

Premier Capital Builder Portfolio

Premier Private Client Portfolio



Quarterly Update - April 2011

The Premier Capital Builder Portfolio takes a defensive approach to building capital growth. Investments are made with the objective of obtaining greater potential returns than cash deposits but with a much lower level of risk than you would normally associate with investing in equity markets. In addition, selling stocks as part of normal portfolio activity is likely to realise capital gains, which can potentially be offset against your annual Capital Gains Tax (CGT) allowance and minimise your CGT liability (individual circumstances may vary).

The portfolio has a diverse asset allocation mix through a wide range of different investment vehicles including capital-return shares of closed-end investment companies, synthetic zeros (a form of structured product) and other unit trusts and funds.

Top Ten Holdings as at 31 March 2011

1	Premier Defensive Growth Fund	35.2%
2	Barclays FTSE Synthetic Zero 2013	10.1%
3	Symphony FTSE Synthetic Zero 2013	6.5%
4	Utilico Finance Ltd Zero 2012	5.3%
5	JP Morgan Private Equity Limited Zero 2013	5.0%
6	Jupiter Second Split Trust Plc Zero	4.3%
7	Rabobank FTSE Synthetic Zero 2012	4.3%
8	EPIC Securities Zeros	3.9%
9	Ecofin Water & Power Zero	3.9%
10	RBS FTSE Synthetic Zero 2011	3.1%

Portfolio Manager Commentary

The Monetary Policy Committee has maintained the UK base rate at 0.5%. Opinions remain divided on the Committee however. More recently, stubbornly high inflation has moved markets to expect a rate rise sooner rather than later. We have positioned portfolios for this. Despite this, there remains doubt about the strength of the UK's recovery, particularly with the government's austerity drive coming into full force in April.

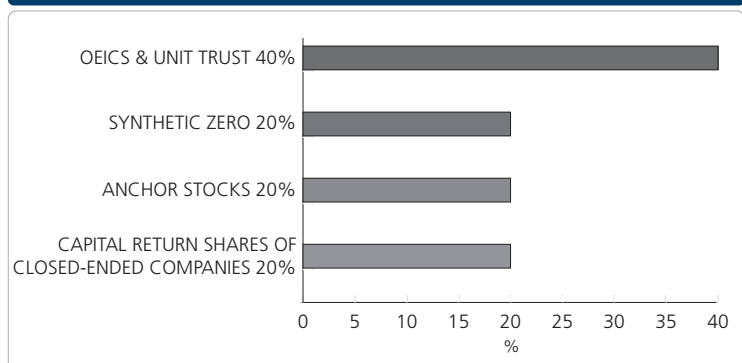
The Premier Capital Builder Portfolio proved defensive over the quarter during volatile market conditions. Pleasingly, we saw positive returns in the final month despite sharp equity market falls. As mentioned in previous commentaries, sharply rising interest rates and/or sharply falling equity markets remain the two key risks to achieving capital growth. We perceive the former to be the greatest threat. To insulate the portfolios against rising interest rates, we have looked to maintain the bulk of exposure in shorter dated investments. Similarly, we have looked to protect against falling equity markets by holding the more defensive zero dividend preference shares

The Premier Defensive Growth Fund is a core holding for Premier Capital Builder Portfolios but we continue to hold the majority of investments directly. This Fund is an open-ended version of the Premier Capital Builder Portfolio, with the same Investment Manager and a similar investment policy and objective. The Fund provides further diversification and growth opportunities within our investment universe.

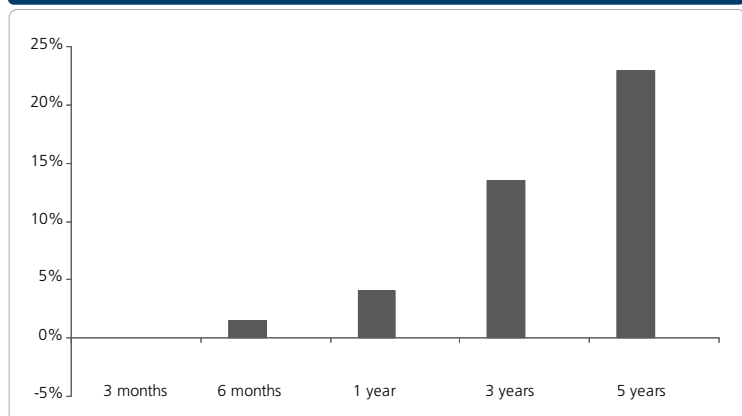
The Premier Capital Builder Portfolio continues to maintain its defensive profile which was thoroughly stress-tested during the depths of the credit crisis and most recently by the repercussions of the devastating earthquake and tsunami in Japan. In addition, as this was the final quarter prior to the end of the tax year, we realised some capital gains for our clients to take full advantage of the capital gains tax allowance.

Source: Premier Fund Managers Limited.

Asset Allocation as at 31 March 2011



Portfolio Performance to 31 March 2011



Portfolio Performance to 31 March 2011

	3 months	6 months	1 year	3 years	5 years
Premier Capital Builder Portfolio	-0.03%	1.52%	+4.07%	13.46%	22.93%

Sources: Portfolio performance is calculated by Premier Fund Managers Limited on a total return basis using a sample portfolio for illustration purposes only. Exact performance will depend upon individual stock weightings. The FD/AIC ZDP Share index has been removed as the portfolio's benchmark. The Investment Manager believes that the index no longer serves as an appropriate comparative measure. Past performance is not a guide to future returns.

About the Portfolio Managers

Premier Asset Management Limited (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 Fund Managers Limited and Premier Portfolio Managers Limited, Premier manages a range of authorised UK and offshore funds as well as providing bespoke discretionary management services for discerning retail and corporate clients. The Premier Group currently manages £2.4 billion of assets (as at 31 March 2011).

The Portfolio Management Team

**Fred Fulcher, Director – Portfolio Management**

Fred currently heads up the Discretionary Management Division of Premier. From 1989 through to joining Premier in 2002, Fred held the position of Senior Portfolio Manager with Govett Investment Managers, looking after a range of private client pension fund and charity portfolios, ranging in value from £250,000 to £60 million. Fred was also responsible for marketing portfolio services through the Allied Irish Bank's branch network in Britain and First Trust Bank network in Northern Ireland.

**Nigel Sidebottom, Investment Director**

Nigel joined Premier through the acquisition of BFS Investments in October 2005. He joined BFS in 1999 as a director from Greig Middleton, where he had been Managing Director of the Asset Management Division, having previously held the same position at Gerrard Vivian Gray. He is responsible for the overall management of Premier's closed-end fund business as well as managing sub-portfolios within four of the trusts. Nigel is a non-executive Director of JP Morgan Fleming Elect plc and a Fellow of the Chartered Institute of Securities and Investments (CISI). Nigel has been in stockbroking and fund management for over 20 years and is regarded as an expert on the investment trust sector.

**Nick Kelsall, Portfolio Manager**

Nick has worked in the financial services industry for 12 years, joining Premier in February 2001 from Carr Sheppards Crosthwaite Ltd (now Rensburg Sheppards Plc) where he had been employed for 2 years as a Unit Trust dealer. He is currently employed within the discretionary department where his responsibilities include the day to day management of private client portfolios

**David Pendlebury, Portfolio Manager**

David joined the Premier discretionary team in October 2005 when Premier took over the business of BFS Investments plc. Prior to working for Premier and joining BFS Investments in March 2000, David was Associate Director at Gerrard Stockbrokers in their asset management division for just under six years. David started his career in the city in 1989, working initially for The London Stock Exchange Traded Options Market, then joining Societe Generale Strauss Turnbull on the derivatives desk of their central market making team in 1990. Following this, he worked for Wise Speke Stockbrokers in their private client advisory team, until joining Gerrards in 1994. He is a Chartered Fellow of the Chartered Institute of Securities and Investments (CISI) and holds the Chartered Institute of Securities and Investments Diploma.

**Paul Smith, Senior Investment Manager**

Paul manages Fixed Income securities at Premier. His responsibilities include the management of open and closed end funds as well as managing private client portfolios. Paul obtained a 1st class BA (hons) degree in Economics and an MA in Finance and Investment (with Distinction) from Exeter university.

**Raj Hallen, Investment Specialist/Portfolio Manager**

Raj re-joined Premier in January 2008 as an Investment Specialist after a two and a half year spell with Skandia Investment Management as Deputy Chief Investment Officer. In his first period at Premier which spanned from March 2001 to April 2005, Raj was Head of Research and also co-managed the fund of funds range. Prior to that he was an Investment Director at Drummond Moores, an Investment IFA, where he managed both advisory and discretionary private client portfolios, pension and charity portfolios. Raj started his investment career at Newton Fund Managers in 1990, where he spent nearly eight years as an Investment Sales Manager. He holds both the Chartered Institute of Securities and Investments Diploma and the Advanced Financial Planning Certificate.

Important Information

Investments for discretionary managed portfolios may include investment trusts which use gearing as an investment strategy. This means that movements in the price of the shares may be more volatile than the movements in the price of the underlying investments. Sudden and large falls in value may occur and investors may get back nothing at all if there is a sufficiently large fall in the value of the investment. The fund may invest in "capital at risk product" investments where you could lose some or all of the money you invest. The rate of return advertised for these products might be achieved only after a set period and upon specific conditions being met. Investments may also include hedge fund and commodity based funds which may be less liquid, more volatile and not readily realisable. A proportion of this portfolio is currently invested in structured products. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products are typically linked to the performance of one or more underlying instruments or assets such as market prices, indices, securities, commodities and other financial instruments. There is the potential that these products could introduce a significant level of risk which may affect the portfolio's performance. However, the portfolio manager will use structured products to help keep the portfolio's volatility levels relatively low and provide an appropriate risk/reward balance. Past performance is not a guide to future returns. The price of shares and income from them can go down as well as up. You may get back less than you invest. Exchange rates will also cause the value of underlying investments to fall or rise. Tax concessions are not guaranteed and may be changed at any time; their value will depend on your individual circumstances. For your protection when dealing, your call may be recorded and monitored. This information is provided by Premier Fund Managers Limited and is for information purposes only. It does not constitute advice or a recommendation for investment purposes. Details of the nature of the investments, the commitment required and specific risk warnings are described in the Discretionary Agreement document which is available on request.