

## Premier Income Fund

Premier Income Funds ICVC



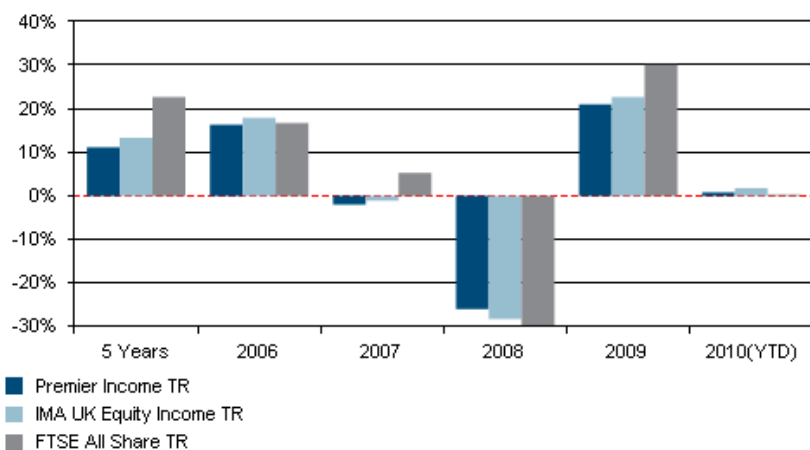
## | Fund Strategy |

- Our investment style is described as 'inflection point investing', we look for turning points at a global, sector and stock level - where the future is going to be different from the past.
- We follow themes in the economy and where we have high confidence in a particular theme, we increase our weightings to benefit from this. By identifying major themes running through the economy, we seek to outperform by increasing our weightings accordingly.
- We aim to have a focused portfolio with weightings relative to the benchmark index, the FTSE All Share, partly dependent on the strength of our convictions at any time.
- The Fund aims to deliver a yield at least 10% higher than the benchmark index.
- The Fund is managed in an identical style to the well-known PSigma Income Fund and follows the same top down themes. Bill Mott sets the overall investment strategy, which shapes all the PSigma UK Income products, and currently this focuses on yield revaluation and a preference for overseas earnings. Bill Mott and Neil Cumming work alongside each other, with Neil ensuring that Bill's investment strategy is reflected fully in the detailed stock decisions on the Premier fund

## | Fund Objectives |

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

## Performance Record



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Previously known as the Aberdeen 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	0.8	21.0	-25.9	-2.0	16.3

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

Share Type	30/06/2009	30/06/2008	30/06/2007	30/06/2006	30/06/2005
Income	14.8	-15.1	-17.2	16.9	15.1

## Cumulative Performance to 31 July 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-3.5	1.4	16.0	-12.7	11.1
Official Sector	-3.0	4.2	18.3	-11.8	13.4
Benchmark	-4.4	4.0	19.3	-7.4	22.7

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 |

Fund Size:	£370.1m
Historic Yield:	5.3%
Launch Date:	05 July 1976
Benchmark:	FTSE All Share
Sector:	IMA UK Equity Income

## | Top 10 Holdings |

	%
VODAFONE GROUP ORD USD0.11428571	6.73
GLAXOSMITHKLINE ORD GBP0.25	5.85
BRIT AMERICAN TOBACCO ORD GBP0.25	5.82
ROYAL DUTCH SHELL B ORD SHS EUR0.07	5.10
ASTRAZENECA ORD USD0.25	4.81
BG GROUP ORD GBP0.1	4.66
BP ORD USD0.25	4.14
RSA INSURANCE GROUP ORD GBP0.275	3.34
SCOTTISH & SOUTHERN ENERGY ORD GBP0	3.27
TESCO ORD GBP0.05	3.19
<b>TOTAL</b>	<b>46.91</b>

## | Asset Allocation |

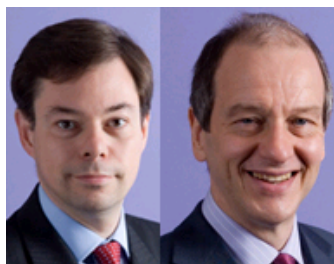
	%
Consumer Goods	15.07
Financials	14.06
Oil & Gas	13.81
Utilities	12.70
Industrials	12.35
Health Care	11.41
Telecommunications	9.96
Consumer Service	9.23
Other	1.34
Cash	0.06

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## Fund developments and comments

**Premier Income Fund - Investment Managers, Neil Cumming & Bill Mott**

In July, European banking regulators 'stress tested' 91 banks' ability to withstand potential economic shocks. In our opinion these tests were not that rigorous, with only seven fairly minor banks deemed to require further capital. In addition, the timetable for the introduction of tighter bank liquidity and capital rules (known as Basel III) was 'watered down' with its introduction being phased, in what some observers saw as a classic 'euro fudge'. However, the stock markets chose to take these developments as a further sign that the 'credit crunch' is now behind us, with the FTSE All Share returning 6.9% in July.

In this 'bubbly' market, banks and miners led the way whilst more defensive sectors such as pharmaceuticals, tobacco and food producers were amongst the laggards. We still believe that there are economic challenges ahead and that retaining our focus on yield, overseas earnings and high quality 'nifty fifty' companies is justified.

In line with this view, we added to the holdings in defensive stocks such as National Grid and GlaxoSmithKline during July, whilst starting a holding in electricity generator Drax. The valuation of our holding in International Power rose as the French group GDF Suez proposed a merger of their international operations. Further reductions were made, as prices rose, in lower yielding stocks such as Rotork and Ultra Electronics. Whilst the uncertainties at BP have reduced, a final solution has not yet been reached and we have not changed our position, being slightly underweight in the stock against the FTSE All Share weighting

## Fund Information

Annual Management Charge	1.50%
Initial Charge	4.25%
Accounting Dates	30 Apr, 31 Oct
Payment Dates	30 Jun, 31 Dec
Valuation Point	12 noon, daily
Sedol	388450
Share Class	Income
Published Price	The Financial Times
ISA eligible	Yes, stocks and shares
Min. Investment	£1,000, £50pm (ISAs £100pm)

## Investment Team

**I Neil Cumming, Investment Director, PSigma Asset Management I**

Neil has 25 years' investment experience having started with Royal Insurance in 1984 after graduating from Durham University with a degree in Economics and Mathematics. At Royal Insurance, Neil worked for three years as an analyst before moving to fund management. He moved to Prolific Asset Management in 1997 where he was part of the team managing the award-winning UK Blue Chip Trust and eventually becoming Head of the Equity Income team, responsible for a product range with c£800m assets. In 2003, Neil joined Teather & Greenwood Investment Management, running both equity income and growth retail funds. He joined PSigma in May 2004.

**I Bill Mott, Fund Manager, PSigma Asset Management I**

Bill has an established, industry-wide reputation for his investment management decisions over a period of thirty years. His well known top down thematic approach has identified particular inflection points in markets and this was most famously evidenced when he sold all the TMT growth stocks in March 2000 and moved his portfolio focus into value stocks. This avoided the dramatic losses in TMT in the summer of 2000 and, at the same time, captured the value stocks rally over the same period. He retired from Credit Suisse in the Autumn of 2006 and is one of the three founding members of PSigma Asset Management, an appointed representative of P-Solve Investments Ltd.

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