

## Premier Optimum Income Fund

Premier Funds OEIC (previously known as the Premier Dividend Fund)



## | Fund Strategy |

The Fund will predominantly invest in both UK and European large capitalisation high yield equities. It will also invest in some similar capitalisation very high yield equities.

The underlying portfolio of high yield equities will aim to yield approximately 5%. An active option strategy will be undertaken involving the writing out of the money call options to enhance the income from this portfolio. It is expected that this will add an additional 3% of income to this part of the portfolio.

There are often smaller companies with good balance sheets, sound businesses and very high yields which are temporarily overlooked by the market. We will use quantitative research methods to help us identify a list of these stocks and then fundamental analysis to pick those that are most suitable for the Fund.

## | Fund Objectives |

To provide a high level of income together with the prospect of long term capital growth from an actively managed portfolio of equities.

**IMPORTANT NOTE: with effect from 31 October 2010, this Fund will be renamed the Premier European Optimum Income Fund. We believe that this new name better reflects the aims and objectives of this Fund, which have not changed. Importantly, the Financial Services Authority (FSA) has approved this change.**

## Performance Record



■ Premier Optimum Income TR [16.6]  
01/10/2008 - 30/09/2010 © Financial Express Holdings 2010

## Discrete Annual Performance (%)

Share Type	2010(YTD)	2009	2008	2007	2006
Income	2.6	15.7	-	-	-

## Discrete Annual Performance to Quarter End 30 September 2010 (%)

Share Type	30/09/2009	30/09/2008	30/09/2007	30/09/2006	30/09/2005
Income	4.0	-	-	-	-

## Cumulative Performance to 30 September 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	10.2	1.6	4.0	-	-

Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested.

Source: Financial Express. 21/10/2010

## | Key Fund Facts |

Fund Size:	£9.3m
Historic Yield:	8.3% (target 7.5%)
Launch Date:	01 October 2008
Sector:	IMA Specialist

## | Top 10 Holdings |

	%
ALLIANZ SE (SE SOCIETAS EUROPEAE)	4.90
BT GROUP ORD GBP0.05	3.87
ENERGIAS DE PORTUGAL SA EUR1(REGD)	3.71
ENEL EUR1	3.67
CREDIT AGRICOLE SA EUR3	3.65
SNAM RETE GAS EUR1	3.56
SANOFI-AVENTIS EUR2	3.52
AVIVA ORD GBP0.25	3.48
ROYAL DUTCH SHELL 'B'ORD EUR0.07	3.34
TELEFONICA SA EUR1	3.34
<b>TOTAL</b>	<b>37.04</b>

## | Asset Allocation |

	%
Large Cap	94
Mid Cap	3
Cash	3

## | Geographical Breakdown |

	%
UK	30
Other Europe	24
France	16
Spain	12
Germany	8
Switzerland	7
Other	3

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## New Fund developments and comments

**Premier Optimum Income Fund Manager:**

Chris Wright

After a summer of slightly disappointing US data, September saw a number of statistics that suggest that the US economic outlook has stopped getting worse. Second quarter Gross Domestic Product (GDP) was revised up marginally, the ISM manufacturing index was stronger than expected as were retail sales and consumer confidence.

Furthermore, the Federal Reserve moved closer to acknowledging the need for a

further bout of quantitative easing when it admitted that inflation was below its mandated level.

In Europe, GDP was also better than expected and inflation slowed. However the forward looking confidence indicators, notably the Purchasing Managers Index and the German ZEW economic expectations index were weaker than expected.

The UK economic data was mixed. Weaker retail sales, industrial production and disappointing Consumer Price Index numbers were all reported.

In markets, the month was much more cheerful with equity markets rallying across the board. The S&P was the star of the major developed markets and returned 8.9%, the FTSE100 was a couple of percent behind at 6.4% and large cap Europe bought up the rear with the DJ STOXX 50 returning 1.3%.

The Premier Optimum Income Fund was up 5.2% during the month, slightly behind the FTSE100 but well ahead of its European equivalent. When the market bounces strongly, we always lag slightly as we normally tend to have some option positions outstanding. We do our best to ameliorate this but it is an inevitable function of the nature of the fund.

We have a really good backdrop for equities at the moment with mixed economic data preventing market participants and commentators from being too bullish, that is, optimistic of a rise in the markets, low stocks valuations, great company cash creation and a general wariness of risk investing. All this creates a magnificent backdrop for equity markets to slowly grind upwards.

## Fund Information

<b>Annual Management Charge</b>	1.50%
<b>Initial Charge</b>	5.25%
<b>Accounting Dates</b>	28 Feb, 31 May, 31 Aug, 30 Nov
<b>Payment Dates</b>	30 Apr, 31 Jul, 31 Oct, 31 Jan
<b>Valuation Point</b>	12 noon, daily
<b>Sedol Code</b>	Acc: B3DDDW9 Inc: 066413A
<b>Share Class</b>	Institutional & Retail, Income & Accumulation
<b>Published Price</b>	The Financial Times
<b>ISA eligible</b>	Yes, stocks & shares
<b>Min. Investment</b>	£1,000 / £50pm

## Investment Team

**I Premier Asset Management Limited I**

Premier Asset Management is a privately owned, dynamic and progressive asset management company that designs and distributes innovative investments, predominantly through financial advisers. Via its FSA regulated subsidiaries, Premier Portfolio Managers Ltd and Premier Fund Managers Ltd, Premier manages a range of authorised UK and offshore funds as well as providing bespoke discretionary management services for retail and corporate clients.

**I Chris Wright, Senior Investment Manager I**

Chris joined Premier in 2008 from Thames River Capital where he managed the successful Tybourn hedge fund and was part of the European hedge fund team. He has over 24 years' experience in the investment industry and brings with him a wealth of pan-European equity and derivative experience. Chris is a member of the UK Society of Investment Professionals.

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