



Investment Objective and Policy

for the period from 01 July 2011 to 31 December 2011

Investment Objective

The investment objective of the Fund is to achieve absolute 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 also 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 period from 01 July 2011 to 31 December 2011

The Fund held its value well in the turmoil in the second half of 2011. The Manager had taken defensive action to de-risk the portfolio before the markets started to correct, mainly by reducing holdings in more volatile and less developed markets in the region particularly Indonesia, Thailand, the Philippines and Malaysia. The remaining stocks in the portfolio were focused on higher growth consumer markets. The stock selection disciplines place an emphasis on cash flow generating ability and the ability to defend market position, in addition to strong governance. These qualities served investors well, with many stocks

actually appreciating during the correction. As we look ahead to 2012 we see a far more benign environment for emerging markets and Asia in particular that the difficult conditions in late 2011. The key factor is an easing of inflation pressures, especially in China, and a subtle shift in policy towards stimulus to induce growth and a relaxation the toughest inflation fighting measures. We have been adding to exposure during the last two months of 2011 and expect to add further on corrections. Our core themes and the stocks we like have not changed.

Summary of Material Portfolio Changes

Purchases	Cost £	Sales	Proceeds £
First Pacific	27,587	iShares iBoxx \$ Inv Grade Corp Bond Fund ETF	81,261
Kalbe Farma	27,316	Golden Land Property Development	22,853
Unilever	19,994	Dufry	14,636
Coca Cola	19,940	Sri Trang Agro-Industry PCL	12,594
Equatorial Resources	6,015	Coca Cola Co Contract for Difference	5,521

Fund facts

Accounting and distribution dates

	Accounting	Distribution Pay date
Final	30 June	31 August
Interim	31 December	29 February

Fund performance

Class	Net asset value at 31.12.11 (pounds per unit)	Net asset value at 30.06.11 (pounds per unit)	Net asset value % change
Class A Accumulation	8.80	11.99	(26.60)
Class I Accumulation	92.93	110.04	(15.55)

Net asset values

Year as at 30 June	Accumulation units		
	Net asset value (£)	No. of units in issue	Net asset value (pence per unit)
Class A			
2010	2,238,490	236,525	9.46
2011	159,789	13,322	11.99
2011*	170,594	19,395	8.80
Class I			
2010	534,279	5,432	98.36
2011	862,332	7,836	110.04
2011*	639,370	6,880	92.93

* as at 31 December 2011.

Price history & distribution record

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

Year	Accumulation shares		
	Highest (pence)	Lowest (pence)	Net revenue per share
Class A*			
2009	10.47	9.71	0.0000p
2010	11.06	9.26	0.0000p
2011	11.25	8.74	0.0000p
Class I**			
2010	114.80	96.58	0.0000p
2011	116.84	92.34	0.0000p

* From launch on 24 August 2009

** From launch on 16 February 2010

Total expense ratios

Expense type	31 December 2011* %
Class A	
Investment Adviser's charge	1.50
Other expenses	6.40
Total expense ratio	7.90
Class I	
Investment Adviser's charge	1.00
Other expenses	6.40
Total expense ratio	7.40

Expense type	30 June 2011 %
Investment Adviser's charge	1.50
Other expenses	1.89
Total expense ratio	3.39
Investment Adviser's charge	1.00
Other expenses	2.24
Total expense ratio	3.24

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

Risk warning

An investment in an Investment Company with 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.

Fund facts

continued

Sector spread of investments at 31.12.11	%	Sector spread of investments at 30.06.11	%
Hong Kong	24.16	United States	21.25
United States	19.12	Hong Kong	20.02
United Kingdom	10.65	Thailand	10.69
Singapore	8.67	United Kingdom	8.73
Thailand	7.97	Singapore	8.39
Australia	6.05	Australia	4.78
Japan	3.88	Switzerland	4.63
China	3.31	Japan	3.81
Indonesia	3.29	China	3.03
Switzerland	2.41	Futures	0.26
Net other assets	10.49	Net other assets	14.41

Major holdings

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

Holding	% of fund as at 31.12.11	Holding	% of fund as at 30.06.11
iShares iBoxx \$ Inv Grade Corp Bond Fund ETF	6.50	iShares iBoxx \$ Inv Grade Corp Bond Fund ETF	12.75
Samsung Electronics 144A GDR's	5.53	Jardine Matheson	4.17
Want Want China	4.82	Toshiba	3.81
Jardine Matheson	4.48	Cheung Kong	3.73
KasikornBank Public Co (NVDR)	4.25	Want Want China	3.58
Café de Coral	4.00	Samsung Electronics 144A GDR's	3.58
Cheung Kong	3.96	Raffles Medical	3.48
Kingrose Mining	3.89	KasikornBank Public Co (NVDR)	3.38
Raffles Medical	3.88	Ocean Wilsons	3.32
Toshiba	3.88	Sino Prosper State Gold Resources	3.26

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.

Buying and selling 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 10530, Chelmsford, Essex, CM1 9NR Or by telephone on 0845 026 4285.

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

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

Report and accounts

This document is a short report of PFS Prodigy Asia Emerging Markets Fund for the period ended 31 December 2011. The full Report and Accounts for the Fund is available free of charge upon written request to Phoenix Fund Services (UK) Ltd, PO Box 10530, Chelmsford, Essex CM1 9NR

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.

Directory

Authorised Corporate Director & Registrar

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Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
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(Authorised and regulated by the Financial Services Authority)

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Directors of the Authorised Corporate Director

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

Investment adviser

Prodigy Capital Partners LLP
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Fund manager

David Robinson

Depository

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Auditor

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Chartered Accountants & Registered Auditors
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