

Premier Optimum Income Fund

Premier Funds OEIC (previously known as the Premier Dividend Fund)



| Fund Strategy |

The Fund will predominantly invest in both UK and European large capitalisation high yield equities. It will also invest in some similar capitalisation very high yield equities.

The underlying portfolio of high yield equities will aim to yield approximately 5%. An active option strategy will be undertaken involving the writing out of the money call options to enhance the income from this portfolio. It is expected that this will add an additional 3% of income to this part of the portfolio.

There are often smaller companies with good balance sheets, sound businesses and very high yields which are temporarily overlooked by the market. We will use quantitative research methods to help us identify a list of these stocks and then fundamental analysis to pick those that are most suitable for the Fund.

| Fund Objectives |

To provide a high level of income together with the prospect of long term capital growth from an actively managed portfolio of equities.

Performance Record



■ Premier Optimum Income TR [8.7]
01/10/2008 - 30/07/2010 © Financial Express Holdings 2010

Discrete Annual Performance (%)

Share Type	2010(YTD)	2009	2008	2007	2006
Income	-4.4	15.7	-	-	-

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	5.5	-	-	-	-

Cumulative Performance to 31 July 2010 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-3.6	-0.3	5.5	-	-

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. 09/08/2010

| Key Fund Facts |

Fund Size:	£9.0m
Historic Yield:	8.5% (target 7.5%)
Launch Date:	01 October 2008
Sector:	IMA Specialist

| Top 10 Holdings |

	%
ZURICH FINL SVCS CHF0.10	4.74
ASTRAZENECA ORD USD0.25	4.68
UNIBAIL-RODAMCO SE EUR5	4.50
Cash	4.16
TERNA SPA ORD EUR0.22	4.12
BT GROUP ORD GBP0.05	4.08
CENTRICA ORD GBP0.061728395	3.93
SKANSKA AB SER'BNPV	3.57
IG GROUP HLDGS ORD GBP0.00005	3.41
SEVERN TRENT ORD GBP0.9789	3.37
TOTAL	40.56

| Asset Allocation |

	%
Large Cap	86
Small Cap	11
Cash	3

| Geographical Breakdown |

	%
UK	49
Other	22
France	10
Switzerland	10
Spain	9

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New Fund developments and comments

**Premier Optimum Income Fund Manager:**

Chris Wright

Unfortunately, having had a disappointing June on the economic front, the U.S. continued that trend into July. Second quarter GDP (Gross Domestic Product) numbers were weaker than expected, consumer confidence weakened further, the payroll report was soft and the ISM manufacturing index fell. Talk of a "double dip" in economic activity has been in the air for some months now and these recent figures are creating a

cacophony of worries now.

Interestingly, having for months reported that the economic news out of Europe was dull, at best, we are now starting to see a pick up. The euro area economic sentiment indicator rose, flash estimates for July PMI's (Purchasing Managers' Index) were stronger than expected as was the German IFO Business Climate index. This should be no surprise given the weakness of the Euro during the first half of the year, clearly a weak euro tends to be good for European manufacturers.

I suppose that what is of interest is that yet again economists were wrong footed. At the beginning of the year most had expected the US to grow considerably quicker than the Euro area, this now may not be the case. As economist John Kenneth Galbraith is quoted as saying "Economics is extremely useful as a form of employment for economists."

Meanwhile, the UK numbers were rather mixed, with GDP numbers a little better than expected, the housing market muted but retail sales looking reasonable.

Markets staged a bit of a recovery in July with the S&P 500 index returning 6.9%, the FTSE100 up 6.95% and the EuroStoxx 50 up 6.6%. The markets were predominantly driven by a bounce back in banking and insurance stocks with tobacco, pharmaceuticals and healthcare lagging.

The Premier Optimum Income Fund was up 5.3%, capturing most of the gain of the big stock indices despite being in "safer" stocks and having written some options.

I said last month that "the outlook for equities has become distinctly murkier over the past few weeks". Despite this month's bounce, this continues to be the case and I believe that more care than ever has to be taken with stock selection.

Fund Information

Annual Management Charge	1.50%
Initial Charge	5.25%
Accounting Dates	28 Feb, 31 May, 31 Aug, 30 Nov
Payment Dates	30 Apr, 31 Jul, 31 Oct, 31 Jan
Valuation Point	12 noon, daily
Sedol Code	Acc: B3DDDW9 Inc: 066413A
Share Class	Institutional & Retail, Income & Accumulation
Published Price	The Financial Times
ISA eligible	Yes, stocks & shares
Min. Investment	£1,000 / £50pm

Investment Team

I Premier Asset Management Limited I

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.

I Chris Wright, Senior Investment Manager I

Chris joined Premier in 2008 from Thames River Capital where he managed the successful Tybourn hedge fund and was part of the European hedge fund team. He has over 24 years' experience in the investment industry and brings with him a wealth of pan-European equity and derivative experience. Chris is a member of the UK Society of Investment Professionals.

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