

# Premier Conservative Portfolio

Premier Private Client Portfolio



Quarterly Update - April 2011

The Premier Conservative Growth Portfolio takes a balanced approach to investment by investing across a broad range of asset classes and by ensuring that a considerable element of the portfolio is held, where possible, in protected structured products and absolute return strategies. Capital protected structured products, where fully or partially protected, can provide opportunities for an investor to participate in equity market returns (often enhanced returns) without the same level of risk normally associated with a conventional equity investment. Absolute return strategies look to generate positive returns in all market conditions and can help to reduce the volatility of a portfolio. Premier Asset Management uses Funds of Hedge Funds in this area further diversify the exposure of this element of the portfolio. In addition, the Premier Conservative Growth Portfolio may include some exposure to commodities and commercial property, as well as traditional equity collective investments covering both the UK and overseas markets.

## Holdings as at 31 March 2011

1	Barclays 6.5 Year FTSE Switchable	15%
2	BlackRock UK Absolute Alpha P Acc	14%
3	Cazenove Absolute UK Dynamic Fund	14%
4	Investec Enhanced Natural Resources Fund	8%
5	Baillie Gifford Emerging Markets Growth B Inc	8%
6	Schroder European Alpha	7%
7	Smith & Williamson Enterprise Fund	6%
8	Schroder UK Alpha Plus A Acc	6%
9	BWD Rensburg UK Eq Inc	6%
10	Source Physical Secured Gold ETF	5%

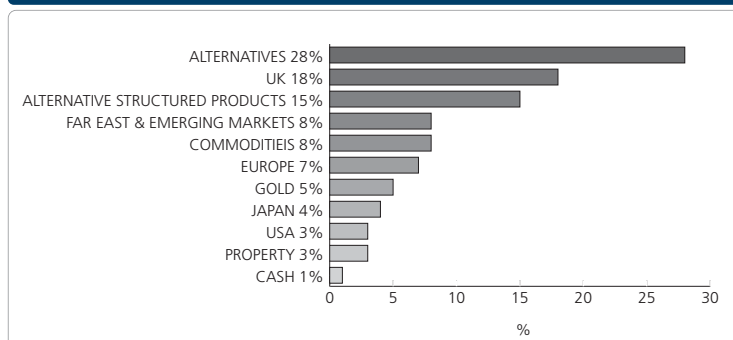
## Portfolio Manager Commentary

Performance of the Portfolio over the quarter has been satisfactory relative to markets. The process of incorporating the new Premier funds into the portfolios, where and when relevant, is progressing well. These funds have been positioned to take advantage of a variety of new structured product issues and, where appropriate, various stocks with an 'auto call' structure have been bought. These new 'auto call' structured products which have been introduced into the portfolio via the Premier funds have the potential to deliver returns between 10.5% and 15% per year, without the requirement for an increase in the underlying indices.

We continue to maintain an underweight exposure to corporate bonds and fixed interest due to our expectation of continued inflationary pressures within the economy and in anticipation of interest rates rising in the near term. These two factors are generally negative for the capital values of corporate bonds and gilts and we will continue to monitor this position.

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 Conservative Portfolio	+0.06%	+5.53%	+6.08%	+17.46%	+23.49%
Index*	+0.59%	+4.32%	+7.19%	+17.30%	+21.87%

\* APCIMS Private Investor Income

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. Other source data comes from Bloomberg, Fundamental Data Limited & Premier Fund Managers Limited. 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 significant 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.

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