

**| Fund Strategy |**

The Fund will invest in (either directly or indirectly) and/or be exposed to corporates and other organisations whose activities address the issues of declining energy and water resources, and those that operate to enhance and improve the use of such resources. The Fund will hold mainly listed equities with no restriction on the proportion of the portfolio that may be invested in a single geographic region or industrial sector, but will seek to maintain a level of regional and sectoral diversification.

Subject to the above, the Fund may also invest in other transferable securities, money market instruments, collective investment schemes, deposits, bonds, warrants and cash and near cash in accordance with the rules in COLL. The Fund may also borrow and employ stock lending and underwriting techniques as permitted in COLL. The Fund may invest in derivatives and forward transactions for investment purposes as well as for efficient portfolio management (including hedging).

**| Fund Objectives |**

To benefit from long term capital growth.

**IMPORTANT NOTE:** on 19 December 2011, the name of this Fund changed to the **Premier Global Power and Water Fund**.

**Performance Record**

■ Premier Gbl Pwr&Wtr TR [-26.6]

01/11/2010 - 30/12/2011 Powered by data from FE

Managed by Kevin Scutt & Claire Burgess since 01 November 2010

**Discrete Annual Performance (%)**

Share Type	2012(YTD)	2011	2010	2009	2008
Income	-28.0	-28.0	-	-	-

**Discrete Annual Performance to Quarter End 31 December 2011 (%)**

Share Type	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Income	-28.0	-	-	-	-

**Cumulative Performance to 31 December 2011 (%)**

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	1.3	-19.2	-28.0	-	-

Performance is 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. 11/01/2012

**| Key Fund Facts |**

<b>Fund Size:</b>	£12.0m
<b>Launch Date:</b>	1st November 2010
<b>Sector:</b>	IMA Specialist

**| Top 10 Holdings |**

	%
CHINA WATER AFFAIR HKD0.01	3.63
BEIJING ENT WATER HKD0.10	3.37
ACCIONA SA EUR1	3.27
SPX CORP COM	3.25
SHAW GROUP INC COM	3.20
MORGAN STAN BV QATAR ELECTRICITY & EDP RENOVAVEIS SA EUR5	3.19
EDP RENOVAVEIS SA EUR5	3.07
THAI TAP WATER SUP THB1 (NVDR)	3.06
AMERICAN WTR WKS CO INC NEW COM	2.95
CALGON CARBON CORP COM	2.95
<b>TOTAL</b>	<b>31.94</b>

**| Geographical Breakdown |**

	%
Asia	34.5
Americas	32.5
Europe ex UK	17.0
UK	13.1
Cash	2.8

**| Asset Allocation |**

	%
Water	31.7
Clean Power	33.1
Environmental Control	18.4
Energy Efficiency	14.0
Cash	2.8

## New Fund developments and comments


**Premier Environmental Power and Water Fund, Investment Managers, Kevin Scutt & Claire Burgess (since launch)**

The current provisions of the Kyoto protocol expire at the end of 2012. The recent climate change talks in Durban, as with those 2 years ago at Copenhagen, failed to achieve a successor treaty to set

carbon emission reduction targets, although the "roadmap" that emerged does at least envisage the idea of another legally binding treaty, to be adopted in 2015, with a view to it entering international law in 2020. Meanwhile the EU has agreed in principle to remain bound by the protocol provisions post 2012, although as far as other developed and developing nations are concerned, these will lapse at the end of 2012. However, earnings forecasts for European and US clean energy companies are predicated on the basis of country or state level renewable energy quotas and tariffs, which are not therefore altered by the outcome of these talks.

As green stimulus measures come to an end with central cutbacks to public spending, governments are threatening to reduce subsidies for renewable energy, or have already done so. The issue of subsidy cuts feels rather overdone in relation to wind: The Fund has exposure through Acciona, EDPR, Next Era Energy, and Infigen, which offer defensive growth with a strong 2012 in prospect against a background of falling turbine prices and therefore lower capital expenditure requirements. By contrast, the solar market is experiencing a global collapse in pricing, huge over supply, limited availability of financing and the prospect of further cuts to subsidies in major markets. Expecting margins across the supply chain to remain under considerable pressure, we therefore continue to remain on the side-lines of this sub sector. Energy efficiency projects by contrast continue to see support from many governments in spite of austerity pressures. This is because they are often less capital intensive (because of the relatively small size of each project), with shorter payback times.

From a geographic perspective, Gross Domestic Product (GDP) estimates for Latin America as a whole are attractive compared with much of the rest of the world, and the macro outlook for the region is more stable. Over the past few months it has become evident that inflation in Brazil has peaked, and interest rates have started to fall, with further cuts expected. Against this background we have therefore added two of the most highly regulated utility stocks in the region: Companhia de Transmissao de Energias Eletricas Paulista (CTEEP) which transmits electricity within the state of Sao Paulo, and Cia Saneamento Minas Gerais, or COPASA, which supplies water to the state of Minas Gerais (bordering Sao Paulo to the north, and operating in one of the more developed states of Brazil).

At a stock specific level, the announcement by France's opposition Socialist and Green parties that, if successful in the 2012 elections, they would consider closing up to a third of nuclear plants, has led us to sell EDF, feeling that this political uncertainty has changed the risk profile for EDF - despite management efforts to improve operational performance and balance sheet strength - and is likely to weigh on the stock over the next six months. We have also sold Consolidated Water, where ongoing licence negotiations in Grand Cayman and legal proceedings in the British Virgin Islands limit earnings visibility. Near-term opportunities for new construction projects in the core Caribbean market are limited, and the group's recent foray into Mexico has ended with the group now seeking to sell its interest in the project after \$4m capital expenditure. In addition to the purchases of the two Brazilian regulated stocks, we have also added Severn Trent to the portfolio, following the bid for Northumbrian Water, given the defensive attractions of UK water sector.

## Fund Information

<b>Annual Management Charge</b>	I Shares:0.75% p.a. A Shares:1% p.a.
<b>Accounting Dates</b>	31 Aug, 28/29 Feb
<b>Payment Dates</b>	30 Apr, 31 Oct
<b>Published Price</b>	www.premierfunds.co.uk
<b>Valuation Point</b>	12 noon, daily
<b>Sedol Code</b>	I Shares: 3163773
<b>Share Class</b>	Income
<b>Min. Investment</b>	£1,000 / £50pm
<b>ISA eligible</b>	Yes, stocks & shares
<b>Initial Charge</b>	I Shares:nil, A & I Shares:4.25%

## Investment Team

| **Kevin Scutt, Senior Investment Manager** |

Kevin joined Premier in July 2005 with over 23 years' experience in the fund management industry. Previously, Kevin worked for Insight Investment where he was responsible for the analysis of companies in the utilities sector. Prior to his 5 years at Insight, Kevin worked at Hill Samuel Asset Management for 13 years, managing segregated pension schemes and was also the group's specialist in utilities. He also runs a global investment trust; Premier Energy and Water Trust.

| **Claire Burgess, Investment Manager** |

Claire joined Premier in December 2008. Previously she ran a UK smaller companies fund at Rothschild Asset Management after spending 4 years at Foreign & Colonial, covering a range of markets, including the UK and Japan.

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