

# Premier Multi-Asset Growth Fund - Annual Short Report

For the period from 1st March 2009 to 28th February 2010

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the period. Copies of the Long-Form Annual Report & Accounts are available free of charge by calling Premier on 0845 230 9033, or can be downloaded from the Premier website at [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk)

## Investment Objective and Policy

The investment objective of the Premier Multi-Asset Growth Fund is to provide long-term capital growth. The Fund will achieve this by investing in a portfolio of collective investment schemes and may also invest in equities, fixed interest securities, money market instruments, deposits and warrants. The Fund may also invest in unregulated collective investment schemes such as hedge funds (where this would be consistent with the investment objective and policy of the Fund).

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

## Fund Facts

<b>Launch date:</b>	May 1995, converted to an OEIC December 2001
<b>Ex-dividend dates:</b>	28th February, 31st August
<b>Income dates:</b>	30th June, 31st October
<b>IMA sector:</b>	Balanced Managed

## Total Expense Ratio (TER)

28/02/2010

2.40%

The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

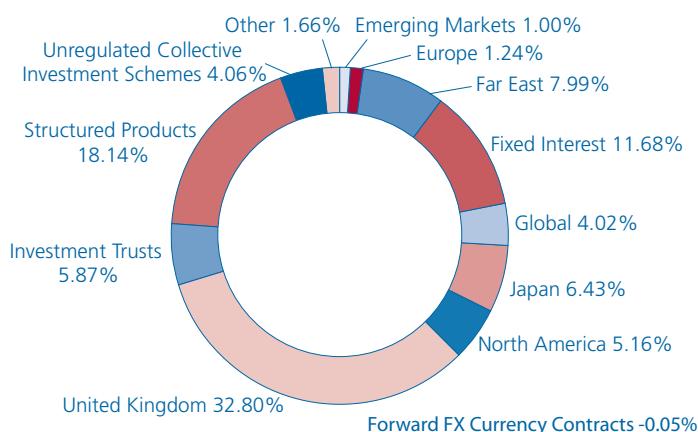
## Portfolio Turnover Rate (PTR)

28/02/2010

122.0%

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the Fund's shares and is expressed as a percentage of the Fund's average net asset value.

## Asset Allocation as at 28/02/2010



## Top Ten Holdings as at 28/02/2010

JO Hambro UK Opportunities Sterling	5.05%
PSigma UK Income	4.78%
Rensburg UK Equity Income	4.63%
Twentyfour Monument	4.46%
New Star Investment Property	4.34%
M&G European Loan 'C'	4.06%
M&G Strategic Corporate Bond 'A'	3.86%
Henderson Preference & Bond 'A'	3.36%
First State Asia Pacific Leaders 'B'	3.32%
Merrill Lynch DJ Eurostoxx 50 Certificates 10/05/2012	3.18%

## Investment Risks

Currently, the Fund invests significantly in the UK. There is a risk that the Fund might suffer through holding market positions concentrated in the UK in the face of price movements. The value of these investments may decline over a given period because of economic changes or other events that impact large portions of the market.

## Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2005	Income	205.63	166.83
	Accumulation	209.99	170.32
2006	Income	224.93	199.28
	Accumulation	230.09	203.53
2007	Income	241.29	220.26
	Accumulation	246.95	225.43
2008	Income	231.45	147.68
	Accumulation	236.92	151.24
2009	Income	211.04	141.53
	Accumulation	217.33	145.31
2010 <sup>1</sup>	Income	214.50	205.17
	Accumulation	220.90	211.29

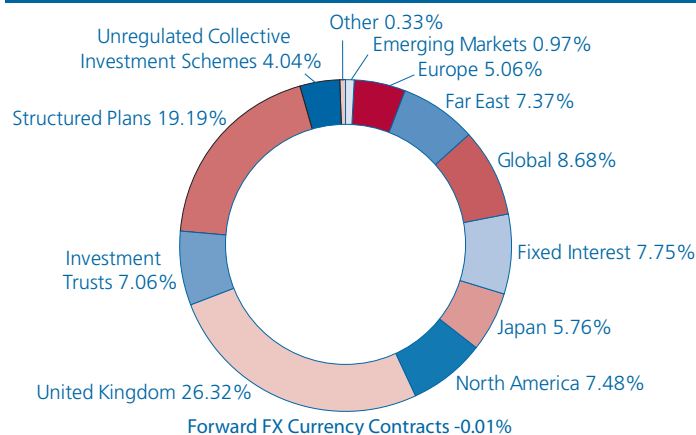
<sup>1</sup>To 28th February 2010

Past performance is not an indication of future returns.

## Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Income	148.73
	Accumulation	152.85
28/02/2010	Income	208.91
	Accumulation	215.32

## Asset Allocation as at 28/02/2009



## Top Ten Holdings as at 28/02/2009

First State Asia Pacific Leaders 'B'	5.64%
RWC Partners Ltd Global Convertibles 'B'	4.69%
Rensburg UK Equity Income	4.20%
PSigma UK Income	4.08%
Symphony Defensive FTSE Autocall	4.04%
Aviva Morley Global	3.99%
M&G European Loan 'C'	3.95%
Gartmore US Opportunities 'Retail'	3.68%
Merrill Lynch Warrant 27/01/2012	3.67%
M&G Strategic Corporate Bond 'A'	3.58%

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## Investment Review

### Performance

The Fund's financial year proved to be one of its best ever, helping to mitigate the steep declines seen in the savage market correction in 2008. We stated in our last annual report that we were "willing holders of equities and bonds at their currently depressed levels" as we believed they offered great value and were as cheap as they had been for several decades. This view proved to be highly beneficial, as the Fund has since generated a return of 41.02%, more than 10% ahead of the IMA Balanced Managed Sector average return of 30.91%.

### Portfolio Activity

As the year began, we had established much more substantial positions in convertible bonds, which had reached ridiculously cheap prices, and Asian equities, which were available at very attractive valuations given the superior growth prospects they offered compared to Western markets. These views had already benefited the Fund prior to March and continued to do so for months afterwards.

However, further through the year it became clear that the extraordinary opportunity to hold convertibles had run its course, so we sold down some of our holdings for more attractive opportunities elsewhere. Following their dramatic rally in 2009, Asian equities are also no longer the bargains they were 12 months ago and even look slightly expensive in some areas, particularly China. So we have also taken profits in this area, as the risk reward profile has become much less appealing.

This pattern was repeated with our property exposure. We originally bought back into indirect property in February, which proved to be a month too early, but was soon rewarding us as they rallied dramatically. Indirect property usually responds much earlier than the prices of the properties themselves, so it was always our intention to capture the rally here first, then switch to bricks and mortar funds further down the line, which we duly did in the fourth quarter of 2009.

By late summer, the sharp rally had meant that equities had recovered to much closer to their fair value. However, we were still seeing value in other assets, so we rotated some of our exposure away from equities into these areas. One such area is Residential Mortgage-Backed Securities (RMBS), specifically through the Twenty Four Monument Bond Fund. These assets, especially the higher quality issues held in this Fund, offer fantastic value, largely because this market remains unpopular and ignored by the investment herd. Its price has risen steadily since we purchased it and, despite that, we think this market offers one of the most attractive risk-reward trade-offs of any asset class today.

This move to lower risk assets was echoed across the Fund. In equities, for example, we have relatively light exposure to emerging markets now, as well as to volatile sectors such as banks and mining. Better value is available elsewhere. This means that, should we see a repeat of 2009's extraordinary rally, we are likely to lag our peers. We believe such a repeat is unlikely, however, and we think the Fund should outperform in most other circumstances.

### Outlook

Debate rages on as to whether we're on the road to full recovery or heading back into the financial abyss. Much as we have our own personal views on the state of the world, we're highly conscious that forecasting the future is best left to mystics. We rely on valuations instead, and these suggest to us that equities, corporate bonds and property offer reasonable value, while cash and developed government bonds don't. So it's in the former three assets that the bulk of our exposure lies. Within equities, we favour the less speculative areas of the market, as they look cheaper and offer better protection should the hopes of recovery prove overdone.

Source: Premier Fund Managers Limited, March 2010. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

## Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31/08/2009	31/10/2009	Income	0.5226
		Accumulation	0.5387
28/02/2010	30/06/2010	Income	0.0780
		Accumulation	0.0804

## Other Information

Authorised Corporate Director (ACD) & Registered Office: **Premier Portfolio Managers Limited**, Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Auditor: **Grant Thornton UK LLP**, 30 Finsbury Square, London EC2P 2YU.

Depository: **The Royal Bank of Scotland plc**, Trustee & Depository Services, The Broadstone, 50 South Gyle Crescent, Edinburgh EH12 9UZ

Administrators & Registrar: **Northern Trust Global Services Limited**, PO Box 55736, 50 Bank Street, Canary Wharf, London E14 1BT

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You should remember that past performance is not a guide to future returns and the price of shares and the income from them may go down as well as up and you may get back less than you invested. Investment in these funds should be viewed as a long term investment. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Monthly cash withdrawals may lead to erosion of the capital value of your investment should you take a higher cash withdrawal than the growth or income generated. 1606106395