

Interim Short Report - 1 May 2013 to 31 October 2013

Premier Multi-Asset Monthly Income Fund

Fund Facts

Launch date:	5 January 2009
Ex-dividend dates:	End of each month
Income dates:	28 of each month
IMA sector:	Mixed Investment 20% - 60% Shares

Investment Objective and Policy

To provide a high level of income from a portfolio of investments.

The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants.

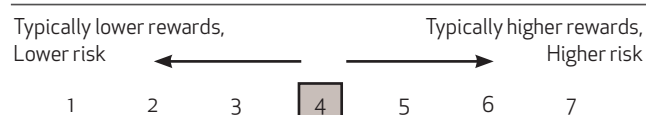
The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to Non-UCITS retail schemes. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Investment Risks

The underlying assets held by the funds in which the Fund invests include equities which, as an asset class, tend to experience higher volatility but in the Fund this is tempered by diversification across other asset classes with lower volatility, such as corporate bonds.

Risk and Reward Indicator (RRI)



The Fund is ranked as four because it has experienced medium rises and falls in value in recent years. As there is less than five years of available data for this fund, for illustrative purposes a similar index has been included in the calculation of the risk/reward profile. Please note that even the lowest category does not mean a risk-free investment.

Ongoing Charges Figures (OCF)

	31.10.2013	30.04.2013
Class A Income & Accumulation Shares	2.44%	2.34%
Class B Income Shares	1.95%	1.84%
Class C Income Shares	1.70%	1.59%

The ongoing charges figure is based on the last six months' expenses for the period ending 31 October 2013 and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

Performance Record (in pence per share)

Share Class	A Income		A Accumulation		B Income		C Income	
	High	Low	High	Low	High	Low	High	Low
Price								
2008	100.00 ¹	100.00 ¹	-	-	-	-	-	-
2009	118.83	89.32	120.73	89.32	-	-	-	-
2010	125.78	115.42	132.96	119.64	-	-	-	-
2011	128.55	114.49	138.48	124.68	-	-	-	-
2012	129.98	117.87	151.39	130.40	130.02 ³	125.72 ³	130.06 ³	125.72 ³
2013 ²	143.69	129.46	173.53	151.25	144.52	129.55	144.84	129.58

¹ From 11.12.2008 to 31.12.2008.

² To 31.10.2013.

³ From 02.11.2012 to 31.12.2012.

Net Asset Values (in pence per share)

Share Class	A Income	A Accumulation	B Income	C Income
30.04.2012	120.82	137.32	-	-
30.04.2013	137.83	164.03	138.25	138.40
31.10.2013	142.84	173.11	143.66	143.98

Dividend Distribution (in pence per share)

Ex-Date	Paid	A Income	A Accumulation	B Income	C Income
31.05.2013	28.06.2013	0.4100	0.4770	0.4100	0.4100
30.06.2013	26.07.2013	0.4100	0.4770	0.4100	0.4100
31.07.2013	28.08.2013	0.4100	0.4770	0.4100	0.4100
31.08.2013	27.09.2013	0.4100	0.4770	0.4100	0.4100
30.09.2013	28.10.2013	0.4100	0.4770	0.4100	0.4100
31.10.2013	28.11.2013	0.5100	0.5930	0.5100	0.5100

Review & Outlook

The Fund has had a good half year. It generated a total return of 5.0% over the six-month period, which puts it well ahead of its sector average, which returned 2.3%. This return came from both the Fund's income stream, which continues to be respectably high, and a rise in the prices of the assets it owns.

The summer months are often a troublesome period for stock markets, but by and large they were relatively trouble-free in 2013. The major talking points were centred on the US, being the worries about the Federal Reserve beginning to reduce its stimulus program and, more recently, the furore surrounding the debt ceiling.

These concerns caused more of a drag on emerging market shares than developed ones, with European, British and American markets the strongest over the last six months. Bonds, meanwhile, fared less well than equities, with government and corporate bonds generally producing small losses.

The activity over the half year has been concerned with ensuring the Fund meets its goal of providing a good income for its holders. This has meant topping up the holdings which offer the highest yield relative to the level of risk involved, while trimming back those whose recent good performance has rendered them less attractive. In some cases, this has meant outright disposal of holdings we think have run their course. TwentyFour Monument Bond is one such example, while we have also sold a number of our infrastructure investment trusts. These have been useful investments for us over the past few years, but their yields no longer offer sufficient compensation for the risks involved.

One area we have been adding to is UK commercial property (not residential property, please note). We had been avoiding open-ended property funds for some time, but we feel that the prices of UK commercial properties may finally have stabilised, and may even begin to rise. This gives us a good level of protection against a steep fall in the future, and a sound base upon which to earn an attractive, rising income.

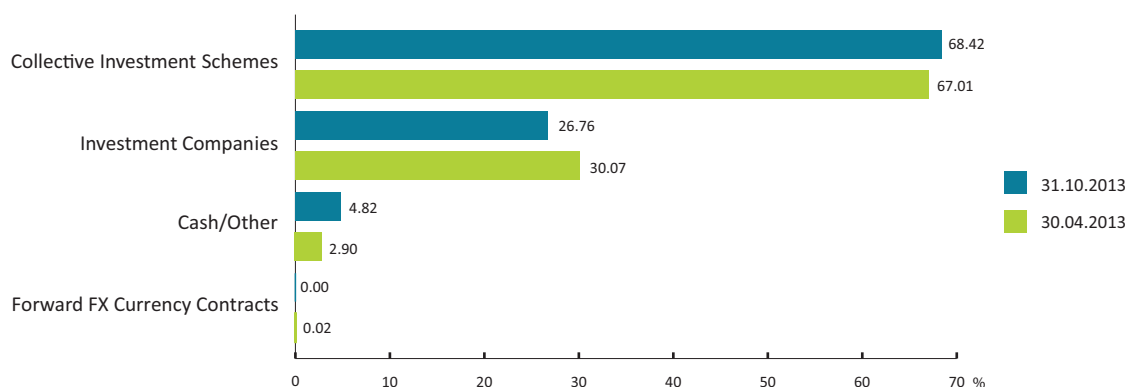
In contrast, one asset class we are growing increasingly wary of is bonds, and we have been altering our exposure accordingly. There has been a tremendous "yield chase" over the past few years. This has meant large amounts of money flowing into bond markets, which has driven prices higher and yields lower. This is concerning for several reasons. Firstly, lower yields offer less compensation for the risks of holding bonds, most notably that of inflation or rising interest rates. Secondly, strong demand for bonds is leading to more supply, but the extra supply is of inferior quality. And thirdly, the volume of assets that has entered this market quickly makes us worried about what would happen if it all decided to rush for the exit.

We are always reluctant to give a specific forecast of what to expect in the future, as economies and stock markets are notoriously unpredictable. Given this fact, we do not waste valuable time creating forecasts (and revising the previous ones). Instead we are open to the reality that a range of outcomes are possible.

More useful for investing are the valuations of assets, particularly with regards to their performance over the long term – which is the horizon we adopt, and recommend our investors do too. In this respect, there are still some attractively valued assets to be found in the world, but the widespread price rises of the last few years have reduced the number and size of opportunities available. As always, we believe that the more selective approach taken by the excellent active fund managers we work with are the best way of both finding these opportunities and avoiding the pitfalls. Whereas a passive approach, that invests in everything in a market regardless of its quality or value, looks an especially flawed way of investing in the current environment.

Source: Premier, November 2013. Performance data taken from FE Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

Asset Allocation



Top Ten Holdings as at 31.10.2013

Schroder Income Maximiser 'A'	4.93%
Franklin UK Equity Income 'W'	4.91%
Standard Life UK Equity High Income	4.87%
Rathbone Institutional Income	4.83%
TwentyFour Dynamic Bond 'I'	4.71%
M&G European Loan 'C'	4.40%
Medic X	3.95%
Brookfield High Yield Europe Plus 'A'	3.86%
PSigma Income	3.25%
PIMCO Select UK Income	3.16%

Top Ten Holdings as at 30.04.2013

Franklin Templeton UK Equity Income	4.83%
Schroder Income Maximiser 'A'	4.63%
Rathbone Institutional Income	4.39%
PSigma Income	4.34%
TwentyFour Dynamic Bond 'I'	4.06%
Standard Life UK Equity High Income	3.99%
M&G European Loan 'C'	3.96%
TwentyFour Monument Bond 'I'	3.95%
Brookfield High Yield Europe Plus 'A'	3.82%
International Public Partnership	3.71%

What does it mean?

If you come across the odd word or phrase within your report that you are unfamiliar with, here is a glossary to help explain a few key terms.

Accumulation Shares

Any income made by the Fund will be reinvested to grow the value of your investment.

Alternative Assets

Types of non-traditional investments, which could include hedge funds and commodities for example and which are designed to help diversify a portfolio as they tend not to move in the same direction as the stock market.

Autocall

An autocall structured product has the potential to mature before the end of the product's life, if certain predetermined market conditions are reached. The investor will usually receive a pre-defined return.

Bonds

Issued by companies or governments and similar to a loan in nature, usually paying a fixed or variable interest rate.

Corporate Bonds

Issued by companies and similar to a loan in nature, usually paying a fixed rate of interest.

Credit Rating

A score awarded by an independent rating agency to indicate the financial strength of the issuer of a corporate bond, and the potential for a default on interest and principal payments. Bonds issued and backed by developed market governments are generally considered superior to bonds rated 'AAA'. The top credit rating is 'AAA'. The lowest rating to be considered 'investment grade' is 'BBB'. Below 'BBB', bonds are termed 'sub investment grade' or 'high yield'.

Credit Spreads

Can be used to describe the difference in yield between securities, due to different credit quality.

Duration

A measure of the price sensitivity of a fixed income investment / fund to a change in interest rates.

Equities

Another name for shares in a company.

Fixed Income Assets

Investments that pay out a set level of income, such as bonds or gilts.

FTSE® 100 INDEX

A share index of the 100 largest companies, by market capitalisation, listed on the UK stock exchange and could include, for example, familiar household names such as BP, Marks & Spencer and Vodafone.

Funds

A general term used to describe collective investment schemes, such as unit trusts, open-ended investment companies and closed-ended investment companies.

GDP

Gross Domestic Product (GDP) refers to the market value of all officially recognised final goods and services produced within a country in a given period.

Gilts

A bond issued by the UK government.

Hedging

A way of offsetting the potential losses that may be incurred by an investment.

Income Shares

Any income made by the Fund will be paid out to you.

Inflation Hedge

A way in which to protect capital against the effects of inflation.

Investment Grade Bond

A bond that is assigned a rating in the top four categories by commercial credit rating companies. S&P classifies investment-grade bonds as BBB or higher, and Moody's classifies investment grade bonds as BAA or higher.

Investment Trust

A company set up to buy and sell shares in other companies and is run by a Board of Directors.

LIBOR

The average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks.

Market Capitalisation (market cap)

The total value of the shares of a company.

Net Asset Value (NAV)

Used to value shares of a company, calculated by taking the total assets and deducting the total liabilities.

OEIC

An 'Open Ended Investment Company' - this is similar to a unit trust. Investors pool their money together to invest in a range of different assets such as bonds, equities, property, cash etc. Each OEIC will have an investment objective, stated in a prospectus document, which could be to produce long term growth or generate a regular income.

OCF

The Ongoing Charges Figure (OCF) is designed to give you an accurate measure of what it costs to invest in a fund and helps you compare this cost between different funds. It includes the annual management charge (used to pay the investment manager, fund accountant and fund administrator for example) and other operating costs, such as fees paid to the Trustee, Auditor, Custodian and Regulator.

Options

A financial contract that enables the holder to purchase or sell a certain number of shares at a future date and at a known price.

Quantitative Easing

A government policy used to increase the money supply within an economy, by flooding the financial system with money.

RRI

The Risk and Reward Indicator (RRI) demonstrates where a fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indicator of the future risk profile of the Fund.

Structured Products/Investments

A group of financial instruments which frequently combine the potential upside of market performance with limited downside. They may also provide a fixed return in exchange for accepting a degree of risk or may generate gains from market falls. They can also be used within a Fund to help manage the impact of large stockmarket fluctuations.

Synthetic Zeros

A form of structured product which also has a pre defined return profile and a set maturity date whilst being exposed to a degree of credit and equity market risk. Synthetic zeros are usually linked to major, well known indices, such as the FTSE 100, but with much less risk than investing directly in the index itself.

Top Down Asset Allocation

An investment approach that looks to review the economic landscape prior to delving down into sector and company specifics.

Transferable Securities

A general term used to describe a broad range of investments such as bonds and company shares for example.

Volatility

Refers to the frequency and severity with which the price of an investment goes up and down.

Weighted Average Maturity (WAM)

The average time until maturity of all the underlying holdings of a fund.

Yield

The amount of income paid or expected to be paid from each share held. The yield is calculated and quoted as a percentage.

Zero Dividend Preference Shares

Shares that do not receive an income but instead pay out a return at the end of the investment's fixed life.

Please visit our website to see our glossary in full.

Available online
premierfunds.co.uk

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