

# Premier Corporate Bond Monthly Income Fund

## Fund Factsheet

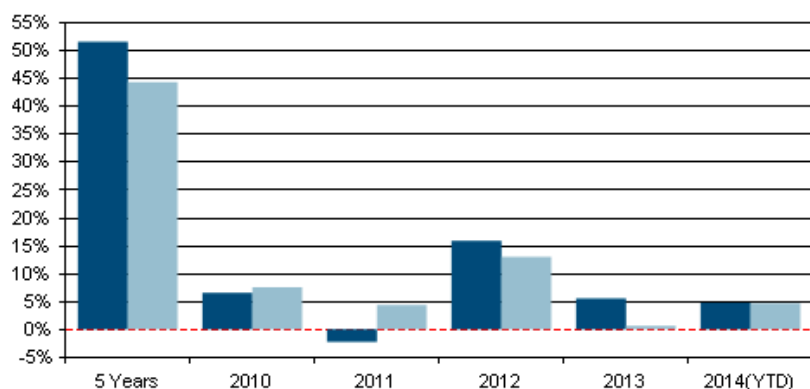
### | Fund Strategy |

- Aims to deliver attractive returns on a risk-adjusted basis.
- Employs a top-down asset allocation process, evaluating the macroeconomic environment to drive portfolio construction.
- This is complimented by fundamental research into individual names held within the portfolio.
- At all times, at least 80% of the Fund will be invested in investment grade bonds, or equivalent. Currency exposure will be predominantly sterling and, where appropriate, foreign currency exposure will be hedged back into sterling.
- The Fund will be constructed to distribute monthly income payments.

### | Fund Objectives |

To provide a high income payable in monthly instalments.

### Performance Record



■ Premier Corp Bd Mthly Income TR  
■ IMA Sterling Corporate Bond TR

Powered by data from FE

Managed by Paul Smith since 01 August 2009

### Discrete Annual Performance (%)

Share Type	2014(YTD)	2013	2012	2011	2010
Income	4.8	5.6	15.9	-2.3	6.5

### Discrete Annual Performance to Quarter End 30 June 2014 (%)

Share Type	30/06/2013	30/06/2012	30/06/2011	30/06/2010	30/06/2009
Income	8.5	12.6	-1.8	6.2	23.8

### Cumulative Performance to 31 July 2014 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	1.5	3.2	6.9	20.0	51.7
Official Sector	1.5	2.8	4.9	19.0	44.5

Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to future returns. 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. 06/08/2014

### | Key Fund Facts |

<b>Fund Size:</b>	£51.8m
<b>Launch Date:</b>	06 November 1995
<b>Sector:</b>	IMA Sterling Corporate Bond
<b>Distribution Yield:</b>	A, B, C Inc 3.0%
<b>Underlying Yield:</b>	A Inc 2.0%, B Inc: 2.1%, C Inc: 2.3%

### | Top 10 Holdings |

	%
Cash	3.91
Aspire Defence 4.674% 31/03/40	2.03
University of Cambridge 3.75% 17/10/52	1.98
Real Estate Credit Investments	1.90
HSBC Capital Funding 8.208% 29/06/49	1.83
South Eastern Power I/L 05/06/23	1.76
RSL Finance 6.625% 31/03/38	1.71
EIB I/L 16/04/2020	1.69
CS 7.875% 24/02/2041	1.60
EIB Bank 6.00% 07/12/2028	1.52
<b>TOTAL</b>	<b>19.93</b>

### | Credit Rating Exposure |

	%
AAA	10.00
AA	13.57
A	24.84
BBB	34.44
BB	7.24
B	3.14
Non-Rated	6.77

### | Maturity |

	%
Under 1 year	0.02
1-5 years	7.86
5-10 years	30.34
10-15 years	22.59
15 years +	38.11
Not Dated	1.08

# Premier Corporate Bond Monthly Income Fund

## Fund Factsheet

### Fund developments and comments



**Premier Corporate Bond Monthly Income Fund - Investment Manager, Paul Smith (since 01 August 2009)**

Premier Corporate Bond Monthly Income Fund has been a top quartile performer over one and two years and was one of the best performing funds in the IMA Sterling Corporate Bond sector in 2013 for both returns and on a risk-adjusted basis. Positive attribution from overweight sector exposures such as consumer non-cyclical and technology sectors, as well as bond selection of specific pub issues, such as Enterprise Inns and Spirit Pub Company, has continued into 2014

although a shorter duration versus peers has stopped the Fund from moving further ahead as sovereigns rallied. The Fund aims to distribute a smoothed monthly income with a balancing distribution in the final month.

Our current strategy is to position the Premier Corporate Bond Monthly Income Fund with greater sector diversification and probably a longer tail of holdings, but still be active and aggressive in credit and duration versus peers, some of whom reflect the broader market. We suspect, due to low net issuance and regulatory compliance, subordinated bank debt will generate the highest excess returns. We expect a flattening in the yield curve but for yields to rise across all durations. Bond holders should remain cautious about the degree of increased leverage being used for shareholder friendly activities, such as M&A and shareholder givebacks. The majority of bonds trade significantly above par value and therefore above covenant protection. However, it is difficult to envisage an environment where duration outperforms credit.

Default rates are likely to remain low despite further releveraging, as issuers lock in cheap borrowings. Investment grade leverage is at a seven year high but with interest cover ratios sufficient given the cost of borrowing undertaken. This leverage has subsequently resulted in net credit rating downgrades and when combined with lower secondary market liquidity, this will curb further yield compression, with credit spreads already at a six year low

The Fund's average credit rating is A- and duration continues to be actively managed, although maintaining less sensitivity to rate changes than the sector and market as a whole. New forms of subordinated bank debt with unique features to each issue provide ample opportunities to add value. We continue to keep the portfolio highly liquid, enabling a flexible structure while overall bond market liquidity remains a concern.

A small, nimble bond fund is likely to be able to produce good outcomes for investors, as they did in 2013, with a greater dispersion of bonds to choose from and an ability to more actively manage duration. We would propose that a small, nimble, actively managed corporate bond fund is more strategic than the majority of the strategic bond sector constituents given their size and limited market liquidity.

### Fund Information

<b>Initial Charge</b>	A: 4%, B&C: 0%
<b>Annual Management Charge</b>	A: 1%, B: 0.85%, C: 0.65%
<b>Ongoing Charges Fee</b>	At 30 April 2013, A Inc: 1.41%, B Inc: 1.26% C Inc: 1.06%
<b>Accounting Dates</b>	30 Apr, 31 Oct
<b>Payment Dates</b>	28th day of each month
<b>Valuation Point</b>	12 noon, daily
<b>Sedol</b>	A:0389345 B:0390723 C: 0389549
<b>Share Class</b>	Class A, B & C Income
<b>Published Price</b>	<a href="http://www.premierfunds.co.uk">www.premierfunds.co.uk</a>
<b>Min. Investment</b>	A: £1,000 B: 50,000 C: 250,000
<b>ISA eligible</b>	Yes, stocks & shares

### Investment Team

#### Paul Smith, Senior Investment Manager

Paul Smith joined Premier in 2005 and his responsibilities include the management of a number of open and closed ended funds, including Premier Corporate Bond Monthly Income Fund, Premier Defensive Growth Fund and the award-winning Premier UK Money Market Fund. Paul's management of lower risk mandates have over the last decade been recognised at the Money Observer Investment Trust Awards, Investment Week Fund Manager of the Year Awards, and membership of the Investment Adviser 100 Club. Paul has a First Class BA (Hons) degree in Economics, and an MA in Finance and Investment (with Distinction) from Exeter University.

**Issued by Premier Asset Management.** Premier Asset Management is the marketing group for Premier Fund Managers Ltd and Premier Portfolio Managers Ltd, who are authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Please 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. You could get back less than you invested. 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. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision. A free, English language copy of the Fund's full prospectus, the Key Investor Information Document and Supplementary Information Document, which include all the important information you need to consider before making an investment decision, are available on the website or copies can be requested by using the contact details on this factsheet. The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market unit price of the fund. The Underlying Yield reflects the annualised income net of expenses as a percentage of the mid-market unit price. For your protection, calls may be monitored and recorded for training and quality assurance purposes.