

Premier Asset Management, via its FSA regulated subsidiaries, manages a range of authorised UK and offshore funds. It also provides bespoke discretionary management services for both private and corporate clients. We are committed to employing only the very best investment management resources in the industry and this philosophy, combined with a focus on access to excellence, ensures that Premier offers truly active and independent fund management. Premier Asset Management currently has just under £1.5 billion in funds under management (as at 30/09/08).

The Premier group includes two UK regulated trading subsidiaries: Premier Fund Managers Limited and Premier Portfolio Managers Limited.

Premier Fund Managers Limited and Premier Portfolio Managers Limited are both authorised and regulated by the Financial Services Authority (see below).

Premier has grown over the years through a planned programme of acquisition and organic growth and is now a private company, owned in the majority by the senior management team and employees. We strongly believe that this creates a firm alignment of interests between the team at Premier and our clients. In addition, we have robust controls in place to ensure that we adhere to the applicable regulatory standards and requirements.

Below we have summarised the main protection available to you as a private investor with either Premier Fund Managers Limited or Premier Portfolio Managers Limited. We have also provided some additional information regarding our other types of investments.

The Financial Services Authority (FSA)

We are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and are bound by the FSA's rules and regulations. You can find out further information about the FSA and what they do on their websites, www.fsa.gov.uk and www.moneydeclared.fsa.gov.uk.

We make regular statements to the FSA regarding the solvency of the two regulated subsidiaries, together with our audited financial statements and other information.

The Financial Services Compensation Scheme (FSCS)

Investors with Premier may be covered by the Financial Services Compensation Scheme if either company stops trading. The FSCS can provide compensation of up to £48,000 to an investor if the company agrees that it has been in default and cannot provide compensation itself.

Further information about the FSCS is available on its website, www.fscs.org.uk.

HM Revenue & Customs (HMRC)

Both Premier Fund Managers Limited and Premier Portfolio Managers Limited are approved by HM Revenue & Customs to act as an Individual Savings Account (ISA) Manager. This means that we have to operate ISAs in accordance with HMRC's rules and regulations. HMRC also carry out regular audits to review our procedures.

The Companies Act

Premier Fund Managers Limited and Premier Portfolio Managers Limited are companies incorporated in England and Wales under registration numbers 2274227 and 1235867 respectively and are governed by The Companies Act. Our financial accounts are audited each year by independent accountants, Grant Thornton UK LLP.

Your money

All client money is "ring-fenced" ie held in separate accounts to Premier's own money. This means that if any Premier company were to cease trading, Premier's creditors would not have any rights over your money and similarly Premier could not access any of your money to cover any the company's obligations. The FSA has rules in place for the protection and segregation of client money from a company's own assets which we actively adhere to.

As mentioned above, client money is held in accounts separate to our own. These are all with UK banks, namely HSBC (for Premier Fund Managers Limited) and The Royal Bank of Scotland (for Premier Portfolio Managers Limited). We do not hold any client money with foreign banks.

We believe that it is highly unlikely the UK Government would allow any of the main UK banks to fail and default on their customers. Indeed, this view was supported by the Government's recent announcements on 8 and 13 October that they were injecting up to £50 billion in banks and building societies to rebuild confidence in the UK banking industry, as well as taking a significant equity stake in several large high street banks. In addition, they will be introducing an additional package of measures to protect savers and support the industry so that the banks will remain strong enough to withstand the current global financial problems.

If you have any concerns over HSBC or The Royal Bank of Scotland, or any other bank which is authorised and regulated by the FSA, you can check their current status on the FSA Register, www.fsa.gov.uk/register.

Your investment with Premier Portfolio Managers Limited

When you invested in one of Premier Portfolio Managers' fund, you purchased a number of units in a unit trust scheme or shares in a sub-fund of an Open-Ended Investment Company, also known as an OEIC. These may be held in an Individual Savings Account (ISA), via a savings plan, or directly in your own name. We have used the term "shares" below but the information still applies to units held in a unit trust scheme.

However you hold your investment, it is "ring-fenced" and held separately to Premier's own assets. This means that in the event that Premier stopped trading, neither Premier nor its liquidator or creditors would have any rights over your investment.

Furthermore, the structure of an OEIC trust means that there is a Depositary and Custodian in place. Amongst their duties and responsibilities, the Depositary ensures that the best interests of shareholders are being considered at all times and the Custodian is responsible for the safe-keeping of the underlying assets of the fund you have invested in.

The Depositary used by Premier is The Royal Bank of Scotland plc. The Custodian is appointed by the Depositary and in our case is The Northern Trust Company Limited. Both of these companies are authorised and regulated by the Financial Services Authority and comply with its rules and regulations.

Premier Portfolio Managers Limited acts as Authorised Corporate Director (ACD) of the OEIC. This means that we are responsible for the day to day running of the OEIC, and is overseen by the Depositary and the FSA. In the unlikely event that Premier stopped trading, the Depositary would be responsible for appointing a new company to act as ACD subject to the FSA's approval.

In the event that The Royal Bank of Scotland ("RBS") stopped trading, a creditor of RBS would have no rights over any fund assets and therefore no rights over your investment. Premier would appoint a new depositary with no noticeable effect on your investment.

RBS have recently provided us with some comments on their position in the current financial market. An extract of this is below.

The shares held by the fund are held in a separate account in the name of Northern Trust Nominees Limited. This is a dormant company and has no assets or liabilities of its own. In the event that the Northern Trust Company Limited stopped trading, a creditor of Northern Trust would have no rights over the assets held by Northern Trust Nominees (as it does not hold any assets in its own right) or the assets it holds on behalf of the fund, which in turn, means it would have no rights over your investment. The Depositary would appoint a new company to act as Custodian with no noticeable effect on your investment.

However, cash held within the fund would be treated differently. In this situation, the Custodian may also act as banker and the fund's cash may not be segregated from their other money. In the same way that you would be treated if your own bank were to fail, the fund would be treated as an unsecured creditor of the Custodian. The Custodian's liquidator would be responsible for distributing any cash if the Custodian were to fail.

As mentioned previously, Northern Trust is authorised and regulated by the FSA and makes regular statements to the FSA regarding their solvency.

Further information about Northern Trust is below.

Your investment with Premier Fund Managers Limited – the Premier Private Client Portfolio, Self-Select Portfolio and Premier Limited Editions

The Premier Private Client Portfolio is our discretionary portfolio management service. The Self-Select Portfolio allows you to instruct us what investments to buy and sell on your behalf. Your Portfolio consists of two elements – shares and cash. Premier Limited Editions (PLEs) is our range of structured products. Information about the security of each is below and these apply to both direct investments and investments via an Individual Savings Account.

Shares

Shares in your Portfolio are held separately to Premier's own assets by an independent Custodian who is responsible for the safe-keeping of your investments. The Custodian is HSBC Bank plc. HSBC is authorised and regulated by the Financial Services Authority and complies with its rules and regulations.

In the unlikely event that Premier stopped trading; neither Premier nor its liquidator or its creditors would have any rights to the shares held in your Portfolio. You would be able to transfer your portfolio to another discretionary portfolio manager or into your own name.

In the event HSBC stopped trading, neither HSBC nor its liquidator or creditors would have any rights over the shares held on your behalf. Premier would appoint a new custodian for your shares.

The shares held in our clients' portfolios are held in a separate account with HSBC. In the event HSBC stopped trading, any creditor of HSBC would have no rights over the shares held on your behalf. Premier would appoint a new custodian for your shares.

Cash

Cash held within your portfolio would be treated differently to the shares held. In this situation, the Custodian also acts as banker and the cash held in your portfolio may not be segregated from HSBC's other money. In the same way that you would be treated if your own bank were to fail, cash held within your Portfolio, and those of our other clients, would be treated as an unsecured creditor of the Custodian. The Custodian's liquidator would be responsible for distributing any cash if the Custodian were to fail.

As mentioned previously, HSBC is authorised and regulated by the FSA and makes regular statements to the FSA regarding its solvency.

HSBC have recently provided us with some comments on their position in the current financial market. An extract of this is below, together with some further information about HSBC.

Premier Limited Editions (PLEs)

The notes above under **Shares** also apply to investments into a PLE.

Each PLE invests in a specific share issued by a company or bank. We have always considered asset security a priority for our clients and therefore only offer PLEs to our clients which are backed by institutions with good credit ratings. We therefore consider it very unlikely that one of these institutions would stop trading, although if they did, your investment may become worthless.

We have offered a number of PLEs over recent years using shares from a number of different institutions. If you would like to know who provides the assets for the PLE you have invested in, please e-mail us at clientservices@premierfunds.co.uk, write to us at Premier Fund Managers Limited, Eastgate Court High Street, Guildford, Surrey GU1 3DE, or telephone us on 01483 306090. Please ensure you state which PLE you have invested in (eg PLE37). Further information about the security of your investment in PLE37, PLE38, PLE39, PLE40 and PLE41 is below.

HSBC have recently provided us with some comments on their position in the current financial market. An extract of this is below, together with some further information about HSBC.

Investment Trusts

Each investment trust is a company in its own right and is run by an independent board of directors who have a number of duties and responsibilities, including appointing an independent custodian to look after the trust's investment portfolio.

The assets held in the trust's investment portfolio are held separately to Premier's assets. Premier have no rights over them.

If the investment trust itself becomes insolvent, it would be subject to the regulations under the Companies Act. The trust's directors would have to appoint a liquidator who would be responsible for any assets being distributed in accordance with the Insolvency Act in the same way that any other company would be.

There is no automatic recourse available to investment trust shareholders from the Financial Services Compensation Scheme.

If you have shares in an investment trust through an Individual Savings Account, then the notes above under **Shares** also apply.

The Premier SIPP (Self-Invested Personal Pension)

The Premier SIPP is a SIPP provided by TM SIPP Services Limited and allows you to invest in the funds offered by Premier Portfolio Managers Limited or the Premier Private Client Portfolio offered by Premier Fund Managers Limited.

TM SIPP Services is approved by HM Revenue & Customs to act as a SIPP manager.

Your investment is initially made into the SIPP offered by TM SIPP Services and you appoint TM Trustees Limited as trustee of your SIPP. They then make the investment into the fund or Portfolio of your choice in accordance with your instructions.

If your investment is into one of Premier Portfolio Managers Limited funds, the notes above under **Your investment with Premier Portfolio Managers Limited** apply.

If your investment is into the Premier Private Client Portfolio, the notes above under **Your investment with Premier Fund Managers Limited – the Premier Private Client Portfolio, Self-Select Portfolio and Premier Limited Editions** apply.

The Royal Bank of Scotland plc (RBS)

RBS have recently provided us with some comments on their position in the current financial market. An extract of this is below.

“RBS has announced a £20bn recapitalisation which will make the Group one of the best capitalised banks in the world. Our customers remain at the heart of our business and we believe this action will leave us well-positioned to support our customers in all the markets we serve.

We are first and foremost a relationship bank and remain committed to serving our personal, small business, commercial and corporate customers in these difficult economic conditions. In short, RBS is open for business.

The recapitalisation is taking place as a result of our participation in the UK Government's Financial Support Scheme. This scheme provides both capital and liquidity support for the UK banking industry. Both depositors and borrowers can, therefore, take comfort that this places us amongst the strongest in a peer group of international banks. This position is supported by our credit ratings, which are amongst the strongest in the industry (the RBS Plc Long Term Credit Ratings - Fitch (AA), Moody's (Aa1), Standard & Poor's (AA-)).

Our participation in the scheme will allow us to:

- raise our core tier one and tier one ratios by approximately 3 percentage points and 4 percentage points respectively, placing us in a strong position to withstand the current challenging economic and financial conditions. The increase makes us one of the most strongly capitalised international banks, significantly placing us ahead of all regulatory minimum benchmarks*
- take part in the short and medium term funding scheme; issuing senior unsecured debt with maturities of up to 3 years; fully guaranteed by the UK Government, giving RBS debt issued under the scheme sovereign characteristics*
- make use of the GBP 200bn special liquidity scheme (SLS), designed to reopen the money markets and resolve liquidity issues.*

We remain very confident and, with the additional support for the UK banking sector now provided by the Government, believe that the RBS group is in a strong position to continue supporting our customers and move forward successfully.”

14 October 2008

You can find out more information about RBS by visiting their website, www.rbs.co.uk.

Northern Trust

Northern Trust Corporation is a provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and individuals worldwide. Northern Trust, a multibank holding company based in Chicago, has a growing network of 85 offices in 18 U.S. states and has international offices in 15 locations in North America, Europe, the Middle East and the Asia-Pacific region. As of June 30, 2008, Northern Trust had assets under custody of US\$4.0 trillion. (Source: www.northerntrust.com, 13/10/08)

You can find out more information about Northern Trust by visiting their website, www.northerntrust.com.

HSBC

HSBC Bank plc is part of the HSBC Group, one of the largest banking and financial services organisations in the world. Together, they serve over 100 million customers in 85 countries and territories. Their loan to deposit ratio is 90%, and they currently hold US\$1,200 billion in customer deposits.

The Group remains one of the most strongly capitalised and liquid banks in the world. Their share value over the last twelve months, and over the last week remains strong. They have the agreed level of capitalisation required by the FSA and they will not need to use the Government recapitalisation scheme. (Source: www.hsbc.co.uk, 13/10/08)

HSBC have recently provided us with some comments on their position in the current financial market. An extract of this is below. Please note that where the term “client” is used, this refers to Premier Fund Managers Limited being a client of HSBC.

“The markets in which we are currently operating are in a state of turmoil at the moment with the situation changing globally on a continuous basis. Needless to say our Network Management Group is amongst the busiest

of all areas within HSBC Securities Services (HSS) as they stay close to each market monitoring developments from all perspectives (political, regulatory and operational).

We do believe that our network of sub-custodian agents is amongst the strongest in the industry and the manner in which we hold client's securities with those sub-custodian agents ensures maximum client protection. By this we refer to the fact that where permissible by local market law and where it is operationally prudent to do so, we will not operate an omnibus client account structure but will operate segregated custody accounts for each customer.

It is also important to point out that HSBC Bank entities around the globe provide in-house custody for around 62% of our customers' assets with a further c23% of customer assets in custody with Clearstream and Euroclear. It is also important to point out that HSBC's proprietary assets and not co-mingled with the assets of our customers.

As you may have seen in today's [8 October 2008] Financial News they have performed an analysis of the world's leading financial institutions by market capitalisation and HSBC is the second largest bank in the world by that measure. This supports the strength of the HSBC franchise. In fact HSBC's market capitalisation of \$185bn is significantly more than the combined market capitalisation of all other British Clearing banks put together. (China's ICBC is the largest bank in the world by market cap (\$188 bn)."

You can find out more information about HSBC by visiting their website, www.hsbc.co.uk.

Premier Limited Editions – PLE37, PLE38, PLE39, PLE40 and PLE41 - Citigroup

Citigroup, who arranged the assets for the above PLEs, have recently announced that they will be receiving a capital injection of \$20bn and guarantee of up to \$306bn from the US government. Whilst this may concern investors who have invested in PLE37, PLE38, PLE39, PLE40 and PLE41, we would like to reassure you that the assets backing these investments are provided by Symphony Structured Products (Jersey) Limited, which is a completely separate company to Citigroup. The shares are listed on the Channel Island Stock Exchange.

Other useful contacts:

Premier Asset Management	www.premierassetmanagement.co.uk	☎ 01483 306090
HM Revenue & Customs	www.hmrc.gov.uk	
Investment Management Association	www.investmentuk.org	☎ 0207 831 0898
		☎ 0207 269 4639 (Info line)

Please remember that the value of investments and any income from them can go down as well as up.

If you require any advice as to whether a particular investment is suitable for you, please consult an authorised financial adviser. Neither Premier Portfolio Managers Limited nor Premier Fund Managers Limited is authorised to give you advice regarding your personal financial circumstances.

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Premier Portfolio Managers Limited Registered in England No. 1235867

Issued by Premier Asset Management. Premier Portfolio Managers Limited is an ISA manager and markets a number of funds. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. Both companies are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and are members of the Premier Asset Management Marketing Group.

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