Pillar 3 summary disclosures
as at 30 September 2015

Premier Asset Management

Introduction

The EC's Capital Requirements Directive (CRD) sets consistent capital adequacy rules for investment firms. The framework consists of three pillars: Pillar 1 specifies the minimum amount of regulatory capital deemed appropriate and Pillar 2 relates to a firm's assessment of its own capital requirements to determine if additional capital should be held against risks not covered by Pillar 1. Pillar 3 requires public disclosure of information relating to a firm's capital, risk exposures and management practice to improve market discipline through enhanced disclosures by market participants. The disclosures are to be made to the market and for the benefit of the market.

Scope

These disclosures cover Premier Portfolio Managers Limited (PPM) and Premier Fund Managers Limited (PFM), which are both subsidiaries of Premier Asset Management Group Limited (PAM).

Both companies are authorised and regulated by the FCA. PPM acts as an authorised fund manager to open ended collective investment funds and PFM operates principally to provide investment management services. For regulatory purposes both PPM and PFM are IFPRU Investment Firms, while PFM is also an IFPRU €125,000 firm and PPM is a Collective Portfolio Management Investment Firm and an external managing Alternative Investment Management Firm. Both companies have an investment consolidation waiver and all numerical disclosures are therefore shown on an individual company basis.

It is the policy of both companies to normally publish this information annually on the PAM website (www.premierfunds.co.uk) based on information contained in the annual report and financial statements which are prepared to the 30th September each year. The companies will not disclose items which they reasonably regard as confidential or not material. The companies will publish information more frequently if deemed necessary due to changes in the characteristics of the business.

Risk management

The directors of Premier determine the business strategy and risk appetite together with the design and implementation of a Risk Management Framework which focuses on the major areas of operational and business risk.

The main elements of risk governance include regular meetings of the Directors and senior managers to consider the companies' operational and financial performance; clearly defined responsibilities enabling departmental managers to be integral in the management of risk; appropriately documented procedures and regular management reporting. Regular monitoring is carried out by the Risk and Compliance Departments through regular reviews of regulatory requirements and business risks as governed by combined compliance monitoring, systems and controls reviews across the group.

Risk appetite is the degree of risk that senior management are willing to accept without applying further resources and capital to mitigate the risk. Premier does not quantify its risk appetite in monetary terms. Significant risks are quantified on a risk and probability basis and mitigating action to reduce the potential exposure is considered on a case by case basis.

The combination of risk management and capital adequacy is documented in an ICAAP (Internal Capital Adequacy Assessment Process) document prepared in accordance with the rules of the Financial Conduct Authority, which is periodically reviewed and updated and provided to the FCA upon request.

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Capital resources

A summary of the companies' total capital as at the audited accounts for 30/09/15 is shown below:

£'000	Premier Portfolio Managers Limited	Premier Fund Managers Limited
Tier 1 consists of:		
Called up share capital	105	138
Share premium account	-	240
Profit and loss account	12,331	5,109
Less: deductions	-	-
Tier 1 Capital after deductions	**12,436**	**5,487**
Total Tier 2, innovative Tier 1 and Tier 3 capital	-	-
Deductions from capital	-	-
Total capital resources, net of deductions	**12,436**	**5,487**

Premier views capital resources as adequate if they exceed the capital requirements as calculated under the FCA handbook. There are no current or foreseen impediments to the prompt transfer of capital within the group or repayment of group liabilities.

Capital requirements

To ensure that there is no significant risk that a firm's liabilities cannot be met as they fall due, the regulations require the firm to maintain capital resources greater than the higher of Pillar 1 and Pillar 2 capital requirements or a wind down scenario. Pillar 1 capital is the higher of (a) the base capital requirement and (b) the variable capital requirement, which in turn is the greater of the fixed overheads requirement and the sum of the market risk and credit risk capital requirements.

For PFM, Pillar 1 capital is the fixed overheads requirement, while for PPM it is the sum of the market and credit risk capital requirements which for the 2014/15 financial year is:

PPM £1,073,000 PFM £1,047,000

PFM and PPM do not act as principal or trade on their own account. PPM has a limited amount of Market Risk due to foreign currency held in connection with non-sterling OEIC share transactions. PPM and PFM have limited credit risk arising from their day to day operations.

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Premier's ICAAP assesses known operational and business risks to determine whether any additional capital should be provided. PFM holds additional capital of £1,423,000 under Pillar 2. PPM holds additional capital of £3,206,000 under Pillar 2. The additional areas considered in this Pillar 2 assessment are:

- credit and counterparty risk
- market risk
- liquidity risk
- operational risk
- concentration risk
- reputational risk
- business risk
- interest rate risk
- leverage risk
- group risk, and
- shareholder risk

For both PFM and PPM the capital required to support an orderly wind down is calculated to be less that the greater of the Pillar 1 and Pillar 2 capital requirement.

IMPORTANT INFORMATION Issued by Premier Asset Management Group plc. 'Premier Asset Management' and 'Premier' are the marketing names used to describe the group of companies including Premier Fund Managers Limited and Premier Portfolio Managers Limited, which are authorised and regulated by the Financial Conduct Authority of 25 the North Colonnade, Canary Wharf, London E14 5HS and are subsidiaries of Premier Asset Management Group plc. The registered address of all companies is Eastgate Court, High Street, Guildford, GU1 3DE.

Premier Portfolio Managers Ltd is registered in England no. 01235867. Premier Fund Managers Ltd is registered in England no. 02274227. Premier Asset Management Group plc is registered in England no. 06306664.
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