

## PREMIER ENERGY AND WATER TRUST PLC

Interim Management Statement for the Quarter ended 31 March 2014

### Investment Objective

The Company's investment objectives are to achieve a high income from its portfolio and to realise long-term growth in the capital value of the portfolio. The Company will seek to achieve these objectives by investing principally in the equity and equity related securities of companies operating primarily in the energy and water sectors, as well as other infrastructure investments.

### Financial Highlights

Share price and NAV returns

	31 March 2014	31 December 2013	% change In quarter
Zero Dividend Preference share NAV*	198.50p	195.42p	+1.6%
Mid price	207.12p	206.00p	+0.5%
Ordinary share NAV*	190.83p	167.55p	+13.9%
Mid price	179.00p	157.25p	+13.8%

\* Calculated in accordance with the Articles of Association

Total return performance

	% change Quarter ended 31 March 2014
Total Assets *	+7.0%
FTSE All-World Utilities Index (£)	+8.2%
FTSE All-World Index (£)	+0.3%
FTSE All-Share Index	+1.5%

\* Total return performance, adjusted for any dividends distributed and declared.

### Material Events and Transactions

*Annual Report for the year ended 31 December 2013*

On 11 March 2014, the annual report for the year ended 31 December 2013 was announced on a regulated news service. The annual report was mailed to shareholders on 20 March 2014.

#### *Dividends*

On 11 March 2014, the Company declared a fourth interim dividend for the year ended 31 December 2013 of 5.25p per ordinary share which comprised a base dividend of 4.5p plus a further 0.75p additional dividend paid in accordance with the policy announced in August 2013 to run down the Company's accumulated revenue reserve. Excluding the additional dividends, the total base dividend in respect of the year was therefore 10.00p per ordinary share, an increase of 7.5% over the 9.30p per ordinary share in respect of the year ended 31 December 2012. The fourth interim dividend was paid on 31 March 2014 to members on the register at the close of business on 7 March 2014. The Ordinary shares were marked ex-dividend on 5 March 2014.

On 8 May 2014 the Company declared a first quarterly dividend for the year ending 31 December 2014 of 2.65p per ordinary share comprising a base dividend of 1.9p (compared to the 1.7p per ordinary share paid in the equivalent period in 2013) and an additional dividend of 0.75p per ordinary share in accordance with the policy announced in August 2013 to run down the Company's revenue reserve will be paid on 30 June 2014. The dividend will be paid to members on the register at the close of business on 30 May 2014. The Ordinary shares will be marked ex-dividend on 28 May 2014.

## Annual General Meeting

At the Annual General Meeting held on 8 May 2014, all the Ordinary and Special Resolutions were passed. The resolutions approved included resolutions to authorise the Directors to allot new shares, allow the Directors to allot Ordinary shares for cash at a discount to net asset value, allow the disapplication of pre-emption rights on the allotment of new Ordinary shares and to allow the Company to make market purchases of its own shares.

### The Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD (a European regulatory directive) was written into UK legislation with effect from 22 July 2013. The Company will be considered an Alternative Investment Fund ("AIF"), and fall within the scope of the Directive. It must therefore be managed by an Alternative Investment Fund Manager ("AIFM") who will be required to comply with the provisions of the Directive as relevant. In the case of investment trusts, this may be an external AIFM, such as the investment trust's investment manager or it may be the company itself as an internally managed AIF. An internally managed AIF which is leveraged and has assets under management of €100m or less is able to take advantage of a lighter touch regulatory regime. As the Company's assets fall below the €100m threshold it will be able to take advantage of the lighter touch and less costly regulatory regime if the Company acts as its own AIFM. Accordingly the Board will be applying for the Company to be an internally managed AIF by requesting the Financial Conduct Authority (FCA) to enter the Company on the Register of Small Registered UK AIFs. The Board will submit the application to the FCA prior to the expiry of the transitional period which ends on 21 July 2014. Adopting this approach will mean that a number of the Directive's requirements will not apply in relation to the Company which the Board anticipates will result in cost savings for the Company including the avoidance of the cost of appointing a depositary as well as the additional costs that might be involved in complying with the reporting requirements under the full scope of the Directive. The Board intends to monitor the level of the Company's assets under management in relation to the €100m threshold in accordance with the requirements of the Directive.

### Ten Largest Holdings at 31 March 2014 (% of Gross Assets)

Company	Country	Valuation % of total
OPG Power Ventures	India	8.5%
Renewable Energy Generation	UK	7.5%
Fortune Oil	China	4.4%
GDF Suez	India	3.8%
Ecofin Water & Power*	France	3.4%
SSE	UK	3.3%
Tauron Polska Energia	Poland	3.2%
China Everbright Intl	China	3.1%
Tenaga Nasional Berhad	Malaysia	3.1%
China Power International Development	China	3.1%

\* Holding in convertible bonds

The Board is not aware of any significant events or transactions which have occurred since 31 March 2014 to the date of the publication of this statement which would have a material impact on the financial position of the Company.

At 7 May 2014 the Zero Dividend Preference share NAV was 199.78p and the Ordinary share NAV was 185.17p.

### Further Information

Daily prices, Company announcements, Report and Accounts and monthly fact sheets are available via [www.premierfunds.co.uk](http://www.premierfunds.co.uk).

14 May 2014