

## | Fund Strategy |

- Our Investment Strategy is a combination of top-down thematic investing and bottom up stockpicking with the aim of producing consistent performance over time.
- We identify themes in the economy and look to invest in areas of the economy/stockmarket which will benefit from such themes.
- We also look at companies which we think have the ability to outperform the market over the long term. These tend to be a combination of GARP (Growth at a Reasonable Price) investments, Value investments and Special Situations.
- We aim to have a focused portfolio with weightings considered relative to both the FTSE All Share and the Lipper Median for the Equity Income sector.
- The Fund aims to deliver consistent investment performance against its benchmark index and a yield at least 10% higher than the benchmark index.

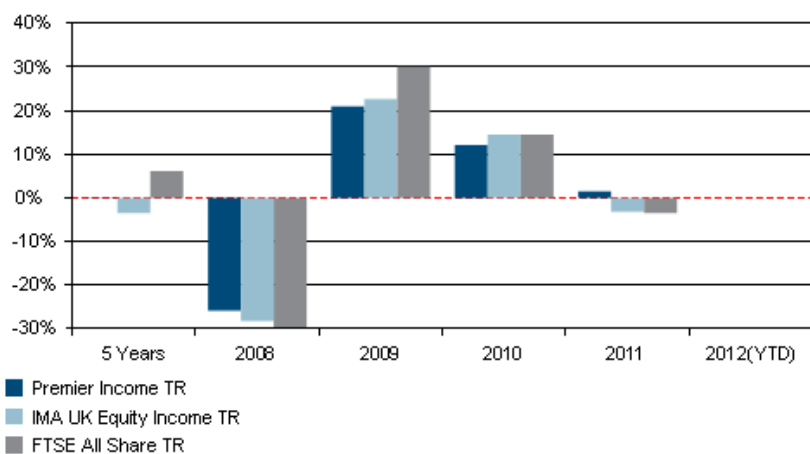
## | Fund Objectives |

To achieve a reasonable and rising income combined with long-term capital growth.



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## Performance Record



Managed by Chris White since 01 December 2010

## Discrete Annual Performance (%)

Share Type	2012(YTD)	2011	2010	2009	2008
Income	-	1.5	12.1	21.0	-25.9

## 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	1.5	12.1	21.0	-25.9	-2.0

## Cumulative Performance to 31 December 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	5.9	-3.6	1.5	37.8	0.1
Official Sector	6.0	-5.4	-2.9	36.7	-3.5
Benchmark	8.4	-6.2	-3.5	43.8	6.2

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. 11/01/2012

## | Key Fund Facts |

Fund Size:	£334.9m
Historic Yield:	4.6%
Launch Date:	05 July 1976
Benchmark:	FTSE All Share
Sector:	IMA UK Equity Income

## | Top 10 Holdings |

	%
VODAFONE GROUP ORD USD0.11428571	7.70
GLAXOSMITHKLINE ORD GBP0.25	7.42
ROYAL DUTCH SHELL 'B'ORD EUR0.07	7.41
IMPERIAL TOBACCO ORD GBP0.10	6.06
ASTRAZENECA ORD USD0.25	5.74
BP ORD USD0.25	3.69
TESCO ORD GBP0.05	3.60
SSE PLC ORD GBP0.50	3.44
FIRSTGROUP ORD GBP0.05	3.27
REED ELSEVIER GBP0.1444	2.93
<b>TOTAL</b>	<b>51.26</b>

## | Asset Allocation |

	%
Healthcare	16.28
Industrials	14.80
Consumer Staples	14.46
Energy	13.23
Financials	12.51
Discretionary	12.09
Services	10.12
Utilities	4.38
Cash	1.28
Information Technology	0.86

## Fund developments and comments

**Premier Income Fund - Investment Manager, Chris White (since 1 December 2010)**

Markets ended the year on a more optimistic note in December and the Fund finished strongly against its peer group, rounding off a satisfactory year of performance relative to the peer group. The Fund managed a positive total return which was well above the sector median (which produced a negative return) in what proved to be a very difficult and volatile year for markets

In terms of activity, there were no major changes to the portfolio in December.

We remain defensive although we have taken advantage of the market weakness last August to add a little more cyclicality and the better economic data out of the USA validates that stance. The Fund continues to hold substantial positions in the large blue chip leading names in the stockmarket (GlaxoSmithKline, SSE, Royal Dutch Shell, BAT, Imperial Tobacco, Vodafone etc) as I believe that these large high yielding companies with strong balance sheets and cash flows offer the most value of any asset class in the market including equities, bonds, cash and real estate, particularly as inflation is now well above the Monetary Policy Committee's target and looks likely to remain so for the next 18 months.

I believe that equities remain good value (especially those in non-cyclical sectors).

- Equities should perform better than other asset classes if inflation persists as they are real assets. A yield ratio of under 1 is supportive of this view and was the catalyst in 2003 for a strong rise in equity markets
- The outlook for the 'Equity Income' sector looks better than for some time. After a terrible few years for dividends post the credit crunch, dividends in the UK are forecast to rise around 10% in 2011 and 2012. Investors are now able to rely on dividend yield and dividend growth once again
- Whilst the UK domestic economy has many challenges, 70% of the revenue of the FTSE100 index comes from overseas. The UK is an International, high quality, regulated market where investors can invest in a wide range of international businesses with good corporate governance
- Investor sentiment is very poor. I would regard this as a positive as any better news surrounding the Eurozone crisis has the ability to re-rate markets, although things could get worse before they get better during the first quarter of 2012
- The US economy is performing better on most measures and looks to continue to improve into the first half of 2012

I am confident that our focused strategy for investing will provide investors with the right combination of capital growth and income going forward. The Fund remains nimble relative to many of the sector's super-tankers and provides a level of dividend income well above the FTSE All Share Index and above the sector average and we will look to grow this over time.

## Fund Information

<b>Managed by current manager since</b>	1 December 2010
<b>Annual Management Charge</b>	1.50%
<b>Initial Charge</b>	4.25%
<b>Accounting Dates</b>	30 Apr, 31 Oct
<b>Payment Dates</b>	30 Jun, 31 Dec
<b>Valuation Point</b>	12 noon, daily
<b>Sedol</b>	388450
<b>Share Class</b>	Income
<b>Published Price</b>	<a href="http://www.premierfunds.co.uk">www.premierfunds.co.uk</a>
<b>ISA eligible</b>	Yes, stocks and shares
<b>Min. Investment</b>	£1,000, £50pm (ISAs £100pm)

## Investment Team

**I Premier Asset Management Limited I**

Premier 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 discretionary management services for retail and corporate clients.

**I Chris White, Senior Investment Manager I**

Chris White joined Premier in November 2010 to manage UK income funds and has 20 years of investment management experience. Previously, he was with Threadneedle for 7 years as a Director of UK Income Funds. Chris started his career with Robson Rhodes and has also worked for Charterhouse Tilney and Legg Mason as an investment manager. He holds an honours degree in Economics and is a member of the Chartered Institute for Securities & Investment and the CFA.

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