

Security of your investments

Introduction

Premier Miton Investors ("Premier Miton") is an asset management group which offers a broad range of investment solutions covering multi-asset, UK equity, global equity, absolute return and fixed income strategies, through a range of investment types including retail funds, closed ended investment companies and the Premier Portfolio Management Service.

Premier Miton Investors is the marketing name and trading name for our two Financial Conduct Authority (FCA) regulated entities: Premier Portfolio Managers Limited (PPM) (122067) and Premier Fund Managers Limited (PFM) (143097). They are part of the group of companies whose ultimate holding company is Premier Miton Group plc.

In this document we have summarised the main protections available to you as an investor with either PPM or PFM.

Regulatory regime and statutory compensation

The Financial Conduct Authority (FCA)

PPM and PFM are authorised and regulated by the FCA of 12 Endeavour Square, London, E20 1JN and are bound by the FCA's rules and regulations. You can find out more about the FCA and what they do by visiting www.fca.org.uk.

PPM and PFM provide regular statements and reports to the FCA regarding their solvency, together with their audited financial statements and other information.

The Financial Services Compensation Scheme (FSCS)

Investors with Premier Miton may be covered by the Financial Services Compensation Scheme, which has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The scheme covers an amount equal to 100% of the first £85,000 owed to each eligible person in respect of their investment accounts. You can find out more information on compensation arrangements by visiting fscs.org.uk, calling 0800 678 1100 & 020 7741 4100 or by writing to Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Your investment with Premier Portfolio Managers Limited

Premier Miton Funds

PPM acts as the Authorised Corporate Director (ACD) of our Open-Ended Investment Companies ("OEICs") and manager of our authorised unit trusts (together, the "Premier Miton Funds"). Authorised Corporate Directors (ACDs)/managers are responsible for the running of an

investment fund. They have a duty to act in the best interests of the fund's investors and ensure that the fund is well managed in line with regulations and with the investment objectives and policies set out in the funds' prospectus.

Client money

Client money is money we hold or receive on your behalf. It may be money that you have given to us, and which is not immediately invested or money which you have requested we take from your investment to return to you.

Client money held as part of an investment in a Premier Miton Fund will be placed with the Royal Bank of Scotland plc ("RBS") and held in accordance with the FCA client money rules. These rules require that PPM holds clients' money under trust status to ensure that it is held separately from PPM's own money. This means that in the unlikely event that PPM stopped trading, neither PPM, nor its liquidator or creditors, would have any rights over your money to pay the debts of PPM.

Please be aware that PPM uses the 'delivery versus payment exemption'. This means that when you send us money to invest, we may not treat your money as client money until close of business on the business day following the date of receipt of the money. For example, if we receive your money on business day 1, we may not treat any of your money that we have not yet invested as client money until close of business on business day 2.

Cash not held as client money

Income paid from your holding in a Premier Miton Fund as dividend or distribution income (collectively 'income') by cheque, will not be held in a protective client money account. If the cheque remains unpresented after 6 years, and your holding was held in an ISA wrapper, the value will be transferred to the client money account and will be subject to the FCA CASS rules. If your holding was held in an unwrapped account, the money will be returned to the fund.

Shares or Units in Premier Miton Funds

When you invest in Premier Miton Funds, you purchase units in a unit trust scheme or shares in a sub-fund of an OEIC. These units or shares may be held in a number of ways, including within an Individual Savings Account (ISA), via a platform, or directly in your own name. We have used the term "shares" but the information also applies to units held in a unit trust scheme.

Your investment in a share is kept separately from PPM's own assets. This means that if PPM stopped trading neither PPM, nor its liquidator or creditors, would have any rights over your investment to pay the debts of PPM. Any losses would potentially be recoverable from the FSCS as mentioned previously, subject to a maximum of £85,000 per eligible person, per firm.

The structure of an OEIC means that there is a depositary and custodian in place. For a unit trust, there is a trustee instead of a depositary. The depositary and trustee carry out similar functions and we have therefore only referred to the depositary below, although the information applies equally to a trustee.

The depositary of our OEICs is Northern Trust Investor Services Limited ("Depositary"). The

custodian appointed by the Depositary is The Northern Trust Company, London Branch ("Custodian"). These companies are both authorised by the Prudential Regulation Authority and regulated by both the Financial Conduct Authority and the Prudential Regulation Authority and are subject to their rules and regulations.

Included in their duties and responsibilities, the Depositary ensures that the best interests of shareholders are always considered. It appoints the Custodian, who is responsible for the safe keeping of the underlying assets of the Premier Miton Funds.

PPM, as the Authorised Corporate Director, or manager, is responsible for the day to day running of the Premier Miton Funds and is overseen by the Depositary and the FCA. In the unlikely event that PPM ceased trading, the Depositary would be responsible for appointing a new company to act as ACD / manager of the Premier Miton Funds subject to the FCA's approval.

In the event that the Depositary ceased trading, a creditor of the bank would have no rights over any fund assets and therefore no rights over your investment and the ACD would appoint a new depositary.

The investments held by the Premier Miton Funds are held in separate accounts at the Custodian in the name of a nominee. In the event that the Custodian ceased trading, a creditor of the Custodian would have no rights over these assets. The Depositary would appoint a new company to act as custodian.

Cash in Premier Miton Funds

In the event that the depositary ceased trading, cash held within the Premier Miton Funds would be treated differently. In this situation, the Custodian may also act as banker and the Premier Miton Fund's cash may not be kept separately from the Custodian's. The Premier Miton Funds would be treated as an unsecured creditor of the Custodian in respect of that cash. The Custodian's liquidator would be responsible for distributing any cash if the Custodian were to fail.

The Custodian for the Premier Miton Funds is required to make regular statements to the FCA regarding its solvency. Further information about the Depositary and Custodian is at the end of this document.

Your investment with Premier Fund Managers Limited

Premier Portfolio Management Service

The Premier Portfolio Management Service is our model portfolio management service which is managed by Premier Fund Managers Limited (PFM). Clients' accounts consist of two elements – shares and cash. Information about the security of each, and the security of client money held prior to investment, is given below and these apply to both direct investments and investments via an Individual Savings Account.

Client money

In relation to PFM, client money held in conjunction with the Premier Portfolio Management Service will be deposited via SEI Investment (Europe) Limited ("SEIL") with HSBC Bank plc ("HSBC") and may then be subsequently deposited into client money bank accounts at a range of other banks chosen by SEIL. The spreading of client money across a number of banks is designed to help reduce the risk of all client money being lost in the event of any one bank failing. SEIL is responsible for exercising reasonable care and due diligence in its initial selection and on-going monitoring of all banks where it places client money.

Shares or Units within a portfolio

When you invest in a portfolio via PPMS, you are holding a portfolio of funds which are administered by an independent custodian, SEIL, who is responsible for the safe keeping of investments. SEIL are authorised and regulated by the FCA and are governed by its rules and regulations.

In the unlikely event that PFM were to cease trading, you would be able to transfer your Portfolio to another discretionary portfolio manager or, in certain circumstances, have the funds registered into your own name.

In the event of SEIL ceasing trading, neither company, nor any liquidator or creditors, would have any rights over the funds held on your behalf to pay the debts of SEIL. Premier Miton would appoint a new custodian for your holding.

In the event of fraud or negligence by PFM or SEIL resulting in their failure, your assets may be exposed to risk. Any losses would potentially be recoverable through the FSCS mentioned previously subject to a maximum of £85,000 per eligible investor per firm.

Cash held in an account

Cash held within an account via the PPMS services is treated differently to the shares held. In this situation, while the cash in the account will be kept separately from cash belonging to SEIL, it may not be segregated by HSBC or another bank from their other clients or their own money. However, it will be held in accordance with FCA rules. In the event of a bank failure, cash held within your account would be treated as an unsecured creditor of HSBC or another bank, and its liquidator would be responsible for distributing any cash.

Therefore, your cash is not kept separately from the bank with which it is placed (this is similar to a normal bank account). Should the bank fail and you become an unsecured creditor as part of the liquidation process, the FSCS will cover up to £85,000 per investor, per banking group (£170,000 per joint account) of any losses.

All the banks holding cash are authorised and regulated by the FCA or by another regulator.

Investment Trusts

Each investment trust is a company in its own right and is run by an independent board of directors, who have a number of duties and responsibilities, including appointing an independent custodian to look after the trust's investment portfolio.

The assets held in the trust's investment portfolio are held separately to PPM or PFM's assets. PPM and PFM have no rights over them.

If the investment trust itself becomes insolvent, it would be subject to the regulations under the company's legislation of its home jurisdiction. The trust's directors would have to appoint a liquidator, who would be responsible for any assets being distributed in the same way that any other company would be.

There is no automatic recourse available to investment trust shareholders from the FSCS.

Custodian, depositary and administration companies

HSBC

HSBC Bank plc is part of the HSBC Group, one of the largest banking and financial services organisations in the world. You can find more information about HSBC by visiting its website, www.hsbc.co.uk

Northern Trust

Northern Trust Corporation is a provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and individuals worldwide. You can find more information about Northern Trust by visiting its website, www.northerntrust.com

SEIL

SEIL is a wholly owned subsidiary of SEI Global Investments Corporation ("SGIC"), a company incorporated in the United States of America, which is wholly owned by SEI Investments Company ("SEIC"). SEIC is the ultimate parent company of SEIL.

SEIL is an asset management, custodian and investment processing services firm with its office located in London. SEIL offers two core business services to its clients. These are Asset Management ("AM") services and investment processing services; the latter being delivered utilising software technology known as the SEI Wealth Platform ("SWP").

The parent company has headquarters in Pennsylvania, USA, where it was founded 50 years ago. You can find more information about SEIL by visiting its website, www.seic.com/enUK.

Issued by Premier Miton Investors. Premier Portfolio Managers Limited is registered in England no. 01235867. Premier Fund Managers Limited is registered in England no. 02274227. Both companies are authorised and regulated by the Financial Conduct Authority and are members of the 'Premier Miton Investors' marketing group and subsidiaries of Premier Miton Group plc (registered in England no. 06306664). Registered office: Eastgate Court, High Street, Guildford, Surrey GU1 3DE.