Premier Defensive Growth Fund

B share class (Income Shares)

Fund & fund manager ratings

Investment objective

The Fund aims to generate positive returns over a rolling 36 month basis. However, there is no guarantee that this objective will be achieved over that specific, or any, time period and there is always a risk of loss to your original capital.

The full investment objective and policy, which outline all the eligible investments, are available in the Fund's prospectus.

Investment overview

The Fund sits in the Investment Association Targeted Absolute Return sector with an emphasis on trying to deliver absolute returns with significantly lower volatility than the global stockmarket, represented by the FTSE All World Index. The Fund's performance is not expected to be reliant on particular market conditions. The investment team aims to achieve the Fund's objectives by investing in a portfolio which is diversified across different investment themes, investment strategies, asset classes, geographies and markets.

Please note there is no guarantee that the Fund will achieve its objective.

Discount opportunities This theme aims to exploit a pricing anomaly where the market value of an investment is at a discount to its real value. Many strategies can be used to realise the value within a discount at a reduced level of risk. For example, the price of an investment company can often trade at a discount to its asset value, offering an attractive entry point into the assets held by the investment company. This investment strategy could also include other investments, such as derivatives, with the aim of reducing the risk of being exposed to the investment company's holdings. Therefore, the return from the investment strategy is more focussed on the discount at which the shares trade to the asset value rather than the actual performance of the investment company's assets. Other investment strategies within this theme could look to benefit from the discount between a cash investment and a derivative investment of the same or closely related investments, often referred to as the 'basis'.

Relative valuation This theme focuses on identifying the value in one investment relative to another. Various valuation metrics are used to highlight opportunities. For example, valuation measures could highlight that UK property companies are relatively cheaper than broader equity markets and subsequently an investment can be made in UK property companies to benefit from the anticipated revaluation. However, if at the same time it was felt that broader equity markets were expensive, then an investment strategy could be purchased to benefit from the outperformance of UK property companies versus broader equity markets.

Defined investments These investments tend to have predictable return profiles and are typically identified by having a fixed life or a fixed entitlement, or both. The fixed life allows easier identification of the major risks and the fixed entitlement enables the calculation of the responsiveness of the investment if those risks occur. For example, a bond offers a defined profile where the holder is entitled to the bond value (fixed entitlement) at maturity (fixed life) and prior to the maturity will price in a defined manner depending on a number of factors such as the credit worthiness of the company or the expected path of interest rates. A number of different asset classes and investment strategies offer such defined profiles.

Trading strategies Within this theme we aim to use a combination of financial instruments to tactically express a view or take advantage of market conditions. For example, if the likelihood of a fall in equity markets is given a small probability, yet we believe there is a much greater probability of an equity market correction, we may look to buy an investment strategy that benefits if equity markets fall. Such trading strategies can be focussed on various asset classes and economic views around the globe.

Short term catalysts There are often catalysts which can lead to a change in the price or value of an investment. This theme focuses on catalysts that are likely to occur in the short term. For example, the debt of a company may have a feature allowing it to be repaid on a specific date and subsequently refinanced cheaper, thereby creating a catalyst in the short-term for a revaluation of the company's debt. Subsequently, an investment strategy can be purchased that will benefit from the company's expected cheaper finance costs in the short-term. Such investment strategies can be focussed on macroeconomic catalysts as well as specific catalysts to individual investments across asset classes. The investment strategies could include exposure to a range of different investments at any time, such as equities (company shares), bonds, property, and alternative investments (non traditional investments) as selected by the Investment team to implement their ideas. The types of investments held can change over time and the examples provided above are for illustrative purposes only and may not be indicative of how the fund may be invested in the future. The types of investment in which the fund may be invested in order to achieve its objective can be complex and it is important that you are comfortable with investing in a portfolio which provides exposure to these types of asset.

Please contact your financial adviser if you have any questions about the information included in this factsheet.

In order to provide additional information for investors, we have changed the way in which the investments held within the Fund are categorised, with the underlying investments now listed by investment 'theme'. The types of investment in which the Fund can invest has not changed.

Fund manager

Fund manager:	Paul Smith
Managed fund since:	21.12.2010



Paul Smith is Head of Fixed Income for Premier Asset Management. He joined Premier in 2005 and is fund manager of the Premier Defensive Growth Fund, the Premier Corporate Bond Monthly Income Fund and the Premier UK Money Market Fund. Paul has a First Class BA (Hons) degree in Economics, and an MA in Finance and Investment (with Distinction) from Exeter University.

General facts

Fund size:	£374.2m
Sector:	IA Targeted Absolute Return
Comparative index:	3m GBP LIBOR
Launch date:	21.12.2010
Share class launch date:	21.12.2010
Investment structure:	Undertakings for Collective Investment in Transferable Securities
Reporting date (annual):	31 May
Reporting dates (interim):	30 Nov
Base currency:	Sterling
Valuation point:	12 noon, daily
ISA eligible:	Yes

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B share class (Income Shares)

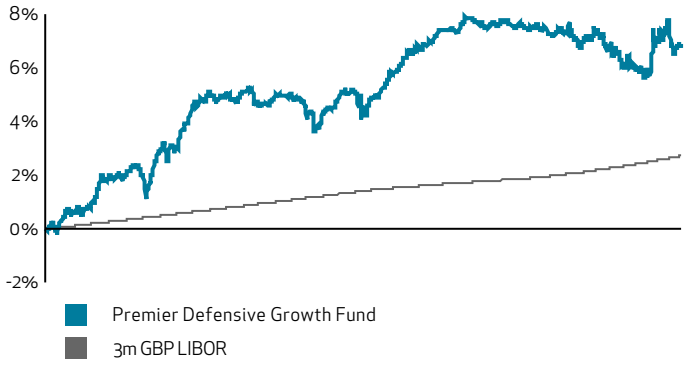
Performance

Calendar year (%)	2014	2015	2016	2017	2018
Fund	3.1	1.8	1.8	0.3	-0.4
3m GBP LIBOR	0.5	0.6	0.5	0.4	0.7

Discrete year to quarter end (%)	31.12.13 - 31.12.14	31.12.14 - 31.12.15	31.12.15 - 31.12.16	31.12.16 - 31.12.17	31.12.17 - 31.12.18
Fund	3.1	1.8	1.8	0.3	-0.4
3m GBP LIBOR	0.5	0.6	0.5	0.4	0.7

Cumulative to 31.12.2018 (%)	3m	6m	1yr	3yr	5yr
Fund	0.9	0.2	-0.4	1.8	6.7
3m GBP LIBOR	0.2	0.4	0.7	1.6	2.7

5 year performance chart
31.12.2013 - 31.12.2018



Discrete monthly performance (%)
End of year totals may be affected by rounding.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	0.1	-0.2	0.0	0.2	-0.5	-0.2	-0.1	-0.5	-0.2	1.4	-0.2	-0.3	-0.4
2017	0.5	0.1	0.0	0.4	-0.1	-0.1	0.1	-0.2	0.0	-0.1	0.0	-0.3	0.3
2016	-0.5	-0.5	0.6	0.6	0.1	-0.7	0.4	0.4	0.4	0.5	0.3	0.1	1.8
2015	0.6	0.9	0.1	0.1	0.1	-0.3	0.4	-0.3	-0.2	0.4	0.0	-0.1	1.8
2014	-0.1	0.8	0.0	0.1	0.8	0.3	0.2	0.1	0.0	-0.2	1.0	0.1	3.1

Past performance is not a guide to future returns. The price of shares and income from them can go down as well as up and you may not receive full return of your capital. Source: FE Analytics. Based on a bid to bid, total return, UK Sterling basis.

Fund codes

	Bloomberg:	ISIN:	Sedol:
Class B Inc:	PREDGII:LN	GB00B4L2WQ20	B4L2WQ2
Class C Acc:	PREDGCA:LN	GB00BTHH0518	BTHH051
Class C Inc:	PRDGCNI:LN	GB00B832BD89	B832BD8

Portfolio breakdown

Investment Theme Allocation	%
Defined Investments	43.0
Trading Strategies	24.0
Relative Valuation	16.0
Discount Opportunities	15.0
Short-term Catalyst	2.0

Theme weightings based on the Fund's AUM allocated to each Investment Theme. Gross leverage within each investment theme will vary depending upon the strategies used.

Charges

Share class	B	C
Ongoing charges fee (% p.a.):	1.09	0.84
Ongoing charges figure includes:		
Premier's annual management charge (% p.a.):	1.00	0.75
Charges are taken from income		

Transaction charges also apply. Please see the total costs and charges document on the Premier website for more information.

Initial charge (%):	0.00	0.00

The initial charge has been waived by Premier until further notice. However, if you have invested via a financial adviser, the initial charge may still apply and be paid to your adviser.

More information

Charges taken from income: The fund's charges will be taken from income generated by the fund in the form of interest or dividends. If there is not enough income to cover the charges, the rest of the charges will be taken from the fund's capital which could result in capital erosion or constrain capital growth.

Ongoing charges figure (OCF): This figure is designed to provide investors with the most accurate measure of what it costs to invest in a fund over a year. The OCF includes the fee paid to Premier Asset Management for the management of the fund (known as the annual management charge), with the remainder of the OCF covering costs that have to be paid to external companies for other services relating to the ongoing administration and management of a fund. This includes fees paid to the depositary, custodian, regulator, auditor and administrator. The OCF is not paid directly by investors; instead the fee is deducted from the value of the fund and reflected in the fund's share price. Accurate as at **31 Dec 2018**.

Annual management charge (AMC): This is expressed as a percentage of the value of your investment and pays for the different costs associated with managing your investment each year.

Initial charge: This is a one-off charge taken from your money prior to investment in shares in a fund. The initial charge has been waived by Premier Asset Management until further notice. However, if you have invested via a financial adviser, the initial charge may still apply and be paid to your adviser.

Premier Asset Management

Premier Defensive Growth Fund

B share class (Income Shares)

General risks

All types of investment carry a degree of risk and it is important that you understand and are comfortable with the level of risk to which your capital could be exposed. We recommend that you consult with a financial adviser if unsure in any way.

There is the potential for loss of your original investment. The amount of investment risk will depend on the fund's risk profile. We would typically expect investments that are perceived as lower risk to offer less potential for loss but with potentially lower returns, whereas we would expect higher risk investments to generate higher returns albeit with the extra risk of potential loss over the long-term. However, there are no guarantees as to how an investment will perform in the future.

Inflation could erode the relative value of your investment.

There is a risk that financial markets will fall, affecting the value of your investment.

There is no guarantee that the investment objective of the fund will be achieved.

Past performance of a fund is not a guide to future returns. The price of shares and any income from them can go down as well as up and there is the possibility of a loss to your original investment.

The levels of taxation and of relief from taxation will depend upon individual circumstances.

There may be a variation in the performance between funds with similar objectives due to the different assets selected. Performance of a fund will be affected by the fund manager's investment decisions.

If you withdraw part of your investment to supplement the income paid out to you, there is an increased risk that the residual amount of your investment will be less than your original investment when you decide to sell.

Other risks

The fund may invest directly into, or be exposed to via its underlying investments, a variety of assets which carry specific risks which could impact the returns from your fund. The main risks are summarised here, with further detail available in the fund's prospectus.

Alternative investments: Types of non-traditional investments such as commodities, private equity, specialist lending and hedge funds. These types of investment can help to diversify portfolios and are usually lowly correlated with traditional investments, such as bonds and equities, but can be more volatile in certain market conditions.

Collective investment schemes: This fund may be directly invested in, or have exposure to units in other collective investment schemes, such as commodity funds, hedge funds and property funds, which could expose the fund to increased levels of risk.

Counterparty credit: Where securities or financial derivative instruments require a specific entity, usually a bank, to honour its obligations.

Other risks (continued)

Issuer credit: Where the issuer of a security is unable to make income payments or repay its debt.

Currency: Where investments are denominated in currencies other than sterling, changes in exchange rates may cause their sterling value to rise or fall.

Derivative: A financial contract whose value is related to the value of an underlying asset or index. Whilst their use is not necessarily expected to increase risk within a fund, they can be highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains, resulting in larger fluctuations in the value of the fund.

Equities: As an asset class, equities can experience high levels of fluctuation in prices.

Fixed interest securities: This type of asset, which includes government and corporate bonds, is particularly affected by movements in interest rates. If interest rates rise, their price may fall, and vice versa.

Currency forward contracts: Typically used to help reduce the impact of currency movements, but could also expose the fund to volatile returns from time to time.

Geographic concentration: Funds that have a strong focus on a particular country or region, can carry a higher risk than funds with a more diversified portfolio.

Inflation: Higher inflation can negatively impact investment markets, in particular, fixed interest securities such as government bonds and corporate bonds.

Interest rate: Unexpected movements in interest rates will affect all types of assets, in particular, fixed interest securities such as government bonds and corporate bonds. If interest rates go up, the value of the bond may fall, and vice versa.

Gearing / leverage: Investments that use gearing / leverage will experience higher price fluctuations.

Legal/tax: Arising from a change in legal/tax regulations or the application of them.

Liquidity: During difficult market conditions, securities may become more difficult to sell and buy at a desired price.

Operational: Processes, systems and controls can fail. This is more likely to happen with more complex products or investments in overseas markets, such as emerging market countries, which may not have the same level of safekeeping, infrastructure or controls as more developed markets.

Structured investments: These investments have an embedded derivative and may, if certain criteria are met, experience a swift change in value.

Unregulated collective investment schemes: These investments, which include hedge funds, carry additional risks as they may not be subject to the same level of regulation as authorised or regulated schemes or under the regulation of a competent regulatory authority.

Zero dividend preference shares: Serious falls in market levels can alter their structure and adversely impact on returns.

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Ratings, awards and other information

The methodology and calculations used by the companies or organisations that provide the fund or fund manager awards and ratings are not verified by Premier Asset Management and we therefore are unable to accept responsibility for their accuracy. Ratings and awards should not be relied upon for making an investment decision, nor are they an indication, promise or guarantee of future performance of a fund or fund manager.

The Defaqto 2018 Diamond Rating is based on the class C shares for the Fund. Defaqto is an independent researcher of financial products and is not authorised to provide financial advice. Premier Asset Management does not have any influence or control over the Defaqto Diamond Ratings or the methodology used to create them. We are therefore unable to guarantee their accuracy or that these will not change in the future, or that Premier Asset Management will continue to use Defaqto ratings in the future.

The Elite Rating™ system is proprietary to FundCalibre Ltd, but should not be taken as a recommendation.

Glossary

Absolute return fund: this type of fund looks to achieve a positive return in all market conditions, but returns are not guaranteed.

Accounting date: the date that a fund's annual and interim report are prepared at.

Accumulation shares: Your share of the net income is automatically reinvested on your behalf. The amount of the reinvested income is reflected in the increased price of each accumulation share.

Assets: assets are different groups of investments such as company shares, bonds, commodities or commercial property.

Convertible bonds: a bond that can be converted into shares in certain circumstances or at certain times.

Defensive Autocalls: an investment with a maturity date which can mature earlier depending on predefined criteria.

Duration: a measure of the price sensitivity of a fixed income investment to a change in interest rates.

Equities: another name for shares in a company.

Fixed entitlement: a defined amount that an investment will return.

Fixed life: an investment with a defined start and end date.

Floating rate debt: bonds which do not pay a fixed rate of interest.

Gilt: a bond issued by the UK government.

IA sectors: to help with comparisons between the thousands of funds available, funds are categorised into different groups or sectors, organised and reviewed by the Investment Association (IA).

Glossary (continued)

IA Targeted Absolute Return sector: Funds managed with the aim of positive returns in any market conditions, but returns are not guaranteed. Funds in this sector may aim to achieve a return that is more demanding than a "greater than zero after fees objective". Funds in this sector must clearly state the timeframe over which they aim to meet their stated objective to allow the IA and investors to make a distinction between funds on this basis. The timeframe must not be longer than three years.

ISA: This stands for Individual Savings Account and is a type of tax-free scheme, set up by the government, designed to help people make the most of their savings and investments. All income and gains from an ISA investment are exempt from UK Income Tax and Capital Gains Tax. HM Revenue and Customs sets the maximum amounts that you are allowed to invest into an ISA each tax year.

Income shares: if you select this type of share, any income made by the fund is paid out to you.

Multi-asset: a fund that invests across a combination of different asset classes, such as commercial property, company shares, bonds and alternative investments with the aim of increasing diversification and reducing risk, and achieving specific investment objectives such as paying an income.

Volatility: the frequency and severity with which the price of an investment goes up and down.

Zero dividend preference share: often called zeros, these are shares that do not receive any income but instead pay out a fixed amount at the end of the investment's fixed life. As 'preference' shares, they typically rank ahead of other share classes for capital repayment at the end of the fixed life.

Contact us

Our Investor Services Team is available to take your call from 9:00am to 5:30pm, Monday to Friday, excluding bank holidays.

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Premier Asset Management

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