Premier Pan European Property Share Fund

Fund Factsheet

Premier Asset Management

| Fund Strategy |

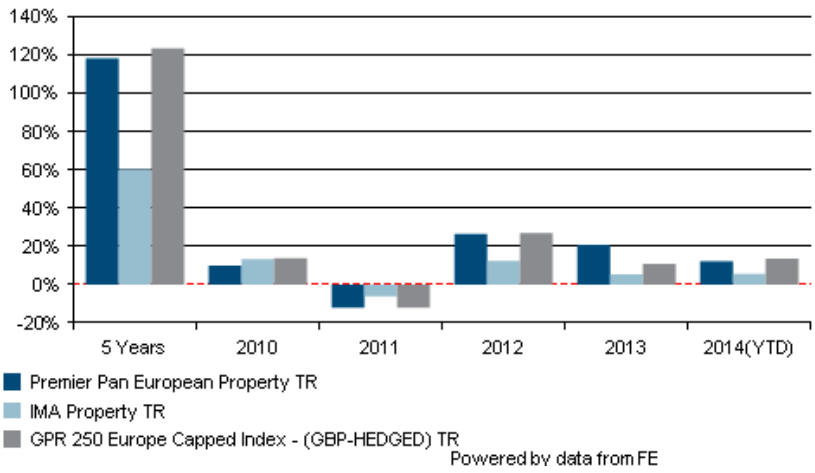
- One of the key benefits of indirect property investment is the flexibility to target the most attractive areas of commerical property. The Fund operates without benchmark constraint, thus the Fund Manager is able to significantly reduce exposure or exit European property markets that are fundamentally unattractive, even if that region constitutes a significant weighting in the benchmark index.
- The Fund Manager's style is to use the key flexibility of the Fund to target property cycle opportunities in different property markets across Europe. The Manager looks to acquire positions in companies with assets that are attractively positioned in their respective markets on a medium term view and then reduce or add to the holdings dependent on the share price valuation.
- To avoid the impact of currency fluctuations and provide a return that reflects the performance of the underlying property investments, the Fund hedges the main currency exposure.

| Fund Objectives |

To provide income and long term capital growth from a portfolio which will mainly consist of European property company shares.

INVESTMENT WEEK FUND MANAGER OF THE YEAR 2014 IN ASSOCIATION WITH FundsNetwork WINNER Best of Specialist Property

Performance Record



Managed by Alex Ross since July 2005

Discrete Annual Performance (%)

Share Type	2014(YTD)	2013	2012	2011	2010
Income	12.2	20.9	26.7	-11.9	9.9

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

Share Type	30/06/2013 30/06/2014	30/06/2012 30/06/2013	30/06/2011 30/06/2012	30/06/2010 30/06/2011	30/06/2009 30/06/2010
Income	27.9	21.7	-11.0	28.8	22.6

Cumulative Performance to 30 June 2014 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Income	5.9	12.2	27.9	38.4	118.7
Official Sector	3.7	5.6	7.1	16.1	60.6
Benchmark	7.8	13.7	23.6	28.7	123.8

Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to the future. 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. Exchange rates will also cause the value of underlying investments to fall or rise. Please note that as the Fund was re-launched 01 July 2005, performance for 2005 includes data from prior to the re-launch.

Source: Financial Express. 16/07/2014

| Key Facts |

Fund Size:	£137.4m
Launch Date:	Relaunched, 01 July 2005
Historic Yield:	A Acc, A,B,C Inc:2.6%, C Acc:2.5%
Sector:	IMA Property
Benchmark:	GPR 250 Europe Capped Index (GBP Hedged)

| Top 10 Holdings |	**%**
Land Securities	7.42
Unibail-Rodamco	6.17
Hammerson	5.68
LEG Immobilien	5.17
British Land	4.72
NewRiver Retail	3.52
Cash	3.45
VIB Vermoegen	2.91
GAGFAH	2.75
Gecina	2.67
TOTAL	**44.46**

| Sub Sector Split |	**%**
Retail	39.4
Office	25.6
Residential	18.6
Industrial	9.3
Cash	3.1
Other	2.4
Medical	1.0
Storage	0.5

| Country Breakdown |	**%**
UK	50.4
Germany	19.3
France	12.7
Other	4.3
Cash	3.1
Sweden	2.8
Switzerland	2.2
Belgium	1.7
Netherlands	1.5
Spain	1.0
Finland	1.0

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Fund developments and comments

Premier Pan European Property Share Fund, Manager: Alex Ross (since re-launch, July 2005)

The Fund saw some profit taking from the May's strong gains, although it steadily recovered through the month to finish with a marginal decline. Share prices were impacted by the Governor of the Bank of England indicating interest rates could rise sooner than markets currently expect, and UK property company share prices were more impacted than most on this. We view such short term market sentiment driven weakness as an opportunity. There is a general market misconception that rising interest rates is bad for property, but this needs qualifying in terms of what stage of the rising interest rate cycle we are at. It is typically the end of the interest rate increasing cycle that proves to be a negative time to invest in real estate, as it later proves to be the top of the cycle with interest rates thereafter being cut on weakening economic data, and hence falling rents/rising vacancies in real estate. The start of the interest rising cycle, as we appear currently in the UK, tends to be positive for property investors as it indicates economic growth and thus rental growth, which more than compensates for the increased cost of finance. Our analysis suggests this will very much be the case in the potential rising UK interest rate environment, as the majority of our holdings have locked-in attractive long term fixed cost debt (thanks to their unique access to the attractive bond market – from a borrowers perspective), whilst the lack of development in the last 7 years since the credit crisis suggests a small pick-up in demand will lead to an extenuated, supply-constrained rental growth environment. Rental growth (or the lack of it) will be the key determinate of returns in the coming years. Using intensive bottom –up analysis, we are focused on positioning the portfolio towards those assets that are set to see rental growth, and particularly towards management teams who are actively improving real estate for the evolving tenant requirements.

In this UK regional real estate, we are absolutely focused on backing the strongest management teams who are regenerating and improving secondary property back to institutional standard. Through the next few years, we are set to see healthy profits from these hands-on, active real estate management teams as their selectively acquired secondary properties are returned to prime, institutional quality; resulting in material uplifts to their current low ascribed capital values. The profitability of this value-creation strategy is now set to be enhanced by the surge in demand from institutions and funds looking for well let, good quality regional real estate. Due to the material shortening of average lease lengths over the last decade, such well-let real estate these institutions seek is not widely available. Hence, we are firmly of the view that for investors to actually benefit from the return of demand for regional property is through the best in class management teams, who having entered this market 2-3 years ago are now profiting from this surge in demand; rather than with the weight of money looking for that somewhat rare commodity of a long leased, market rented prime asset.On the continent, the property cycle is significantly behind the UK, with the European Central Bank (ECB) only last month cutting its deposit rate to minus 0.1%, becoming the first major central bank to introduce a negative deposit rate. On the continent, we are very focused on the strongest rental income profiles, given the difficult economic environment in many parts of Europe and the likely strong bid for assets offering income resilience combined with long term inflation hedging profile. The combination of the attractive income yield combined with inflation linked leases on core European real estate is looking increasingly attractive to long term institutional investors faced with limited income options and a likely desire to protect against future inflationary pressure. Net Asset Values are now very strongly underpinned with this institutional bid behind their asset basis, with consolidation also an emerging possibility.

We continued to increase our exposure to German residential property. Results reported by these companies showed healthy earnings growth, with the prospects of ongoing approximately 3% annualised rental growth against low cost financing fixed over the long term. The long term income growth from these German residential companies is also underpinned by conservative asset values as their real estate valuations are determined by cashflow rather than a strong investment market, and therefore offer an attractive valuation yield for such a resilient and growing income stream. The aforementioned ECB action is likely to further support this.

Fund Information

Initial Charge	A: 4%, B & C: Nil
Annual Management Charge	A: 1.5%, B: 1.0%, C: 0.75%
Ongoing Charges Fee	At 31 May 3013, A Inc/Acc: 1.79%, B Inc:1.29% C Inc/Acc: 1.04%
Accounting Dates	31 May, 30 Nov
Payment Dates	31 Jan, 31 Aug
Valuation Point	12 noon, daily
Sedol Code	A Inc: 3059979, A Acc: B66G0J2, B Inc:B7K7BQ2 C Inc: B65PFX9, C Acc: B65PFY0
Share Class	Class A Inc & Acc, Class B Inc, Class C Inc & Acc
Published Price	www.premierfunds.co.uk
Min. Investment	A: £1,000, £50pm, B: £50,000, C: £250,000
ISA eligible	Yes, stocks & shares

Investment Team

I Alex Ross, Manager I

Alex joined Premier in June 2005 specifically to manage property share portfolios. He worked at Aberdeen Asset Management for the previous 7 years, where he managed the very successful Aberdeen Property Share Unit Trust. Including his time at Aberdeen, Alex has been involved in investment management for over 10 years, working for some of the best known names in the industry, including Barclays de Zoete Wedd and Ivory and Sime.

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