

Security of your investment

Premier Asset Management, via its FSA regulated subsidiaries, manages a range of authorised UK and offshore funds. It also provides discretionary management services for both retail and institutional clients. We are committed to employing only the very best investment management resources in the industry and this philosophy, combined with a focus on access to excellence, ensures that Premier offers truly active and independent fund management. Premier's investment philosophy is simple and directly aligned with the interests of its customers: to create market leading portfolio performance. By encouraging individualism, responsibility and pro-active decision making within a well-managed and disciplined framework, Premier's team of highly experienced portfolio managers focus solely on generating long term results. They are supported by skilled teams who aim to deliver an exceptional level of service to customers.

The Premier group includes two UK regulated trading subsidiaries: Premier Fund Managers Limited and Premier Portfolio Managers Limited.

Premier Fund Managers Limited and Premier Portfolio Managers Limited are both authorised and regulated by the Financial Services Authority (see below).

Premier has grown over the years through a planned programme of acquisition and organic growth and is now a private company, in which the senior management team have a significant stake. We strongly believe that this creates a firm alignment of interests between the team at Premier and our clients. In addition, we have robust controls in place to ensure that we adhere to the applicable regulatory standards and requirements.

Below we have summarised the main protection available to you as a private investor with either Premier Fund Managers Limited or Premier Portfolio Managers Limited. We have also provided some additional information regarding our other types of investments.

The Financial Services Authority (FSA)

We are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and are bound by the FSA's rules and regulations. You can find out further information about the FSA and what they do on their websites, www.fsa.gov.uk and www.moneyadvice.service.org.uk

We make regular statements to the FSA regarding the solvency of the two regulated subsidiaries, together with our audited financial statements and other information.

The Financial Services Compensation Scheme (FSCS)

Investors with Premier may be covered by the Financial Services Compensation Scheme if either company stops trading. The FSCS can provide compensation of up to £50,000 to an investor if the company agrees that it has been in default and cannot provide compensation itself.

Further information about the FSCS is available on its website, www.fscs.org.uk.

HM Revenue & Customs (HMRC)

Both Premier Fund Managers Limited and Premier Portfolio Managers Limited are approved by HM Revenue & Customs to act as an Individual Savings Account (ISA) Manager. This means that we have to operate ISAs in accordance with HMRC's rules and regulations. HMRC also carry out regular audits to review our procedures.

The Companies Act 2010

Premier Fund Managers Limited and Premier Portfolio Managers Limited are companies incorporated in England and Wales under registration numbers 2274227 and 1235867 respectively and are governed by The Companies Act. Our financial accounts are audited each year by independent accountants, KPMG Audit Plc.

Your money

All Premier client money is held, ultimately, with UK banks, namely HSBC Bank plc (for Premier Fund Managers Limited) and National Westminster Bank (for Premier Portfolio Managers Limited). We do not hold any client money with foreign banks.

If you have any concerns over HSBC Bank plc ("HSBC"), National Westminster Bank plc ("NatWest") or any other bank which is authorised and regulated by the FSA, you can check their current status on the FSA Register, www.fsa.gov.uk/register.

Security of your investment

Your investment with Premier Portfolio Managers Limited

When you invest in one of Premier Portfolio Managers' funds, you purchase a number of units in a unit trust scheme or shares in a sub-fund of an Open-Ended Investment Company, also known as an OEIC. These may be held in an Individual Savings Account (ISA), via a savings plan, or directly in your own name. We have used the term "shares" below but the information also applies to units held in a unit trust scheme.

Your investment is "ring-fenced" and held separately to Premier's own assets. This means that in the event that Premier stopped trading, neither Premier, nor its liquidator or creditors, would have any rights over your investment.

The structure of an OEIC means that there is a Depositary and Custodian in place. For a unit trust, there is a Trustee instead of a Depositary. The Depositary and Trustee carry out similar functions and we have therefore only referred to the Depositary below, although the information applies equally to a Trustee.

Included in their duties and responsibilities, the Depositary ensures that the best interests of shareholders are being considered at all times and the Custodian is responsible for the safe-keeping of the underlying assets of the fund you have invested in.

The Depositary used by Premier is NatWest. The Custodian is appointed by the Depositary and in our case is The Northern Trust Company Limited ("Northern Trust"). These companies are both authorised and regulated by the Financial Services Authority and comply with its rules and regulations.

Premier Portfolio Managers Limited acts as Authorised Corporate Director (ACD) of the OEIC. This means that we are responsible for the day to day running of the OEIC, and are overseen by the Depositary and the FSA. In the unlikely event that Premier stopped trading, the Depositary would be responsible for appointing a new company to act as ACD subject to the FSA's approval.

In the event that NatWest stopped trading, a creditor of the bank would have no rights over any fund assets and therefore no rights over your investment. Premier would appoint a new Depositary with no noticeable effect on your investment.

The investments held by the fund are held in separate accounts in the name of the Nominee. This will be a dormant company which has no assets or liabilities of its own. In the event that the Custodian stopped trading, a creditor of the Custodian would have no rights over the assets held in the Nominees account (as it does not hold any assets in its own right) or the assets it holds on behalf of the fund, which in turn, means it would have no rights over your investment. The Depositary would appoint a new company to act as Custodian with no noticeable effect on your investment.

However, cash held within the fund would be treated differently. In this situation, the Custodian may also act as banker and the fund's cash may not be segregated from their other money. In the same way that you would be treated if your own bank were to fail, the fund would be treated as an unsecured creditor of the Custodian. The Custodian's liquidator would be responsible for distributing any cash if the Custodian were to fail.

As mentioned previously, the Custodian is authorised and regulated by the FSA and makes regular statements to the FSA regarding its solvency.

Further information about NatWest and Northern Trust are below.

Your investment with Premier Fund Managers Limited – the Premier Private Client Portfolio and Premier Limited Editions

The Premier Private Client Portfolio is our discretionary portfolio management service. Your Portfolio consists of two elements – shares and cash. Premier Limited Editions (PLEs) is our range of structured products. Information about the security of each is given below and these apply to both direct investments and investments via an Individual Savings Account.

Shares

Shares in your Portfolio are administered by an independent Custodian, SEI Investment (Europe) Limited ("SEI"), who is responsible for the safe-keeping of your investments. SEI in turn uses a nominee company to hold all shares with their Custodian, HSBC Bank plc. Both SEI and HSBC are authorised and regulated by the Financial Services Authority and are governed by its rules and regulations.

Security of your investment

In the unlikely event that Premier stopped trading you would be able to transfer your portfolio to another discretionary portfolio manager or into your own name.

In the event SEI or HSBC stopped trading, neither company nor any liquidator or creditors would have any rights over the shares held on your behalf. Premier would appoint a new custodian for your shares.

Cash

Cash held within your portfolio would be treated differently to the shares held. In this situation, while your cash will be segregated from cash belonging to SEI, it may not be segregated by HSBC from HSBC's other clients or its own money. In the same way that you would be treated if your own bank were to fail, cash held within your Portfolio, and those of our other clients, would be treated as an unsecured creditor of HSBC, and its liquidator would be responsible for distributing any cash if it were to fail.

All of the companies holding cash are authorised and regulated by the FSA and make regular statements to the FSA regarding their solvency.

Premier Limited Editions (PLEs)

The notes above under Shares also apply to investments held in a PLE.

Each PLE invests in a specific share issued by a company or bank. We have always considered asset security a priority for our clients and therefore only offer PLEs to our clients which are backed by institutions with good credit ratings. We therefore consider it very unlikely that one of these institutions would stop trading, although if they did, your investment may become worthless.

We have offered a number of PLEs over recent years using shares from a variety of different institutions. If you would like to know who provides the assets for the PLE you have invested in, please e-mail us at clientservices@premierfunds.co.uk, write to us at **Premier Fund Managers Limited, Eastgate Court High Street, Guildford, Surrey GU1 3DE**, or **telephone us on 01483 306090**. Please ensure you state which PLE you have invested in (e.g. PLE37).

Investment Trusts

Each investment trust is a company in its own right and is run by an independent board of directors who have a number of duties and responsibilities, including appointing an independent custodian to look after the trust's investment portfolio.

The assets held in the trust's investment portfolio are held separately to Premier's assets. Premier has no rights over them.

If the investment trust itself becomes insolvent, it would be subject to the regulations under the Companies Act. The trust's directors would have to appoint a liquidator who would be responsible for any assets being distributed in accordance with the Insolvency Act in the same way that any other company would be.

There is no automatic recourse available to investment trust shareholders from the Financial Services Compensation Scheme.

If you have shares in an investment trust through an Individual Savings Account, then the notes above under Shares also apply.

The Premier SIPP (Self-Invested Personal Pension)

The Premier SIPP is a SIPP provided by TM SIPP Services Limited and allows you to invest in the funds offered by Premier Portfolio Managers Limited or the Premier Private Client Portfolio offered by Premier Fund Managers Limited.

TM SIPP Services is approved by HM Revenue & Customs to act as a SIPP manager.

Your investment is initially made into the SIPP offered by TM SIPP Services and you appoint TM Trustees Limited as trustee of your SIPP. They then make the investment into the fund or Portfolio of your choice in accordance with your instructions.

If your investment is in one of Premier Portfolio Managers Limited funds, the notes above under **Your investment with Premier Portfolio Managers Limited** apply.

If your investment is in the Premier Private Client Portfolio, the notes above under **Your investment with Premier Fund Managers Limited – the Premier Private Client Portfolio and Premier Limited Editions** apply.

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Information on the custodian, depository and administration companies

National Westminster Bank plc

The parent company of NatWest is The Royal Bank of Scotland (RBS) which received significant support from the UK Government in 2008 and continues in its major restructuring which will see a reduction in its branch network and a focus on core businesses. RBS had total assets of GBP 1.3 trillion at 20 June 2011. (Source: RBS Group Annual Report and Accounts 2010).

You can find more information about NatWest and RBS by visiting its website, www.rbs.com

Northern Trust

Northern Trust Corporation is a provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and individuals worldwide. Northern Trust, a multibank holding company based in Chicago, USA, had total assets of USD 97 billion on 30 June 2011 and held assets under custody of USD 4.4 trillion. (Source: www.northerntrust.com)

You can find more information about Northern Trust by visiting its website, www.northerntrust.com.

HSBC

HSBC Bank plc is part of the HSBC Group, one of the largest banking and financial services organisations in the world. HSBC had assets of USD 2.7 trillion at 30 June 2011, and held assets under custody of USD 5.9 trillion. (Source: HSBC Holdings Ltd Interim Report 2010, www.HSBC.com).

You can find more information about HSBC by visiting its website, www.hsbc.co.uk.

SEI

SEI Investment (Europe) Ltd is part of SEI, a provider of investment management administration and fund management in the North America and Europe. The parent company is headquartered in Pennsylvania, USA, where it was founded 40 years ago. SEI serves about 7,000 clients. It holds USD180 billion of assets under management and USD 250 billion of client assets under administration. (Source: SEI Corporate Profile, www.SEIC.com)

You can find more information about SEI by visiting its website, www.seic.com/enUK

Please remember that the value of investments and any income from them can go down as well as up.

If you require any advice as to whether a particular investment is suitable for you, please consult an authorised financial adviser. Neither Premier Portfolio Managers Limited nor Premier Fund Managers Limited is authorised to give you advice regarding your personal financial circumstances.

Other useful contacts:

Premier Asset Management

www.premierassetmanagement.co.uk

Telephone:
01483 30 60 90

HM Revenue & Customs

www.hmrc.gov.uk

Investment Management Association

www.investmentuk.org

Telephone:
0207 831 0898
0207 269 4639 (info line)

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Registered office for all three companies is Eastgate Court, High Street, Guildford, Surrey GU1 3DE

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