) Limited, net total return.

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

### Price History

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.

Year	Income Shares		Accumulation Shares	
	Highest (pence)	Lowest (pence)	Highest (pence)	Lowest (pence)
2007*	109.70	96.74	109.70	96.74
2008	106.30	83.00	107.50	83.97
2009	112.95	84.88	115.76	87.00
2010	117.95	103.01	121.19	105.84
2011**	119.53	110.04	122.81	113.06

\* Launched 2 April 2007 at 100.00p

\*\* As at 30 June 2011

## Fund Facts (continued)

### Distribution Record

Year	Income Shares	Accumulation Shares
	Net revenue per share (pence)	Net revenue per share (pence)
2007*	1.1950	1.1950
2008	1.2990	1.3140
2009	1.0160	1.0412
2010	0.6740	0.6925
2011**	–	–

\* From 2 April 2007

\*\* As at 30 June 2011

### Total Expense Ratio

Expense Type	30 June 2011 %	31 December 2010 %
Investment Manager's charge	1.50	1.50
Other expenses	0.28	0.31
<b>Total expense ratio</b>	<b>1.78</b>	<b>1.81</b>

The total expense ratio is the ratio of the Funds annualised operating costs to its average net assets of the Fund.

### 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.

**Fund Facts**

continued

**Geographical spread of investments at 30 June 2011**

United Kingdom	13.04%	(20.24%)
North America	18.05%	(18.64%)
Europe	19.32%	(14.06%)
Far East (including Japan)	21.29%	(24.91%)
Rest of the World	10.96%	(9.14%)
Derivatives	0.16%	(1.11%)
Net other assets	17.18%	(11.90%)

The figures in brackets show allocations as at 31 December 2010.

**Major Holdings**

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

<b>Holding</b>	<b>% of Fund as at 30.06.11</b>	<b>Holding</b>	<b>% of Fund as at 31.12.10</b>
El Paso Energy	5.26	SembCorp Industries	5.03
SembCorp Industries	4.99	Petrominerales	4.71
Anheuser-Busch Inbev	4.67	Diageo	4.53
Fresenius Medical Care	4.16	Tokyo Electron	4.17
Bridgestone	4.14	Royal Dutch Shell 'B'	3.89
Royal Dutch Shell 'B'	4.10	El Paso Energy	3.66
W.R Berkley	3.73	Toyota Motor	3.55
Admiral	3.68	Woodside Petroleum	3.55
Eutelsat Communications	3.62	BAE Systems	3.40
National Australia Bank	3.57	Admiral	3.35

## General Information

### Buying and selling shares

The dealing office of the ACD is open from 8.30 a.m. until 4.30p.m. on each Dealing Day to receive requests for the purchase or redemption of Shares. Shares can be bought either by sending a completed application form to the ACD at PO Box 10529, Chelmsford, Essex CM1 9NQ, or by telephoning the ACD on 0845 026 4284 Fax 0845 280 2419. Requests to redeem Shares may be in writing to the ACD at PO Box 10529, Chelmsford, Essex CM1 9NQ, or by telephone on 0845 026 4284 Fax 0845 280 2419. Shares will be issued or redeemed at a price calculated by reference to the next Valuation Point following receipt of the application.

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 the PFS Taube Global Fund for the period ended 30 June 2011. The full Report and Accounts for the Fund is available free of charge upon written request to Phoenix Fund Services (UK) Limited, 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.



Phoenix Fund Services (UK) Ltd.

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