

Premier Multi Asset High Income Fund

Premier Multi-Asset 2 OEIC



| Fund Strategy |

- Our investment style is a blend of bottom-up and top-down decision making; we carry out detailed research and analysis to pick the funds that make up the portfolio and then make top-down decisions based on macro factors to trade into and out of these funds.
- Our style could also be described as 'contrarian', as one of our main methods of adding value is to consistently take profits from funds and/or asset classes that have performed strongly, while channeling investment towards those that have been weak.
- There is a maximum exposure to any one holding of 5% and a 15% limit to any one investment group. This means that there will be 20 holdings from at least 7 different management groups.

| Fund Objectives |

To provide a high level of income from a portfolio of investments.

On 19 December, the Elan High Income Fund will be renamed the Premier Multi-Asset High Income Fund. The change of name will be reflected on the January factsheet.

Performance Record



■ Premier Multi Asset High Inc TR [28.0]

■ IMA Cautious Managed TR [20.7]

05/01/2009 - 30/11/2011 Powered by data from FE

Discrete Annual Performance (%)

Share Type	2011(YTD)	2010	2009	2008	2007
Accumulation	-3.7	10.1	-	-	-

Discrete Annual Performance to Quarter End 30 September 2011 (%)

Share Type	30/09/2010	30/09/2009	30/09/2008	30/09/2007	30/09/2006
Accumulation	-1.8	10.8	-	-	-

Cumulative Performance to 30 November 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Accumulation	-0.8	-6.5	-1.2	-	-
Official Sector	-0.1	-4.7	-0.4	26.2	5.3

Quoted on a total return, bid to bid, 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. 20/12/2011

| Key Fund Facts |

Fund Size:	£22.8m
Launch Date:	05 January 2009
Sector:	IMA Cautious Managed
Historic Yield:	Inc 4.6% Acc 4.5%

| Top 10 Holdings |

	%
ROYAL LONDON CORPORATE BOND	4.67
HENDERSON PREF BOND-I-INC	4.64
RATHBONE INCOME FUND	4.64
NEPTUNE INC 'B' INCOME	4.62
KAMES STERLING CORP BOND ""B"" INC	4.50
BAILLIE GIFFORD CORP BND 'B' INC (O	4.29
SCHRODER INCOME MAXIMISER INC	4.28
TWENTYFOUR MONUMENT BOND """" INC	4.16
STANDARD LIFE UK EQUITY HIGH INC IN	3.98
L&G DYNAMIC BOND TRUST I INC	3.78
TOTAL	43.56

| Asset Allocation |

	%
UK	33.67
Alternative Assets	14.77
Investment Grade	13.83
High Yield	12.04
International Equities	10.78
Property	6.30
Floating Notes	4.27
Cash	3.74
Gilts	0.14

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Fund developments and comments

Investment Managers: David Hambidge, Ian Rees & David Thornton

For most people, a 7% return over a year would be a fine and respectable thing, especially with interest rates where they currently are. So it's come to something when the UK stock market, which is considered fairly calm by international standards, can both fall and then rise by more than that amount in one solitary month. That was the course of events in November though; with the first three weeks marked by markets shifting lower on more euro-related fears, only to make almost all of it back in the last few days of the month. The afternoon of the 30th November saw the sharpest rally though, as central banks acted in concert to provide liquidity, but this will not be reflected in the Fund's performance data until December, as it came after the final pricing point for the month. The Fund was left 3.1% lower amid this turmoil, as compared to a loss of 2% for its sector average.

Our relative returns were made worse by our *bête noir*: gilts. These assets had another strong month, which was of no use to us as we don't hold them. This is because they offer very poor value, a derisory income and are also at substantial risk of creating large losses should the mood turn against them. In fact, they only look a good investment for those willing to take a punt that the world will get worse from here. We lack the crystal ball needed to make such a call, so we simply avoid them as they look expensive and vulnerable.

With stock markets still lower when the Fund was valued on the last day of November, it was our equity component that accounted for much of the loss in absolute terms. However, over the course of the month, and the year as a whole, our relative performance has been helped greatly by our natural preference for equity income funds over growth funds. The former have benefited from lower weightings in banks than before (as many now don't pay a dividend), while the latter have been dragged down by high weightings in mining companies, which rarely feature in the average equity income portfolio on account of their low yields.

Strategy

With markets in full headless chicken mode, we are trying our hardest to stick to Rudyard Kipling's advice: keeping our heads amid periods of market madness has rarely turned out to be the wrong move. In investment terms, this means sticking to our tried and tested investment process, and not giving into the temptation to play the "risk-on, risk-off" game of chance (a game that will doubtless be the making, or more likely breaking, of many a fund management career). It also means continuing to focus on generating a high and rising income for our investors, rather than sacrificing income in order to place a bet that low-yielding cash will win in the next few weeks.

Our process is guided chiefly by valuation, as time has demonstrated that buying good, attractively valued assets is one of the best ways of protecting capital, as well as growing it. We are finding that the best valuations are in the corporate world at the moment, as there are plenty of great companies in currently available at attractive prices. High-yield corporate bonds also look a good choice, and look well-suited to the current environment of sluggish economic growth.

Fund Information

Annual Management Charge	1.50%
Initial Charge	5.55%
Accounting Dates	31 Jan, 30 Apr, 31 Jul, 31 Oct
Payment Dates	31 Mar, 30 Jun, 30 Sept, 31 Dec
Valuation Point	12 noon, daily
Sedol Code	Acc: B3FQBC2, Inc: B3FQB99
Published Price	www.premierfunds.co.uk
Share Class	Accumulation & Income
Min. Investment	£1,000 / £100pm
ISA eligible	Yes, stocks & shares

Investment Team

I David Hambidge, Ian Rees & David Thornton I

Investment Director, David Hambidge, has been with Premier since 1987 and specialises in the management of portfolios using collective investment vehicles including OEICs and investment trusts. David has been part of the original investment team that set up Premier's Fund of Funds in 1995 and was appointed lead manager in February 1999, making him one of the most experienced Fund of Funds managers in the UK.

Head of Fund Research, Ian Rees, has been with Premier since 2000 and joined the Pooled Funds team in April 2005. Ian was formerly the Senior Research Analyst for Closed End funds and has worked on Global Equity and Utility & Infrastructure. Ian is co-manager on all Premier Funds of Funds portfolios.

Investment Manager, David Thornton, joined Premier in May 2006 and currently manages discretionary portfolios covering fixed interest and European sectors. Previously, David worked as an Investment Analyst before becoming an Investment Manager in 2004, with responsibility for discretionary multi-manager portfolios.

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