

Premier Optimum Income Fund

C share class (Income Shares)

Fund & fund manager ratings



Investment objective

To provide a high level of income together with the prospect of long-term capital growth from an actively managed portfolio of equities. The Fund has a target yield of 7% p.a., after fees, and it is intended that the target level will remain consistent over time. However, the target yield is not guaranteed.

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

Investment overview¹

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers) to facilitate comparison between funds with broadly similar characteristics. The Fund is classified in the IA UK Equity Income sector.

Performance data on funds within the above IA sector may be prepared and published by data providers and can be used when evaluating the performance of the Fund.

The Fund targets an annual yield of 7%. The yield is not guaranteed and could change with market conditions. The annual yield is the sum of the quarterly yields for each of the four quarterly periods ending 30 November. Each quarterly yield is calculated by dividing the dividend per share paid for the quarter by the share price at the start of the quarter.

The Fund's investment focus is on UK companies that the fund manager believes offer good value, which means shares believed to be trading at a price that is lower than they are worth, and companies that are believed to have the potential to pay an attractive income through ongoing dividends. The Fund may be invested in larger, medium or smaller sized companies.

There are two sources of income. Firstly, income comes from the dividends paid from the Fund's portfolio of shares. Secondly, income comes from option premium received from selling call options on selected shares held by the Fund. Call options are a type of derivative contract. As a result of selling the call options some of the potential future growth in the price of the underlying share is given up.

There is no guarantee that the Fund will achieve its objective.

Portfolio breakdown

Top 10 holdings	%	Sector	%
GlaxoSmithKline	6.9	Financials	33.7
Royal Dutch Shell 'B'	4.9	Industrials	15.7
Legal & General	4.9	Consumer Services	14.2
Barclays	4.4	Consumer Goods	11.0
Aviva	4.4	Oil & Gas	9.4
BT Group	3.9	Health Care	6.9
Phoenix Group	3.7	Telecommunications	3.9
Imperial Brands	3.3	Basic Materials	3.2
Lloyds Banking Group	3.2	Funds	0.5
Wilmington	2.8	Equity Call Options	-0.1
		Cash	1.6

More information

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Income

Target yield:	7.0% p.a.
Payment frequency:	Quarterly
Payment dates:	31 Jul, 31 Oct, 31 Jan, 30 Apr
Ex dividend dates:	1 Jun, 1 Sep, 1 Dec, 1 Mar

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

Fund financial year	2019/20*	2018/19	2017/18	2016/17	2015/16	2014/15
	1.88	7.87	8.84	8.82	8.62	8.35

*current financial year to date

Performance

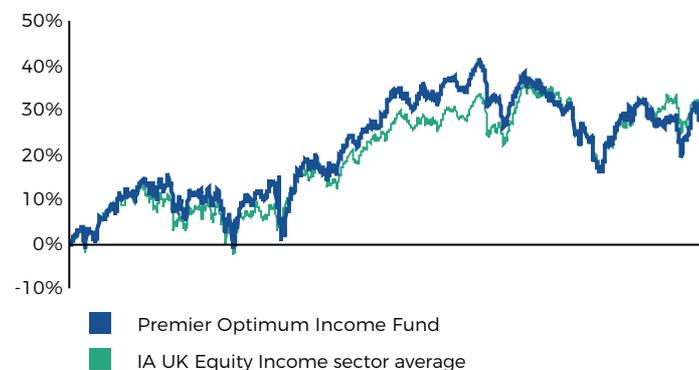
Calendar year (%)	2014	2015	2016	2017	2018	2019
Fund	3.3	8.7	9.3	13.8	-15.6	14.0
IA UK Equity Income	3.2	6.2	8.8	11.3	-10.5	12.0

Discrete year to quarter end (%)	30.09.14 - 30.09.15	30.09.15 - 30.09.16	30.09.16 - 30.09.17	30.09.17 - 30.09.18	30.09.18 - 30.09.19
Fund	6.2	9.6	15.9	-3.0	0.2
IA UK Equity Income	3.5	11.4	10.6	3.4	-0.2

Cumulative to 31.10.2019 (%)	3m	6m	1yr	3yr	5yr
Fund	5.0	0.9	6.6	15.4	33.7
IA UK Equity Income	-0.2	-0.2	5.6	14.3	32.1

5 year performance chart

31.10.2014 - 31.10.2019



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.

¹ From 1 October 2017 the fund has targeted a yield of 7% p.a. Prior to this date the fund did not have a target yield. On 1 October 2017 Chris White and Geoff Kirk started as co-managers of the fund.

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C share class (Income Shares)

General facts

Fund size:	£96.1m
Sector:	IA UK Equity Income
Comparator benchmark:	IA UK Equity Income
Launch date:	01.10.2008
Share class launch date:	01.10.2008
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.):	1.84	1.34	1.09
Ongoing charges figure includes:			
Premier's annual management charge (% p.a.):	1.50	1.00	0.75

Charges are taken from capital

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

Initial charge (%):	4.00	0.00	0.00
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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 manager

Fund managers:	Chris White and Geoff Kirk
Managed fund since:	01.10.2017



Head of UK Equities, Chris White, joined Premier Asset Management in November 2010 to manage UK income funds and has over 25 years of investment management experience. Chris manages the Premier Income and Premier Monthly Income Funds and is also co-fund manager of the Premier Optimum Income Fund. Previously, he was with Threadneedle for 7 years as a Director of UK Income Funds. Chris started his career with Robson Rhodes and has also worked for Charterhouse Tilney and Legg Mason as an investment manager.



Geoff Kirk joined Premier Asset Management in July 2017 to become co-manager of the Premier Optimum Income Fund. Geoff joined from Schroders where he had worked for 11 years managing covered call option strategies for income enhancement. Previously Geoff was a senior portfolio analyst at State Street Global Advisers. He is a CFA Charterholder.

More information

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Fund codes

	Bloomberg:	ISIN:	Sedol:
Class A Acc:	PREDIVA:LN	GB00B3DDDW95	B3DDDW9
Class A Inc:	PREDIVI:LN	GB0006641384	0664138
Class B Inc:	PREOIBI:LN	GB00B7SHXP79	B7SHXP7
Class C Inc:	PREOICI:LN	GB00B3DDDX03	B3DDDX0

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 Oct 2019**.

Launch date: The fund launch date reflects the date that performance information is made available from. Prior to this date, the fund may have had a different investment objective or strategy. The original launch date and history of any significant fund changes are available in the fund prospectus.

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.

Charges taken from capital: As the objective of the fund is to treat the generation of income as either an equal or higher priority than capital growth, the fund's charges will be taken from capital instead of income. This may result in higher levels of income payments but could result in capital erosion or constrain capital growth.

Target yield calculation: The annual yield is the sum of the quarterly yields for the four quarterly periods ending 31 August. The four quarters are from 1 September to 30 November, 1 December to the last day of February, 1 March to 31 May and 1 June to 31 August. Each quarterly yield is calculated by dividing the dividend covering the quarter by the share price at the start of the quarter and is expressed as a percentage. For example, if the dividend was 1p on 28 February and the price was 100p on 1 December, the quarterly yield would be $1/100 = 1\%$. The target yield is not guaranteed and can change.

Fund manager change: Chris White and Geoff Kirk became co-managers of the Premier Optimum Income Fund on 01 October 2017. Chris White is head of UK equities and also manager of the Premier Monthly Income and Premier Income funds. Geoff Kirk joined Premier in July 2017 from Schroders, where he had worked for 11 years managing covered call option strategies for income enhancement.

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.

Premier Optimum Income Fund

C share class (Income Shares)

General risks (continued)

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.

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.

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.

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.

Call options: A type of derivative (see derivative) used to generate income when sold against underlying shares held in the fund, but which could expose the fund to increased risk of volatility from time to time.

Smaller companies: Investment in smaller companies is typically higher risk than investment in larger companies.

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 2019 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.

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.

Alternatives: these are types of non-traditional investments. The underlying assets can be wide ranging; commodities, infrastructure, litigation or aircraft financing amongst many others. Such investments help to diversify portfolios and are expected to be lowly correlated with traditional investments.

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

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

Equities: another name for shares in a company.

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

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 UK Equity Income sector: Funds which invest at least 80% in UK equities and which intend to achieve a historic yield on the distributable income in excess of 100% of the FTSE All Share yield at the fund's year end on a 3 year rolling basis and 90% on an annual basis.

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

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.

Market capitalisation: this is the total value of the shares of a company.

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Glossary (continued)

Market capitalisation: this is the total value of the shares of a company.

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.

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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