

Premier Pan European Property Share Fund

Premier Funds OEIC



Premier

| Fund Strategy |

- One of the key benefits of indirect property investment is the flexibility to target the most attractive areas of commercial property. The Fund operates without benchmark constraint, thus the Fund Manager is able to significantly reduce exposure or exit European property markets that are fundamentally unattractive, even if that region constitutes a significant weighting in the benchmark index.
- The Fund Manager's style is to use the key flexibility of the Fund to target property cycle opportunities in different property markets across Europe. The Manager looks to acquire positions in companies with assets that are attractively positioned in their respective markets on a medium term view and then reduce or add to the holdings dependent on the share price valuation.
- To avoid the impact of currency fluctuations and provide a return that reflects the performance of the underlying property investments, the Fund hedges the main currency exposure.

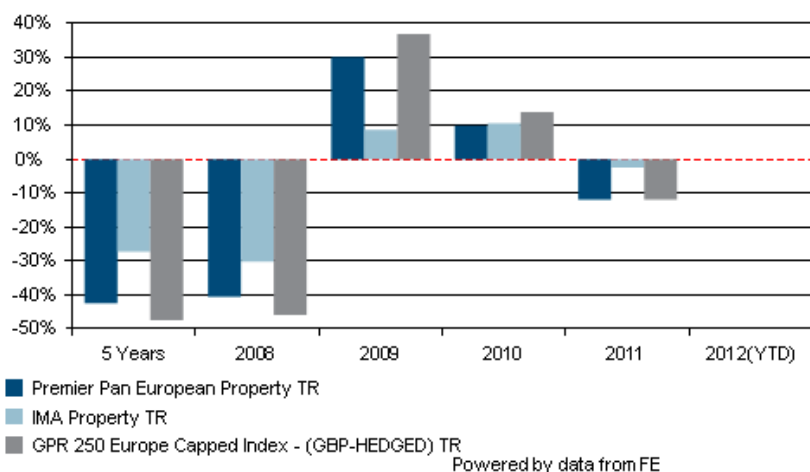
| Fund Objectives |

To provide a total return from a portfolio which will mainly consist of European investments.



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Performance Record



Managed by Alex Ross since July 2005

Discrete Annual Performance (%)

Share Type	2012(YTD)	2011	2010	2009	2008
Income	-	-12.0	9.9	30.2	-40.5

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	-12.0	9.9	30.2	-40.5	-23.1

Cumulative Performance to 31 December 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-2.2	-19.5	-12.0	25.9	-42.4
Official Sector	1.7	-7.5	-6.0	22.0	-27.2
Benchmark	-0.7	-19.7	-11.9	37.5	-47.5

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. Exchange rates will also cause the value of underlying investments to fall or rise. Please note that as the Fund was re-launched 01 July 2005, performance for 2005 includes data from prior to the re-launch.

Source: Financial Express. 11/01/2012

| Key Fund Facts |

Fund Size:	£40.5m
Launch Date:	Relaunched, 01 July 2005
Historic Yield:	Inc: 3.6%, Acc: 3.7%
Sector:	IMA Property
Benchmark:	GPR 250 Europe Index

| Top 10 Holdings |

	%
UNIBAIL-RODAMCO SE EUR5	8.20
HAMMERSON ORD GBP0.25	7.22
LAND SECURITIES GP ORD GBP0.10	7.19
BRITISH LAND CO ORD GBP0.25	5.14
VIB VERMOEGEN AG NPV	3.26
CORIO NV EUR10	3.23
KLEPIERRE EUR1.40	3.10
HUFVUDSTADEN AB SER'A'NPV	2.99
GREAT PORTLAND ESTATES ORD GBP0.125	2.93
SEGRO PLC ORD GBP0.10	2.71
TOTAL	45.97

| Sub Sector Split |

	%
Retail	47.5
Office	31.7
Industrial	9.5
Other	8.8
Cash	1.6
Medical	0.9

| Country Breakdown |

	%
UK	45.5
France	15.0
Germany	12.2
Other	8.3
Sweden	6.8
Netherlands	3.0
Italy	2.3
Austria	2.0
Finland	1.7
Cash	1.6
Switzerland	1.6

Fund developments and comments

**Premier Pan European Property Share Fund, Investment Manager: Alex Ross (since re-launch, July 2005)**

The Fund posted a positive return for December to complete a volatile year of a positive first half followed by significant falls in the second half of the year, along with pan European equities as the European sovereign debt crisis escalated from the periphery to Europe's core. As a result of this equity market weakness, share prices of pan European real estate securities are now trading at significant discounts to the underlying value of the real estate assets. As such, these share

prices have now factored in some significant falls in prime commercial real estate.

These share price discounts have widened against a background of highly resilient underlying asset values, as demand for well let commercial property remained firm. What is absolutely clear is that in the short to medium term, investors will require alternative forms of income with 'safer' government bond yields offering negative real returns and interest rates set to stay at negligible levels for the foreseeable future. Indeed, it is this requirement for income that has driven increased demand from institutional investors for prime, well-let real estate, and hence provided support to the underlying real estate capital values in the core locations of London, Paris (plus prime destination shopping centres outside Paris and London), Germany, and the Nordics. The Fund is predominantly focused on prime assets offering solid and visible income within these core markets.

Despite this, pan European real estate securities have indiscriminately been caught up in the equity market rout as fears of an imminent second credit crunch escalated and the market has very quickly moved to price such an environment into real estate shares. Clearly there is significant credit tightening as an ill-timed cocktail of regulatory legislation, worsening economic outlook and sovereign debt fears force the banks to accelerate their deleveraging. Lending is again becoming increasingly scarce, with resultant high margins on what debt is available. However, unlike during the credit-induced real estate crash of 2007-09 when Libor and Swap rates increased dramatically prior to central bank intervention, the increased margins on lending are now priced off very low LIBOR and swap rates, resulting in all-in borrowing costs at affordable levels (i.e. interest costs typically significantly below income yields). Furthermore, holdings within the Fund are well capitalised and ultimately are well placed to benefit from opportunities created by the banks accelerated de-leveraging, particularly within the real estate asset managers element of the portfolio.

These are highly uncertain times and the real estate share prices are unlikely to see a sustained recovery until political leaders implement the necessary policies to restore market confidence – it would seem nothing less than the European Central Bank (ECB) standing as lender of last resort will restore such confidence. Markets are likely to force these reactive politicians to implement such measures and, as such, further short term volatility is likely. Against this, the continental European REITs are likely to see demand from income investors as they approach their annual dividend dates as we approach the second quarter.

The pan European real estate sector has suffered from a substantial top-down driven sell off of Euro denominated risk assets (n.b. the Fund hedges the main currency exposure to sterling), and as such, share price discounts to the underlying (and importantly resilient) asset values fundamentally already factor-in significant well known macro risks. Historically, when priced against real estate that is fundamentally valued at attractive levels (i.e. a positive yield gap of property yielding in excess of benchmark yields) such real estate share price discounts have delivered significant returns to medium term investors prepared to tolerate short term volatility. As such, the Fund is fully invested in companies with well let assets, strong balance sheets and proven active management teams - firstly for the return on an eventual re-rating towards asset values, and secondly as the ultimate beneficiaries of opportunities from the deleveraging across UK and European banks.

Fund Information

Annual Management Charge	1.50%
Initial Charge	5.25%
Accounting Dates	31 May, 30 Nov
Payment Dates	31 Jan, 30 Sept
Valuation Point	12 noon, daily
Sedol Code	Acc: B66G0J2, Inc: 3059979
Share Class	Retail & Institutional, Accumulation & Income
Published Price	www.premierassetmanagement.co.uk
ISA eligible	Yes, stocks & shares
Min. Investment	£1,000 / £50pm

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 Alex Ross, Senior Investment Manager I

Alex joined Premier in June 2005 specifically to manage property share portfolios. He worked at Aberdeen Asset Management for the previous 7 years, where he managed the very successful Aberdeen Property Share Unit Trust. Including his time at Aberdeen, Alex has been involved in investment management for over 10 years, working for some of the best known names in the industry, including Barclays de Zoete Wedd and Ivory and Sime.

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