

Premier Strategic High Income Bond Fund

C share class (Income Shares)

Investment objective

To maximise income with capital appreciation being of secondary importance.

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 £ Strategic Bond sector which means the Fund is required to be invested at least 80% in £ Sterling denominated (or hedged back to Sterling) fixed interest investments, such as corporate bonds.

The Fund is invested across the £ Sterling fixed interest credit risk spectrum, including corporate and government bonds, as well as other securities, including company shares (equities). The Fund will invest in investment grade corporate bonds that are at the higher end of the rating scale meaning that they are less likely to default on repayments, as decided by specialist, independent external rating agencies. The Fund will also invest in non-investment grade bonds, which may not be rated, or may have a lower rating. The manager decides on whether to invest in the specific corporate bonds held in the portfolio based on an evaluation of the economic environment and then detailed research into individual corporate bonds.

The Fund can invest more than 35% of its portfolio in securities issued or guaranteed by any government of a European Union country (including the UK), Australia, Canada, Japan, New Zealand, Switzerland or the USA, or a limited number of public international organisations.

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

Portfolio breakdown

Top 10 holdings	%
Fidelity 7.125% Feb 2024	3.6
Barclays 7.75% CoCo Apr 2023	3.6
Credit Agricole Sep 2033	2.7
Tesco Personal Finance 1% Dec 2019	2.6
Old Mutual 8% Jun 2021	2.6
Anheuser-Busch 4% Sep 2025	2.6
Barclays 10% May 2021	2.5
AXA FRN 5.453%	2.5
Investec 4.5% May 2022	2.5
Phoenix Life 7.25% Perp	2.4

Duration	%	Credit rating exposure	%
Under 1 year	23.1	AAA	9.5
1-5 years	43.1	AA	2.4
5-10 years	23.2	A	14.0
10-15 years	2.1	BBB	41.2
15 years +	1.6	BB	7.6
Not Dated	7.0	B	4.2
		NR	16.0
		Non Rated Equity	5.1

Income

Distribution yield:	1.3% p.a.
Underlying yield:	0% p.a.
Payment frequency:	Quarterly
Payment dates:	31 Jan, 30 Apr, 31 Jul, 31 Oct
Ex dividend dates:	1 Mar, 1 Jun, 1 Sep, 1 Dec

Income distribution (pence per share subject to individual taxation):

Fund financial year	2016/17	2015/16	2014/15
	3.13	3.60	3.88

*current financial year to date

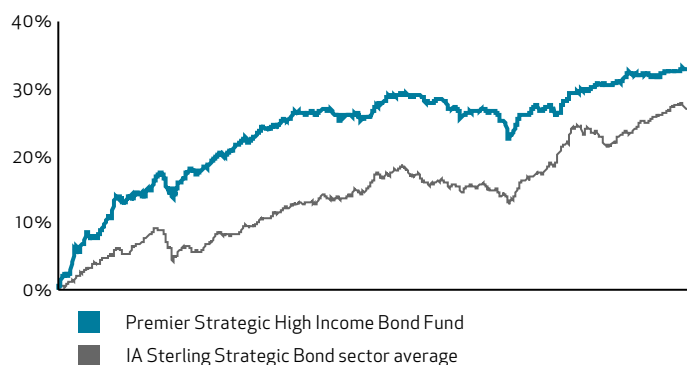
Performance

Calendar year (%)	2012	2013	2014	2015	2016	2017
Fund - Income	18.4	9.7	3.2	0.7	3.4	1.9
IA Sterling Strategic Bond	13.4	2.8	6.1	-0.2	7.3	4.0

Discrete year to quarter end (%)	30.06.12 - 30.06.13	30.06.13 - 30.06.14	30.06.14 - 30.06.15	30.06.15 - 30.06.16	30.06.16 - 30.06.17
Fund - Income	16.6	10.4	1.1	-1.2	5.3
IA Sterling Strategic Bond	7.3	7.7	2.4	2.9	6.8

Cumulative to 31.07.2017 (%)	3m	6m	1yr	3yr	5yr
Fund - Income	0.9	0.7	4.0	5.4	33.4
IA Sterling Strategic Bond	1.5	3.8	5.0	13.3	28.0

5 year performance chart
31.07.2012 - 31.07.2017



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.

Performance history: As the share class for this fund launched within the last 5 years, the performance history has been extended using a share class with a longer track record for illustrative purposes.

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General facts

Fund size:	£8.9m
Sector:	IA Sterling Strategic Bond
Benchmark:	IA £ Strategic Bond
Launch date:	01.03.1999
Share class launch date:	01.07.2014
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

Charges

Share class	A	B	C
Ongoing charges fee (% p.a.):	1.99	1.74	1.64
Annual management charge (% p.a.):	1.00	0.75	0.65
Initial charge (%):	4.00	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.

Share class information

Share class	A (£)	B (£)	C (£)
Minimum investment:	1,000	50,000	250,000
Minimum top up:	500	500	25,000
Minimum withdrawal:	500	500	25,000
Minimum holding:	500	25,000	250,000

Fund codes

	Bloomberg:	ISIN:	Sedol:
Class A Acc:	PRBONDA:LN	GB00B15F6J74	B15F6J7
Class A Inc:	PRBONDI:LN	GB0005673453	0567345
Class B Inc:	PRSHIBI:LN	GB00B8GB1108	B8GB110
Class C Inc:	PRSHICI:LN	GB00B8H53V51	B8H53V5

Fund manager

Fund manager:	Paul Smith and Chun Lee
Managed fund since:	01.06.2006



Paul joined Premier in 2005 as a fund manager and is head of Premier's fixed income and absolute return investment team. Chun joined Premier in 2016 from Waverton Investment Management where he worked on their bond funds and has 14 years' investment experience.

More information

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 Jul 2017**.

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.

Distribution yield: The expected income distribution over the next twelve months as a percentage of the mid market share price of the fund. The distribution yield will be higher than the underlying yield where expenses are charged to capital. Investors may be subject to tax on their distributions. The yield is not guaranteed and will fluctuate.

Underlying yield: The annualised income generated for distribution after deducting all expenses and will be lower than the distribution yield where expenses are charged to capital. The yield is expressed as a percentage of the mid-market share price of the fund. Investors may be subject to tax on their distributions. The yield is not guaranteed and will fluctuate.

Interest distributions: Following changes introduced by HMRC, from 6 April 2017, interest distributions for this Fund will be paid gross rather than net of 20% income tax.

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 would recommend that you consult with a financial adviser if unsure in any way.

There is the potential for loss of your original investment. The degree 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. However, there are no guarantees as to how a type of asset, sector or region will perform in the future.

Inflation could erode the value of returns from your investment.

There is a risk that the entire market of an asset will fall, affecting the value of assets and the return on your investment.

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

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General risks (continued)

Past performance 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, or take an income greater than the natural income from, or growth of, your investment, there is a risk that you could get back less than you originally invested.

Other risks

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

Concentration: Funds that have a strong focus on a particular asset, sector or region, can carry a higher risk than funds with a more diversified portfolio.

Credit: If the issuer of a security held within the fund 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 value to rise or fall.

Derivatives: This is a financial contract whose value is related to the value of an underlying asset or index, often used with the aim of managing risk or enhancing returns. Whilst their use is not necessarily expected to increase risk within a fund, these instruments 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.

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

Futures/forward contracts: Typically used for portfolio management purposes to help mitigate interest / inflation risks, but could also expose the fund to volatile returns from time to time.

Inflation: Fixed interest securities, such as bonds, are particularly affected by trends in interest rates and inflation.

Interest rate: Where the fund has exposure to fixed interest securities such as bonds, these are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa.

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

Liquidity: During difficult market conditions some securities, such as corporate bonds, off-exchange financial derivative instruments, money market and structured investments, may become more difficult to sell at a desired price.

Market: The risk of a fall in price of a particular asset type.

Operational: Occasionally processes 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.

Sub-investment Grade Bonds: These have lower credit ratings than investment grade bonds and therefore carry a higher degree of credit risk.

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.

Glossary

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.

Capital growth: the increase in value of your original investment. Investments can potentially grow with or without dividends (income) reinvested.

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 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'.

Distribution: the payment of a fund's income to its shareholders.

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

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

Gilt: a bond issued by the UK government.

Investment Association (IA): the IA is the trade association that represents the UK investment management industry.

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).

IA Sterling Strategic Bond sector: Funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling) fixed interest securities. This includes convertibles, preference shares and permanent interest bearing shares (PIBs). At any point in time the asset allocation of these funds could theoretically place the fund in one of the other Fixed Interest sectors. The funds will remain in this sector on these occasions since it is the Manager's stated intention to retain the right to invest across the Sterling fixed interest credit risk spectrum.

Investment grade bond: a bond which is considered relatively safe and unlikely to default on its debt repayment obligations and which has been assigned a high credit rating.

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.

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Glossary (continued)

Payment date: the date that any income is paid to shareholders.

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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