

MIKE HAMMOND: Hello. My name's Mike Hammond, Sales Director at Premier Asset management, and I'm joined today by Neil Birrell, Chief Investment Officer at Premier Asset Management, to discuss the Premier diversified range. Hello Neil. NEIL BIRRELL: Hi Mike. MIKE HAMMOND: Neil firstly can we have a look at the Diversified Fund and can you just outline the key objectives of that particular fund? NEIL BIRRELL: Yes sure I mean the actual state of objective is to produce long-term capital growth. But to put a little bit more colour on that what we try and do is to produce equity light returns with lower volatility than equity markets and by that we mean the FSTE All Share. We've got an aim of producing volatility of less than 75% of the market over the long term and the funds run at around about 63-64% since it's been going over the last four-and-a-half years. MIKE HAMMOND: OK so given that you're looking to deliver equity light returns with reduced volatility, what type of assets do you invest in? NEIL BIRRELL: Well a wide range to be frank. I mean we split it up in the portfolio and all marketing literature between fixed income, equities, property and alternatives. But that covers a very wide range of underlying investment. MIKE HAMMOND: And given that you're investing in a wide range of assets how do you generate the ideas? NEIL BIRRELL: It comes in two ways. The fund's run by a broad team. I head up the asset allocation. I'm the Lead Fund Manager on the fund. And then we utilise the specialist investment desks within Premier, so the fixed income, alternative, UK equity, global equity and property desks. We get together and talk about asset allocation. That generates broad ideas for the portfolio. Then the fund managers go away and look at the specific ideas in their specific areas and that's how the portfolio's constructed. So it comes from a number of areas. There's a group of seven or eight people in total generating ideas. MIKE HAMMOND: Thanks for that. So in June of this year you launched the Diversified Income Fund. So what is the objective behind that fund? NEIL BIRRELL: Well it's to produce, as the name would suggest, a reasonable level of income. By that we mean round about 4¼%. We try and grow the income over the long term and equally we will try and produce capital growth over the long term as well. And again we'll try and do that with lower volatility than the FTSE All Share index and again we're aiming to make it less than 75% for the volatility of that index. MIKE HAMMOND: So given that that fund has an income objective, how does the asset allocation differ from the Diversified Fund? NEIL BIRRELL: Well it's similar in that we look at the same asset classes but within that the allocations do differ. One, to generate the income, and also they sit in different IA sectors. The Diversified Fund is in the mixed 40-85 sector and the income fund is in the mixed 20-60 sector so that does generate the need for different asset allocations which comes through. In essence what it means is that overall we have a greater weighting in fixed income in the income fund, which needs to be a minimum of 30% when combined with cash from the IA sector allocations. Other than that property and alternative will vary accordingly and equities will always probably be the highest allocation in both funds. MIKE HAMMOND: So, given the different objectives of the two funds, what clients do you think the two funds are suitable for? NEIL BIRRELL: Well I think for, let's call it the Growth Fund, the Diversified Fund itself, anyone who wants, well first of all have to invest the long term I think the essence, but that's the same for any asset class pretty much. If they're looking for long-term capital growth from a diversified portfolio - and this is a truly diversified portfolio - with active asset allocation and active management of the underlying securities, I think that's the sort of, you know, people are looking for that, I think it's an attractive fund. And it's almost exactly the same for the income fund, except where you are looking for a higher level of income coming from it. MIKE HAMMOND: Thanks very much for your time today, Neil. That's much appreciated. If you would like more information on the funds please see the details on screen. Thank you. 19121713356