

| Fund Strategy |

- The Investment Manager looks to generate a positive return on a rolling 12 month basis.
- A defensive approach is used to achieve capital growth, with the Investment Manager looking to generate returns greater than cash deposits but with a lower level of risk than typically associated with equity markets.
- The Investment Manager looks to achieve this by primarily investing in holdings with a defined return across the various asset classes, as well as other suitable capital growth investments enabling accurate risk control.

| Fund Objectives |

To provide capital growth over the medium term.

Performance Record



■ Premier Defensive Growth TR [1.4] 21/12/2010 - 30/12/2011 Powered by data from FE

Managed by Paul Smith since 21 December 2010

Discrete Annual Performance (%)

Share Type	2012(YTD)	2011	2010	2009	2008
Accumulation	0.4	0.4	-	-	-

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

Share Type	31/12/2010 31/12/2011	31/12/2009 31/12/2010	31/12/2008 31/12/2009	31/12/2007 31/12/2008	31/12/2006 31/12/2007
Accumulation	0.4	-	-	-	-

Cumulative Performance to 31 December 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Accumulation	1.3	-0.3	0.4	-	-

Quoted on a total return, bid to bid, 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. 25/01/2012

| Key Fund Facts |

Fund Size:	£28.8m
Launch Date:	21 December 2010
Benchmark:	3m GBP LIBOR
Sector:	IMA Absolute Return

| Top 10 Holdings |

	%
Utilico 2012 Zero	8.15
JP Morgan Private Equity 2013 Zero	7.33
Acorn Income Fund 2017 Zero	4.66
F&C Private Equity 2014 Zero	4.14
Barclays FTSE Synthetic Zero 2013	3.88
Jupiter Second Split 2014 Zero	3.82
Aberforth Geared Income Trust Zero	3.78
JZ Capital Partners 2016 Zero	3.51
M&G High Interest Fund	3.46
Credit Suisse FTSE Synthetic Zero	3.40
TOTAL	46.13

| Asset Allocation |

	%
Zero Dividend Preference Shares	44.17
Synthetic Zeros	31.43
Fixed Income	11.57
Structured Products	6.01
Cash	3.76
Alternative Assets	3.05

Fund developments and comments

**Paul Smith, Senior Investment Manager of the Premier Defensive Growth Fund**

The financial markets proved volatile in December, as the future of the Eurozone remained unclear and high sovereign and bank debt persisted. The Premier Defensive Growth Fund, a member of the IMA Absolute Return sector, has made a positive return above the UK base rate despite the challenging market conditions since launch. In addition, the Fund exhibits levels of volatility of approximately half that of government securities and a fraction of that of the equity markets.

The Monetary Policy Committee (MPC) unanimously voted in favour of maintaining the UK base rate at 0.50%. The MPC also voted universally to continue with the asset purchase program totalling £275 billion. The degree of exposure that the UK has to the success or failure of the Eurozone remains uncertain, and the fear of a double dip recession continues. Inflation remains high, however it is expected to fall back sharply over the first half of 2012.

Despite the volatility, the equity markets provided a positive performance over the month. The Fund continues to maintain a greater weighting in zero dividend preference shares (zeros) with significant asset covers. These well covered zeros offer a level of insulation against the unpredictable equity markets, providing more of a defined return. Consequently, zeros continue to perform and be in high demand given their defensive nature and significant yield over government securities. The pipeline of future zeros will help satisfy some of the demand for zeros but it is unlikely to halt the share price growth. During December, we acquired a holding in the newly issued Acorn Income Fund Zero that matures in 2017. This zero was received well and its price has risen since issue.

In December, a RBS Synthetic Zero matured at its full entitlement. The widening of credit spreads in November allowed the addition or topping up of certain structured products on higher yields, such as a UBS structured product. These positions benefitted along with our structured product holdings in general, as credit spreads tightened in December. The Fund continues to hold structured products across a variety of highly rated underlying issuers to help reduce counterparty risk.

The Premier Defensive Growth Fund's aim is to generate capital growth while maintaining low volatility and is positioned to be defensive at all times. We seek not to take more risk just because assets have become cheaper. On the contrary, the Fund provides diversification through its range of underlying sectors, limiting downside risk while achieving an absolute return. The known risks to this growth would be rapidly declining equity markets, major bank defaults or sharply rising interest rates. These remain significant hurdles to most asset managers looking for growth. However, our defensive style and asset allocation to investments with a defined return mitigates these risks.

Fund Information

Annual Management Charge	Retail 1.25%, Inst 1.0%
Initial Charge	Retail 5.25%, Inst 0%
Accounting Dates	31 May, 30 November
Payment Dates	30 September, 31 January
Valuation Point	12 noon, daily
Sedol	Ret Inc B4QDLT6, Acc B4Q19K7 Inst Inc B4L2WQ2, Acc B3Z9QL5
Share Class	Retail Income & Accumulation Institutional Income & Accumulation
Published Price	www.premierfunds.co.uk
ISA eligible	Yes, Stocks & Shares
Min. Investment	Retail £1,000, Institutional £250,000
Minimum withdrawal	Retail £500, Institutional £10,000

Investment Team

I Paul Smith, Senior Investment Manager I

Paul has managed fixed income securities at Premier since 2006 and his responsibilities include the management of a number of open and closed end funds. In 2011, Paul was awarded the 'Investment Week Fund Manager of the Year Award' for the Money Market sector. He has a 1st class BA (hons) degree in Economics and an MA in Finance and Investment (with Distinction) from Exeter University.

I Ben Hamilton, Fund Manager's Assistant I

Ben assists with the day to day management of Premier's Fixed Income Funds and more specifically the capital growth mandates. Ben joined Premier in 2007 and has passed all three levels of the CFA Programme. Prior to joining Premier, Ben obtained an MSc (Hons) in Investment Management (with distinction) from the ICMA Centre, Reading University.

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