

## Premier Corporate Bond Monthly Income Fund

Premier Income Funds ICVC



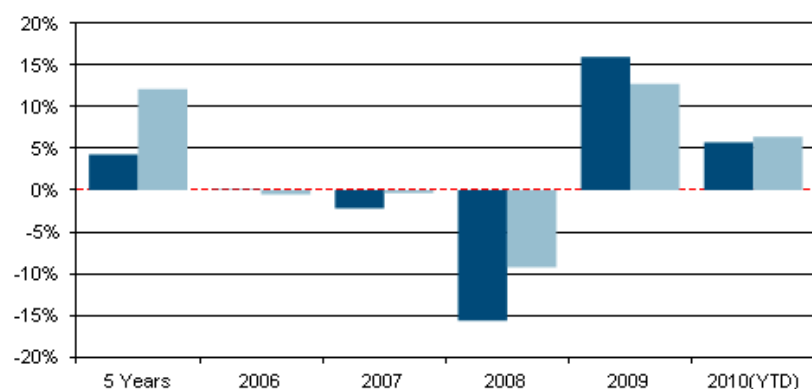
## | Fund Strategy |

- Aims to deliver attractive returns on a risk-adjusted basis.
- Employs a top-down asset allocation process, evaluating the macroeconomic environment to drive portfolio construction.
- Complimented by a bottom-up approach to research into individual companies.
- At all times, at least 80% of the Fund will be invested in investment grade bonds, or equivalent. Currency exposure will be predominantly sterling and, where appropriate, foreign currency exposure will be hedged back into sterling.
- The Fund will be constructed to distribute monthly income payments.

## | Fund Objectives |

To provide a high income payable in monthly instalments.

## Performance Record



■ Premier Corporate Bd Mthly Inc TR  
■ IMA Sterling Corporate Bond TR

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Previously known as the Aberdeen Corporate Bond Monthly Income Fund. Premier Fund Managers Ltd took on the investment management of this Fund on 01/08/09 and Premier Portfolio Managers Ltd assumed responsibility as Authorised Corporate Director on 05/12/2009. Performance data is for the R share class.

## Discrete Annual Performance (%)

Share Type	2010(YTD)	2009	2008	2007	2006
Income	5.7	16.0	-15.6	-2.2	0.1

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

Share Type	30/06/2010	30/06/2009	30/06/2008	30/06/2007	30/06/2006
Income	23.8	-10.8	-6.6	-0.3	0.4

## Cumulative Performance to 31 July 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-1.6	2.5	20.1	4.1	4.3
Official Sector	1.1	3.8	15.0	12.2	12.1

Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to future returns. 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. 09/08/2010

## | Key Fund Facts |

<b>Fund Size:</b>	£50.4m
<b>Distribution Yield:</b>	R: 5.67%, I: 5.67%, A: 5.67%
<b>Underlying Yield:</b>	R: 4.67%, I: 5.02%, A: 4.82%
<b>Launch Date:</b>	06 November 1995
<b>Sector:</b>	IMA Sterling Corporate Bond

## | Top 10 Holdings |

	%
SHORT EXP TO LONG SEPT GILT FUTURE	36.96
FFX Forward BUY GBP:SELL EUR 15/09/	7.69
Settled Cash GBP Capital Ac-CAP GBP	3.31
ICAP GROUP 7.5% 28/07/2014	2.48
JUTURNA 5.0636% 10/08/2033	2.43
BARCLAYS BANK 10% 21/05/2021	2.34
GE CAPITAL TRUST 5.5% 15/09/2066	2.12
TELECOM ITALIA 7.375% 15/12/2017	2.10
BAA FUNDING 5.85% 27/11/2015	2.09
UK TREASURY 5% 07/03/2025	2.00
<b>TOTAL</b>	<b>63.52</b>

## | Credit Rating Exposure |

	%
AAA	7.69
AA	13.98
A	34.28
BBB	28.07
BB	8.76
CCC	1.51
CC	0.55
Non-Rated Investment Grade	0.43
Non-Rated High Yield	4.46
Non-Rated Equities	0.25

## | Maturity |

	%
Under 1 year	3.59
1-5 years	7.76
5-10 years	27.07
10-15 years	15.26
15 years +	44.92
Un-dated	1.40

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## Fund developments and comments



## Premier Corporate Bond Monthly Income Fund - Investment Manager, Paul Smith

Over the last month the Fund returned 1.07% as compared to a 1.01% return from the IMA Sterling Corporate Bond sector. The Fund continues to provide a relatively high yield in comparison to the sector.

The Monetary Policy Committee (MPC) maintained the UK base rate at 0.5% with Andrew Sentance remaining the only obvious hawk on the committee, as for the second consecutive month, he alone voted for a rate rise. The committee remains torn between the risks of weak growth and high inflation. The uncertainty of what lies ahead was demonstrated as arguments in favour of both monetary policy tightening and loosening were considered at the meeting.

Gilt yields rose sharply mid month following the release of the UK Gross Domestic Product (GDP) figure. UK GDP rose 1.1% in the second quarter, almost double what most analysts were forecasting. These figures eased concerns of a double dip recession occurring in the UK. Gilt weakness reversed in the final days of the month on the back of lower than expected US GDP figures and weak consumer confidence to leave Gilt yields relatively unchanged. The Fund's hedge against the returns of UK Government Bonds has been maintained over the month.

The past month has seen a reduction in risk aversion as equity markets have been buoyant and credit spreads have tightened in from recent wides. The risk of a sovereign default remains although sovereigns have regained some stability and the risks of contagion subsided. Funding concerns across the European banking sector have eased following a lower than anticipated demand for the European Central Bank emergency loan rollover and the publication of the long awaited stress test results. Despite the shower of criticism over not including a sufficiently dire scenario, the increased level of transparency this test has provided has been welcomed. More capital will need to be raised across the sector, however for the time being the tests have calmed fears.

The iTraxx Financials indices (Senior and Subordinated) both fell sharply over the month as the cost to insure against financial defaults reduced. Activity over the month was focussed on reducing credit risk on the Fund whilst maintaining duration.

Despite credit spreads tightening over the last month they remain wide relative to the start of the year and historic averages. There will be volatile movements whilst investors remain nervous to sovereign news flows; the recent concerns over fiscal deficits and bank funding illustrates that there are still stumbling blocks to overcome. However, governments, central banks, financials and corporates finally appear alert to such risks and therefore able to nullify any pain quicker than they did two years ago.

Source: Premier Fund Managers Limited.

## Fund Information

Annual Management Charge	1.00%
Initial Charge	4.25%
Accounting Dates	30 Apr, 31 Oct
Payment Dates	28th day of each month
Valuation Point	12 noon, daily
Sedol	389345
Share Class	Income
Published Price	The Financial Times
ISA eligible	Yes, stocks & shares
Min. Investment	£1,000, £400pm

## Investment Team

## Premier Asset Management Limited

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.

## Paul Smith, Senior Investment Manager

Paul manages fixed income securities at Premier. His responsibilities include the management of open and closed end funds as well as managing various private client portfolios. Paul has a 1st class BA (Hons) degree in Economics and an MA in Finance and Investment (with distinction) from Exeter University.

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