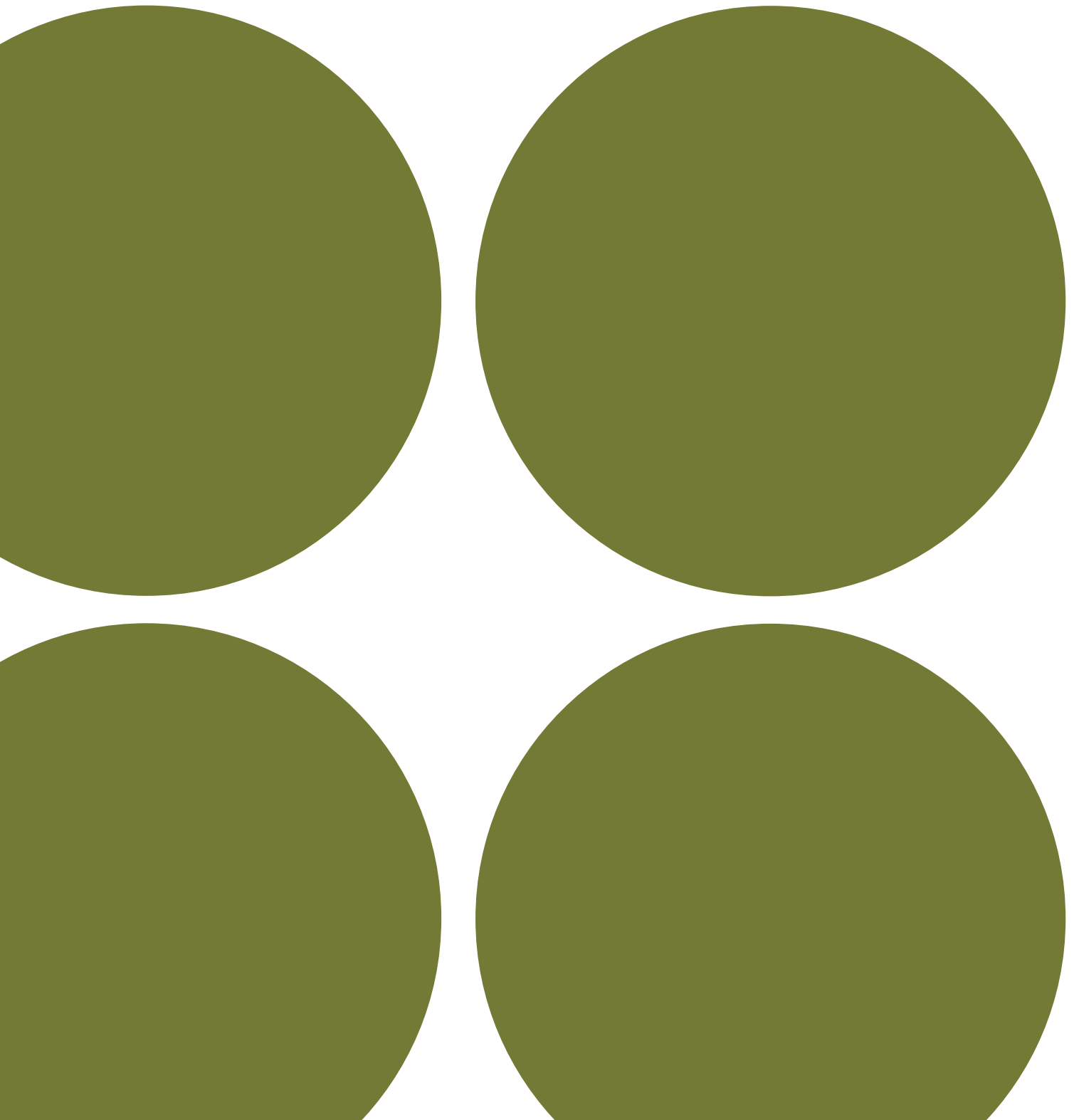


# Premier Alliance Trust Investment Funds

Final Report and Financial Statements (Audited)  
for the year from 1 October 2007 to 30 September 2008



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## MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director ("ACD") and registered office of the Premier Alliance Trust Investment Funds ("the Company"):

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,  
Guildford, Surrey, GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority ("FSA") and is a member of the Investment Management Association ("IMA"). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

**DIRECTORS OF THE ACD:** Mike O'Shea (Chairman)  
Neil Macpherson (Finance Director)  
Simon Weldon (Managing Director, Sales and Marketing)  
Mark Friend (Managing Director, Operations)  
Mike Hammond (IFA Sales Director)

**INVESTMENT MANAGER:** AT Asset Management (Asia-Pacific) Limited is the Investment Manager of the Premier Alliance Trust Asia-Pacific Equity Fund and the Premier Alliance Trust Japan Equity Fund.

**DEPOSITARY:** The Royal Bank of Scotland plc  
Trustee & Depositary Services  
The Broadstone,  
50 South Gyle Crescent,  
Edinburgh, EH12 9UZ

**AUDITORS:** Grant Thornton UK LLP  
30 Finsbury Square,  
London, EC2P 2YU

**ADMINISTRATORS & REGISTRAR:** Northern Trust International Fund  
Administration Services (UK) Limited and  
Northern Trust Global Services Limited  
PO Box 55736, 50 Bank Street,  
Canary Wharf,  
London, E14 1BT

### COMPANY INFORMATION

The Company is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000486 and authorised by the FSA with effect from 6th October 2006. Shareholders are not liable for the debts of the Company. At the year end the Company contained two sub-funds, the Premier Alliance Trust Asia-Pacific Equity Fund and the Premier Alliance Trust Japan Equity Fund.

The Company is a UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

### STATEMENT OF ACD AND DEPOSITARY'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE SCHEME

The Open-Ended Investment Companies Regulations 2001 and the FSA's Collective Investment Schemes sourcebook ("the Regulations") require the ACD to prepare accounts for each annual accounting period, which give a true and fair view of the financial position of the scheme as at the end of the year and of the net income and the net gains or losses on the property of the scheme for the year then ended. In preparing the accounts, the ACD is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to 'Financial Statements of Authorised Funds', issued by the IMA in December 2005 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The ACD is responsible for the management of the scheme in accordance with its Instrument of Incorporation, the Prospectus and the Regulations.

The Depositary is responsible for safeguarding the property of the scheme and must take reasonable care to ensure that the scheme is managed by the ACD in compliance with the Regulations and the provisions of the Instrument of Incorporation and Prospectus.

The ACD and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### CHANGE OF INVESTMENT MANAGER

With effect from Monday 19th January 2009, Alliance Trust Asset Management has been appointed Investment Manager of Premier Alliance Trust Investment Funds ICVC. The Authorised Corporate Director (ACD) has agreed that the investment management agreement in respect of the Fund be transferred from AT Asset Management (Asia Pacific) to Alliance Trust Asset Management Limited on exactly the same terms as those that applied to the appointment of AT Asset Management (Asia Pacific).

## MANAGEMENT AND ADMINISTRATION

### REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1st October 2007 to 30th September 2008.

The Company is a UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The Investment Objectives, Policies and Reviews of each sub-fund of the Company are covered in the section for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 2.

In the future there may be other sub-funds of the umbrella Company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the umbrella Company.

### DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the Directors of Premier Portfolio Managers Limited.



Neil Macpherson

Finance Director (of the ACD)  
26th January 2009

Mark Friend

Managing Director, Operations (of the ACD)

### REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE YEAR FROM 1ST OCTOBER 2007 TO 30TH SEPTEMBER 2008 FOR THE PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND AND THE PREMIER ALLIANCE TRUST JAPAN EQUITY FUND AS SUB-FUNDS OF THE PREMIER ALLIANCE TRUST INVESTMENT FUNDS ('THE COMPANY')

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it. It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the FSA's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 and the Instrument of Incorporation in relation to the pricing of, and dealings in, shares in the Company, the application of the income of the Company, and the investment and borrowing powers and restrictions applicable to the Company.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary, it is our opinion that:

- the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income have, in all material respects, been carried out in accordance with the provisions of:
  - the Regulations and
  - the Open-Ended Investment Companies Regulations 2001 and
  - the Instrument of Incorporation of the Company

and that, in all material respects, the investment and borrowing powers and restrictions applicable to the Company, in accordance with the provision of the Regulations and Instrument of Incorporation, have been observed.

The Royal Bank of Scotland plc  
Trustee & Depositary Services  
26th January 2009

# MANAGEMENT AND ADMINISTRATION

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF THE PREMIER ALLIANCE TRUST INVESTMENT FUNDS

We have audited the financial statements of the Premier Alliance Trust Investment Funds for the year ended 30th September 2008. These financial statements consist of the aggregated financial statements of the Company, which comprise the aggregated statement of total return, the aggregated statement of change in shareholders' net assets, the aggregated balance sheet, and notes 1-16, and for each of the Company's sub-funds, the statement of total return, the statement of change in shareholders' net assets, the portfolio of investments, the balance sheet, the summary of material portfolio changes, the related notes and the distribution tables. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook issued by the FSA under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Authorised Corporate Director and the Auditors

The ACD's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (IMA), the Financial Services Authority (FSA) Collective Investment Schemes sourcebook and the Instrument of Incorporation are set out in the Statement of the ACD and Depositary's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the IMA, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation. We also report to you whether the information given in the Report of the ACD is consistent with the financial statements and we state whether we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In addition, we report to you if, in our opinion, proper accounting records for the Company or a sub-fund have not been kept, or if the financial statements are not in agreement with those records.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises comparative tables, investment objectives and policies, investment reviews, total expense ratios and the Report of the ACD. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the ACD in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company and each of the sub-funds as at 30th September 2008 and of the net income and net losses of the scheme property of the Company and each of the sub-funds for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to 'Financial Statements of Authorised Funds' issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation;
- the information given in the Report of the ACD is consistent with the financial statements.

We have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton UK LLP  
Chartered Accountants and Registered Auditor  
London, England

26th January 2009

# PREMIER ALLIANCE TRUST INVESTMENT FUNDS AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the year to 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
Net (losses)/gains on investments during the year	2		(23,741)		8,368
Other gains/(losses)	3		465		(228)
Income	4	1,655		1,388	
Expenses	5	(926)		(742)	
Finance costs: Interest	7	(1)		-	
Net income before taxation		728		646	
Taxation	6	(136)		(144)	
Net income after taxation			592		502
Total return before distributions			(22,684)		8,642
Finance costs: Distributions	7		(614)		(524)
<b>Change in net assets attributable to shareholders</b>			<b>(23,298)</b>		<b>8,118</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
<b>Net assets at the start of the year</b>			<b>87,282</b>		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		988		78,969	
Less: Amount payable on cancellation of shares		(333)		(332)	
			655		78,637
Change in net assets attributable to shareholders (see above)			(23,298)		8,118
Retained distribution on accumulation shares	7		616		527
<b>Net assets at the end of the year</b>			<b>65,255</b>		<b>87,282</b>

## BALANCE SHEET

As at 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
<b>ASSETS</b>					
Portfolio of Investments			60,371		82,929
Debtors	8		337		1,399
Cash and bank balances	9		4,864		3,439
<b>Total other assets</b>			<b>5,201</b>		<b>4,838</b>
<b>Total assets</b>			<b>65,572</b>		<b>87,767</b>
<b>LIABILITIES</b>					
Creditors	11		(173)		(150)
Bank overdrafts	10		(144)		(335)
<b>Total liabilities</b>			<b>(317)</b>		<b>(485)</b>
<b>Net assets attributable to shareholders</b>			<b>65,255</b>		<b>87,282</b>

The notes on pages 6 and 7 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
26th January 2009

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER ALLIANCE TRUST INVESTMENT FUNDS AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE AGGREGATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies applied are set out in the notes to the financial statements of each of the sub-funds. The aggregated financial statements represent the summation of the financial statements for each of the sub-funds.

### 2. NET (LOSSES)/GAINS ON INVESTMENTS

The net (losses)/gains on investments during the year comprise:

	30/09/08 £'000	30/09/07 £'000
Non-derivative securities	(23,741)	8,368
<b>Net (losses)/gains on investments</b>	<b>(23,741)</b>	<b>8,368</b>

### 3. OTHER GAINS/(LOSSES)

Other gains/(losses) comprise:

	30/09/08 £'000	30/09/07 £'000
Other currency gains/(losses)	465	(228)
	<b>465</b>	<b>(228)</b>

### 4. INCOME

	30/09/08 £'000	30/09/07 £'000
Bank interest	105	64
Overseas dividends	1,550	1,315
<b>Distributions receivable from authorised collective investment schemes:</b>		
- Unfranked distributions	-	9
	<b>1,655</b>	<b>1,388</b>

### 5. EXPENSES

	30/09/08 £'000	30/09/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	660	559
	<b>660</b>	<b>559</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	48	41
Safe custody fees	32	21
Transaction charges	20	13
	<b>100</b>	<b>75</b>

### Other expenses:

Auditors' remuneration	16	12
Administration fees	100	53
Registration fees	30	27
FSA and other regulatory fees	12	1
Printing fees	2	2
Price publication fees	6	6
Legal fees	-	7
	<b>166</b>	<b>108</b>
<b>Total expenses</b>	<b>926</b>	<b>742</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 6. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	30/09/08 £'000	30/09/07 £'000
<b>Current tax:</b>		
Corporation tax	109	103
Double taxation relief	(56)	(75)
Overseas withholding tax	82	103
<b>Total current tax (note 6 (b))</b>	<b>135</b>	<b>131</b>
<b>Deferred tax (note 6 (c))</b>	<b>1</b>	<b>13</b>
	<b>136</b>	<b>144</b>

(b) Factors affecting the tax charge for the year

The tax charged for the year is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	30/09/08 £'000	30/09/07 £'000
Net income before taxation	728	646
	<b>728</b>	<b>646</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	146	129
<b>Effects of:</b>		
Double taxation relief	(56)	(75)
Overseas withholding tax	82	103
Expenses not deducted for tax purposes	3	3
Expenses not utilised in period	-	21
Prior period expenses utilised	(21)	-
Overseas dividends not received during the year	(19)	(50)
<b>Current tax charge (note 6 (a))</b>	<b>135</b>	<b>131</b>

(c) Deferred tax

Provision at the start of the year	13	-
Deferred tax charge in the year	1	13
<b>Provision at the end of the year</b>	<b>14</b>	<b>13</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

# PREMIER ALLIANCE TRUST INVESTMENT FUNDS AGGREGATED FINANCIAL STATEMENTS

## 7. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	30/09/08 £'000	30/09/07 £'000
Interim accumulation	212	97
Final accumulation	404	430
	<b>616</b>	<b>527</b>
Add: Income deducted on cancellation of shares	1	1
Deduct: Income received on issue of shares	(3)	(4)
<b>Net distributions for the year</b>	<b>614</b>	<b>524</b>
Interest	1	-
<b>Total finance costs</b>	<b>615</b>	<b>524</b>

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	592	502
Transaction charges against capital	20	13
Income deficit taken to capital	2	9
<b>Finance costs: Distributions</b>	<b>614</b>	<b>524</b>

## 8. DEBTORS

	30/09/08 £'000	30/09/07 £'000
Accrued income	333	247
Amounts receivable for issue of shares	4	11
Other debtor - Overpayment for stock purchase	-	394
Sales awaiting settlement	-	747
	<b>337</b>	<b>1,399</b>

## 9. CASH AND BANK BALANCES

	30/09/08 £'000	30/09/07 £'000
Australian dollar	17	-
Hong Kong dollar	-	22
Indian rupee	2	-
Japanese yen	1,800	1,181
Sterling	2,489	1,408
Thai baht	-	8
Taiwan dollar	556	820
<b>Cash and bank balances</b>	<b>4,864</b>	<b>3,439</b>

## 10. BANK OVERDRAFTS

	30/09/08 £'000	30/09/07 £'000
Sterling	144	335
<b>Bank overdrafts</b>	<b>144</b>	<b>335</b>

## 11. CREDITORS

	30/09/08 £'000	30/09/07 £'000
Accrued expenses	102	106
Amounts payable for cancellation of shares	4	3
Corporation tax payable	53	28
Deferred tax	14	13
	<b>173</b>	<b>150</b>

## 12. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 13. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the balance sheet date (2007: £nil).

## 14. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 15. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 16. PORTFOLIO TRANSACTION COSTS

	30/09/08 £'000	30/09/07 £'000
Analysis of total purchase costs:		
Purchases in year before transaction costs	83,253	116,090
Commissions	239	184
Other costs	33	10
<b>Total purchase costs</b>	<b>272</b>	<b>194</b>
<b>Gross purchases total</b>	<b>83,525</b>	<b>116,284</b>
Analysis of total sale costs:		
Gross sales before transaction costs	82,648	41,902
Commissions	(231)	(154)
Other costs	(81)	(25)
<b>Total sale costs</b>	<b>(312)</b>	<b>(179)</b>
<b>Total sales net of transaction costs</b>	<b>82,336</b>	<b>41,723</b>

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>Accumulation A</b>		
2006 <sup>1</sup>	106.87	99.16
2007	137.77	103.13
2008 <sup>2</sup>	128.50	82.15
<b>Accumulation I</b>		
2006 <sup>1</sup>	106.72	99.16
2007	138.42	103.20
2008 <sup>2</sup>	129.22	83.29

### Accumulation Record

Calendar Year	Net Income per Share (p)	Net Income per £1,000 at Launch (£)
<b>Accumulation A</b>		
2007	0.9067	9.07
2008 <sup>2</sup>	0.1383	1.38
<b>Accumulation I</b>		
2007	1.2991	12.99
2008 <sup>2</sup>	1.1029	11.03

### Net Asset Values

As at	Shares In Issue	Net Asset Value per Share (p)	Net Asset Value of Sub-Fund (£)
<b>Accumulation A</b>			
30/09/2007	4,864,581	128.50	48,151,720
30/09/2008	4,865,868	81.83	31,242,628
<b>Accumulation I</b>			
30/09/2007	32,468,206	129.05	48,151,720
30/09/2008	32,781,289	83.16	31,242,628

<sup>1</sup> From 13th November 2006 to 31st December 2006.

<sup>2</sup> To 30th September 2008.

## TOTAL EXPENSE RATIOS (TERs)

	30/09/08	30/09/07
Class A	1.61%	1.50%
Class I	1.10%	1.00%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes.

## INVESTMENT OBJECTIVE AND POLICY

The Premier Alliance Trust Asia-Pacific Equity Fund aims to achieve long term capital growth. The sub-fund will achieve this by investing primarily in a broad range of Asia-Pacific (excluding Japan) securities, including securities of Asia-Pacific companies which may be listed on exchanges outside of Asia. In addition to securities, the sub-fund may invest in any asset class permitted generally for investment by UCITS schemes including units in collective investment schemes, transferable securities, money market instruments, warrants, deposits, government and public securities, cash and near cash and deposits. The sub-fund may invest in derivatives and forward transactions for hedging purposes only.

## INVESTMENT REVIEW

### PERFORMANCE

The prices of the I Class and A Class shares of the Premier Alliance Trust Asia-Pacific Equity Fund at the end of September 2008 were 83.29 pence and 82.15 pence respectively. This represents performance of -35.7% and -36.3% respectively for the 12 month period. During the same period, the benchmark FTSE All World Asia-Pacific ex-Japan Index fell by 28.0%.

### MARKET REVIEW

Asia-Pacific markets continued to follow global markets in their slump. The credit crisis which began in a narrow portion of the US debt market spread across asset classes and geographies. A slowdown in global growth, including Asia's, is now apparent. Still, Asia should remain the world's fastest growing region this year and next. Asian central banks have moved away from fighting inflation caused by high growth rates to lowering interest rates to defend the stability of financial institutions and to support GDP growth. Asia had its financial crisis ten years ago; caused by too much borrowing and too much investing in poor quality assets. Now we see similar problems at many financial institutions. The Asia of today is quite different. The financial strength of governments and companies stands on a significantly better footing. Indeed some countries and companies of Asia are now more often criticised for holding too much cash.

### PORTFOLIO ACTIVITY

Compared to twelve months ago, we have reduced our exposure to banks and property companies as we were wary of the impact of the US financial crisis spreading to other parts of the world. We also reduced our exposure to cyclical companies. We increased our exposure to defensive companies - those with a stable financial outlook such as utilities, high yielding telecoms, and consumer staples. We reduced our overweight in Hong Kong and China as well as our exposure to South East Asian countries. We increased our holdings in the more developed countries of Australia, South Korea and Taiwan as well as India.

### OUTLOOK

The magnitude of the global financial crisis is severe. Asia is not immune to it. Therefore visibility of corporate earnings is low which frightens investors. In difficult times like these we need to recognise the global changes that are occurring. One of the most important of these global changes is the continuing industrialisation and urbanisation of Asia coupled with the rapid development of "human capital"; that is growing numbers of well-educated, middle-class persons who are competitive in a global economy. This combination of investing in infrastructure capital and human capital will propel Asia economies to grow faster than the global average. History tells us that the stock markets will grow in relation to the underlying economies.

Source: Alliance Trust Asset Management (Asia Pacific) Limited, October 2008. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## PORTFOLIO OF INVESTMENTS

As at 30th September 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>CYCLICAL SERVICES 15.29% (45.14%)</b>				<b>GENERAL INDUSTRIES 15.38% (5.44%)</b>		
	<b>General Industrials 3.14% (7.14%)</b>				<b>Construction &amp; Building Materials 5.66% (1.20%)</b>		
180,000	Keppel Corporation	547	1.75	512,000	China Communications Construction Company	243	0.78
436,500	Ports Design	434	1.39	2,600	Hyundai Heavy Industries	322	1.03
		<b>981</b>	<b>3.14</b>	756,300	Oz Minerals	540	1.73
				1,400	Posco	285	0.91
	<b>Textile Products 1.06% (0.00%)</b>			75,000	Tata Steel	378	1.21
863,940	Far Eastern Textile	330	1.06			<b>1,768</b>	<b>5.66</b>
		<b>330</b>	<b>1.06</b>		<b>Engineering &amp; Machinery 1.45% (1.01%)</b>		
	<b>General Retailers 2.70% (6.28%)</b>			13,670	Daelim Industrials	452	1.45
108,000	Esprit Asia Holdings	366	1.17			<b>452</b>	<b>1.45</b>
795,000	Parkson Retail Group	479	1.53		<b>Electronic &amp; Electrical Equipment 4.64% (3.23%)</b>		
		<b>845</b>	<b>2.70</b>	3,800	Samsung Electronics	943	3.02
	<b>Leisure and Hotels 0.00% (1.90%)</b>			559,808	Taiwan Semiconductor Manufacturing	506	1.62
	<b>Healthcare Equipment and Services 0.00% (1.33%)</b>					<b>1,449</b>	<b>4.64</b>
	<b>Support Services 0.00% (2.34%)</b>				<b>Diversified Manufacturing 1.82% (0.00%)</b>		
	<b>Personal Goods 0.00% (4.11%)</b>			45,255	Westfarmers	568	1.82
	<b>Real Estate 7.23% (13.95%)</b>					<b>568</b>	<b>1.82</b>
320,000	Capitaland	379	1.21		<b>Heavy Industry 1.81% (0.00%)</b>		
80,000	Cheung Kong Holdings	493	1.58	30,000	Bharat Heavy Electricals	567	1.81
744,000	China Overseas Land & Investment	487	1.56			<b>567</b>	<b>1.81</b>
44,000	DLF	183	0.59		<b>INFORMATION TECHNOLOGY 4.32% (7.61%)</b>		
128,000	Sun Hung Kai Properties	717	2.29		<b>Information Technology &amp; Hardware 4.32% (7.61%)</b>		
		<b>2,259</b>	<b>7.23</b>	276,000	Hon Hai Precision Industry	533	1.71
	<b>Transportation 1.16% (8.09%)</b>			11,800	NHN	814	2.61
210,000	China Merchant Holdings International	363	1.16			<b>1,347</b>	<b>4.32</b>
		<b>363</b>	<b>1.16</b>		<b>NON CYCLICAL SERVICES 19.27% (5.69%)</b>		
	<b>FINANCIALS 20.00% (17.36%)</b>				<b>Telecommunication Services 12.57% (4.73%)</b>		
	<b>Banks 9.96% (13.43%)</b>			73,000	Bharti Airtel	677	2.17
43,000	ICICI Bank	274	0.88	188,500	China Mobile	1,035	3.31
2,177,000	Industrial and Commercial Bank of China	711	2.28	310,000	Chunghwa Telecom	398	1.27
334,600	Public Bank Berhad	538	1.72	770,000	Singapore Telecommunications	970	3.10
38,000	Shinhan Financial	733	2.35	453,200	Telstra Corporation	849	2.72
89,000	Westpac Banking	856	2.73			<b>3,929</b>	<b>12.57</b>
		<b>3,112</b>	<b>9.96</b>		<b>Agriculture Chemicals 2.80% (0.00%)</b>		
	<b>Speciality &amp; Other Finance 10.04% (3.93%)</b>			862,000	Taiwan Fertilizer	874	2.80
676,800	Cathay Financial	504	1.61			<b>874</b>	<b>2.80</b>
504,000	China Life Insurance	1,026	3.28		<b>Tobacco 3.90% (0.96%)</b>		
3,500	Mirae Asset Securities	162	0.52	156,000	ITC	345	1.10
95,200	QBE Insurance	1,118	3.58	21,200	KT&G	876	2.80
1,115,000	Yuanta Financial	329	1.05			<b>1,221</b>	<b>3.90</b>
		<b>3,139</b>	<b>10.04</b>				

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## PORTFOLIO OF INVESTMENTS

As at 30th September 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>RESOURCES 11.86% (13.83%)</b>		
	<b>Mining 6.53% (7.10%)</b>		
76,000	BHP Billiton	1,055	3.38
26,000	Rio Tinto	984	3.15
		<b>2,039</b>	<b>6.53</b>
	<b>Forestry 0.00% (0.78%)</b>		
	<b>Oil &amp; Gas 5.33% (5.95%)</b>		
994,000	Cnooc Limited	628	2.01
1,012,000	PetroChina	578	1.85
33,870	Worleyparsons Limited	459	1.47
		<b>1,665</b>	<b>5.33</b>
	<b>UTILITIES 5.06% (0.07%)</b>		
	<b>Energy &amp; Utilities 5.06% (0.00%)</b>		
118,100	Banpu Public Company Limited	577	1.85
225,000	CLP Holdings	1,003	3.21
		<b>1,580</b>	<b>5.06</b>
	<b>Electricity 0.00% (0.07%)</b>		
	<b>Total Value of Investments</b>	<b>28,488</b>	<b>91.18</b>
	<b>Net Other Assets</b>	<b>2,755</b>	<b>8.82</b>
	<b>Total Net Assets</b>	<b>31,243</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated.

Figures in brackets represent sector distribution at 30th September 2007.

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## STATEMENT OF TOTAL RETURN

For the year to 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
Net (losses)/gains on investments during the year	2		(17,528)		10,223
Other losses	3		(108)		(127)
Income	4	955		961	
Expenses	5	(515)		(392)	
Finance costs: Interest	7	(1)		-	
Net income before taxation		439		569	
Taxation	6	(92)		(116)	
Net income after taxation			347		453
Total return before distributions			(17,289)		10,549
Finance costs: Distributions	7		(366)		(462)
<b>Change in net assets attributable to shareholders</b>			<b>(17,655)</b>		<b>10,087</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
<b>Net assets at the start of the year</b>			48,152		-
Movements due to sales and repurchases of shares:					
Amounts receivable on issue of shares		636		37,846	
Less: Amount payable on cancellation of shares		(258)		(246)	
			378		37,600
Change in net assets attributable to shareholders (see above)			(17,655)		10,087
Retained distribution on accumulation shares	7		368		465
<b>Net assets at the end of the year</b>			<b>31,243</b>		<b>48,152</b>

## BALANCE SHEET

As at 30th September 2008

	Notes	30/09/08		30/09/07	
		£'000	£'000	£'000	£'000
<b>ASSETS</b>					
<b>Portfolio of Investments</b>			<b>28,488</b>		<b>45,810</b>
Debtors	8		88		913
Cash and bank balances	9		2,793		1,527
<b>Total other assets</b>			<b>2,881</b>		<b>2,440</b>
<b>Total assets</b>			<b>31,369</b>		<b>48,250</b>
<b>LIABILITIES</b>					
Creditors	10		(126)		(98)
<b>Total liabilities</b>			<b>(126)</b>		<b>(98)</b>
<b>Net assets attributable to shareholders</b>			<b>31,243</b>		<b>48,152</b>

The notes on pages 13 to 16 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
26th January 2009

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

As at 30th September 2008

Purchases	Cost £'000	Note	Sales	Proceeds £'000	Note
Oz Minerals	2,666		Keppel Corporation	2,986	
Far Eastern Textile	2,519		High Tech Computer	2,596	
Daelim Industrials	2,225		Far Eastern Textile	2,360	
ICICI Bank	2,040		BHP Billiton	2,278	
Hong Kong Land Holdings	1,910		Kasikornbank	2,033	
Hon Hai Precision Industry	1,730		Cathay Financial	2,024	
Hyuandai Development	1,709		Esprit Asia Holdings	1,849	
Cathay Financial	1,661		Hong Kong Land Holdings	1,729	
DLF	1,645		India Cements	1,618	
Keppel Corporation	1,643		Infosys Technologies	1,613	
Samsung Electronics	1,497		PTT Exploration & Production	1,578	
Taiwan Fertilizer	1,402		Larsen & Toubro	1,568	
BHP Billiton	1,399		Genting Berhad	1,556	
Industrial and Commercial Bank of China	1,354		Hyuandai Development	1,534	
Bharat Heavy Electricals	1,352		China Merchant	1,519	
NHN	1,310		Li & Fung	1,355	
Westfarmers	1,296		Bank of Ayudhya	1,336	
Westpac Banking	1,291		Prime Success International	1,332	
Bharti Airtel	1,287		Hang Lung Properties	1,318	
Mirae Asset Securities	1,286		RREEF China Commercial Trust	1,286	
PosCo	1,253		Taiwan Semiconductor Manufacturing	1,256	
Sun Hung Kai Properties	1,201		Bank Mandiri	1,245	
Singapore Telecommunications	1,121		Oz Minerals	1,228	
Yuanta Financial	1,105		China Overseas Land & Investment	1,226	
QBE Insurance	1,076		PetroChina	1,044	
India Cements	1,068		ITC	1,042	
China Life Insurance	1,055		ICICI Bank	1,011	
KT&G	1,038		PosCo	1,004	
China Communications Construction Company	1,018		Shun Tak	973	
Mediatek	1,010		Australia & New Zealand Bank	968	
Rio Tinto	999				
Reliance Communications	989		Other	27,443	
Esprit Asia Holdings	978				
Shinhan Financial	971				
Other	26,010				
<b>Total purchases during the year</b>	<b>74,114</b>	<b>15</b>	<b>Total sales during the year</b>	<b>73,908</b>	<b>15</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the year and at minimum the top 20 purchases and sales during the year.

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Overseas income received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Bank interest and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the year on an accruals basis.

In addition to the annual management charge the Investment Manager is entitled to a performance related fee of 15% of outperformance of the relevant index by each share class of the sub-fund and is calculated to the end of September of each calendar year.

The relevant index for the Premier Alliance Trust Asia-Pacific Equity Fund is the FTSE All World Asia-Pacific (ex Japan) Index.

The full amount of the performance fee is chargeable against income and is calculated on an accruals basis.

Further details of the calculation can be found in the Fund's Prospectus.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-funds' expenses are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 30th September 2008, being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued income.

#### Foreign Currencies

Assets and liabilities in currencies other than sterling are translated into sterling at the exchange rates prevailing at noon on the last working day of the accounting period. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date. Where forward positions in currencies are held, these are translated at the appropriate forward rate. Any resulting exchange differences in these forward positions are disclosed in net gains/(losses) on investments in the Statement of Total Return.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

Withholding tax on overseas dividends is accounted for on an accruals basis.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

### 2. NET (LOSSES)/GAINS ON INVESTMENTS

The net (losses)/gains on investments during the year comprise:

	30/09/08 £'000	30/09/07 £'000
Non-derivative securities	(17,528)	10,223
<b>Net (losses)/gains on investments</b>	<b>(17,528)</b>	<b>10,223</b>

### 3. OTHER LOSSES

Other losses comprise:

	30/09/08 £'000	30/09/07 £'000
Other currency losses	(108)	(127)
	<b>(108)</b>	<b>(127)</b>

### 4. INCOME

	30/09/08 £'000	30/09/07 £'000
Bank interest	89	51
Overseas dividends	866	901
<b>Distributions receivable from authorised collective investment schemes:</b>		
- Unfranked distributions	-	9
	<b>955</b>	<b>961</b>

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## 5. EXPENSES

	30/09/08 £'000	30/09/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	356	288
	<u>356</u>	<u>288</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	26	21
Safe custody fees	26	16
Transaction charges	19	10
	<u>71</u>	<u>47</u>
<b>Other expenses:</b>		
Auditors' remuneration	8	5
Administration fees	52	28
Registration fees	18	12
FSA and other regulatory fees	6	1
Printing fees	1	1
Price publication fees	3	3
Legal fees	-	7
	<u>88</u>	<u>57</u>
<b>Total expenses</b>	<u>515</u>	<u>392</u>

Irrecoverable VAT is included in the above expenses where relevant.

## 6. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	30/09/08 £'000	30/09/07 £'000
<b>Current tax:</b>		
Corporation tax	88	103
Double taxation relief	(35)	(75)
Overseas withholding tax	38	75
<b>Total current tax (note 6 (b))</b>	<u>91</u>	<u>103</u>
Deferred tax (note 6 (c))	1	13
	<u>92</u>	<u>116</u>

(b) Factors affecting the tax charge for the year

The tax charged for the year is higher than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	30/09/08 £'000	30/09/07 £'000
Net income before taxation	439	569
	<u>439</u>	<u>569</u>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)

Effects of:

Double taxation relief	(35)	(75)
Overseas withholding tax	38	75
Expenses not deducted for tax purposes	3	2
Overseas dividends not received during the year	(3)	(13)

**Current tax charge (note 6 (a))**

(c) Deferred tax		
Provision at the start of the year	13	-
Deferred tax charge in the year	1	13
<b>Provision at the end of the year</b>	<u>14</u>	<u>13</u>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £nil (2007: £nil) arising as a result of having unutilised management expenses.

## 7. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	30/09/08 £'000	30/09/07 £'000
Interim accumulation	29	48
Final accumulation	339	417
	<u>368</u>	<u>465</u>
Add: Income deducted on cancellation of shares	1	1
Deduct: Income received on issue of shares	(3)	(4)
<b>Net distribution for the year</b>	<u>366</u>	<u>462</u>
Interest	1	-
<b>Total finance costs</b>	<u>367</u>	<u>462</u>

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	347	453
Transaction charges against capital	19	10
Undistributed income carried forward	-	(1)
<b>Finance costs: Distributions</b>	<u>366</u>	<u>462</u>

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## 8. DEBTORS

	30/09/08 £'000	30/09/07 £'000
Accrued income	84	71
Amounts receivable for issue of shares	4	7
Other debtor-overpayment for stock purchase	-	394
Sales awaiting settlement	-	441
	<b>88</b>	<b>913</b>

## 9. CASH AND BANK BALANCES

	30/09/08 £'000	30/09/07 £'000
Australian dollar	17	-
Hong Kong dollar	-	22
Indian rupee	2	-
Sterling	2,218	677
Thai baht	-	8
Taiwan dollar	556	820
<b>Cash and bank balances</b>	<b>2,793</b>	<b>1,527</b>

## 10. CREDITORS

	30/09/08 £'000	30/09/07 £'000
Accrued expenses	55	57
Amounts payable for cancellation of shares	4	-
Corporation tax payable	53	28
Deferred tax	14	13
	<b>126</b>	<b>98</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 14 on page 16. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 5 on page 14. The balance outstanding at the year end was £nil (2007: £nil).

The Investment Manager is entitled to a performance related fee of 15% outperformance of the FTSE All World Asia Pacific (ex Japan) Index by each share class of the sub-fund, and is calculated to the end of September of each calendar year. The full amount of the performance fee is chargeable against income and is calculated on an accruals basis. The charge during the year and the amount outstanding at the year end was £nil (2007: £nil)

### Investment Manager

The ACD has appointed AT Asset Management (Asia-Pacific) Limited to provide investment management and advisory services to the ACD.

## Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 5 on page 14. There was nothing due to the Depository at the year end (2007: £nil).

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the balance sheet date (2007: £nil).

## 13. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 8, the main risks arising from the sub-funds financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Manager considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Manager has not used derivative instruments to hedge the investment portfolio against market risks.

### Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

### Currency exposure as at 30th September 2008

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure £'000
Australian dollar	6,428	58	6,486	20.76
Hong Kong dollar	8,564	24	8,588	27.49
Indian rupee	2,424	3	2,427	7.77
Korean won	4,586	-	4,586	14.68
Singapore dollar	1,896	-	1,896	6.07
Malaysian ringgit	538	-	538	1.72
Taiwan dollar	3,474	566	4,040	12.93
Thai baht	578	-	578	1.85
	<b>28,488</b>	<b>651</b>	<b>29,139</b>	<b>93.27</b>
Sterling	-	2,104	2,104	6.73
<b>Total</b>	<b>28,488</b>	<b>2,755</b>	<b>31,243</b>	<b>100.00</b>

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## Currency exposure as at 30th September 2007

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure £'000
Australian dollar	7,007	60	7,067	14.68
Hong Kong dollar	18,183	37	18,220	37.84
Indian rupee	2,027	397	2,424	5.03
Indonesian rupiah	2,057	-	2,057	4.27
Korean won	793	424	1,217	2.53
Singapore dollar	2,529	-	2,529	5.25
Malaysian ringgit	1,291	6	1,297	2.69
Philippine peso	448	-	448	0.93
Taiwan dollar	4,785	820	5,605	11.64
Thai baht	4,329	8	4,337	9.01
US dollar	2,361	-	2,361	4.90
	45,810	1,752	47,562	98.77
Sterling	-	590	590	1.23
<b>Total</b>	<b>45,810</b>	<b>2,342</b>	<b>48,152</b>	<b>100.00</b>

### Interest Rate Risk

The majority of the sub-fund's assets comprise equity shares which do not pay interest (2007: same).

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 11.

### Derivatives

The sub-fund does not hold any derivatives.

## 14. SHARE CLASSES

The sub-fund currently has two classes of share, A Class Shares and I Class Shares. The AMC on each share class is as follows:

Class A: 1.25%

Class I: 0.75%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 8. The distribution per share class is given in the distribution tables on page 17.

## 15. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	30/09/08 £'000	30/09/07 £'000
Purchases in year before transaction costs	73,861	61,635
Commissions	220	143
Other costs	33	10
<b>Total purchase costs</b>	<b>253</b>	<b>153</b>
<b>Gross purchases total</b>	<b>74,114</b>	<b>61,788</b>

Analysis of total sale costs:

Gross sales before transaction costs	74,213	26,349
Commissions	(214)	(123)
Other costs	(91)	(25)
<b>Total sale costs</b>	<b>(305)</b>	<b>(148)</b>

**Total sales net of transaction costs**

**73,908**      **26,201**

# PREMIER ALLIANCE TRUST ASIA-PACIFIC EQUITY FUND

## DISTRIBUTION TABLES

For the period from 1st October 2007 to 31st March 2008

Interim dividend distribution in pence per share

### A Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Paid	Paid
			31/05/08	31/05/07
Group 1	-	-	-	0.1134
Group 2	-	-	-	0.1134

### I Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Paid	Paid
			31/05/08	31/05/07
Group 1	0.0892	-	0.0892	0.1332
Group 2	-	0.0892	0.0892	0.1332

For the period from 1st April 2008 to 30th September 2008

Final dividend distribution in pence per share

### A Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable	Paid
			31/01/09	31/01/08
Group 1	0.1383	-	0.1383	0.7933
Group 2	0.1383	-	0.1383	0.7933

### I Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable	Paid
			31/01/09	31/01/08
Group 1	1.0137	-	1.0137	1.1659
Group 2	0.6635	0.3502	1.0137	1.1659

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
<b>Accumulation A</b>		
2006 <sup>1</sup>	102.73	97.46
2007	105.61	88.58
2008 <sup>2</sup>	98.21	80.17
<b>Accumulation I</b>		
2006 <sup>1</sup>	102.72	97.46
2007	105.72	88.95
2008 <sup>2</sup>	98.91	80.86

### Accumulation Record

Calendar Year	Net Income per Share (p)	Net Income per £1,000 at Launch (£)
<b>Accumulation A</b>		
2007	0.0860	0.86
2008 <sup>2</sup>	0.2397	2.40
<b>Accumulation I</b>		
2007	0.1666	1.67
2008 <sup>2</sup>	0.6503	6.50

### Net Asset Values

As at	Shares In Issue	Net Asset Value per Share (p)	Net Asset Value of Sub-Fund (£)
<b>Accumulation A</b>			
30/09/2007	4,903,499	94.92	39,130,443
30/09/2008	4,902,546	81.52	34,012,285
<b>Accumulation I</b>			
30/09/2007	36,189,830	95.26	39,130,443
30/09/2008	36,500,347	82.23	34,012,285

<sup>1</sup>From 13th November 2006 to 31st December 2006.

<sup>2</sup>To 30th September 2008.

## TOTAL EXPENSE RATIOS (TERs)

	30/09/08	30/09/07
Class A	1.55%	1.44%
Class I	1.05%	0.94%

The TERs show the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes.

## INVESTMENT OBJECTIVE AND POLICY

The Premier Alliance Trust Japan Equity Fund aims to achieve long term capital growth. The sub-fund will achieve this by investing primarily in a broad range of Japanese securities, including securities of Japanese companies which may be listed on exchanges outside of Asia. In addition to securities, the sub-fund may invest in any asset class permitted generally for investment by UCITS schemes including units in collective investment schemes, transferable securities, money market instruments, warrants, deposits, government and public securities, cash and near cash and deposits. The sub-fund may invest in derivatives and forward transactions for hedging purposes only.

## INVESTMENT REVIEW

### PERFORMANCE

The prices of the I Class and A Class shares of the Premier Alliance Trust Japan Equity Fund at the end of September 2008 were 82.35 pence and 81.73 pence respectively. This represents performance of -13.7% and -14.1% respectively for the 12 month period. During the same period, the benchmark FTSE Japan Index fell by 14.7% in sterling terms.

### MARKET REVIEW

The Japanese market has been outperforming the global markets in the recent slump. This is partly because the Japanese market started correcting some time before the global markets. The market looks cheap by most measures with more than half the market trading below book value. The main issue in this market is growth with domestic demand continuing to weaken and the exporters caught in the pincer of weak overseas demand and a strong currency. Quarter 2 Fiscal 2008-09 results will soon be announced. They are widely expected to be weak and lead to more downward revisions in the numbers for both the financial years ending March 2009 as well as March 2010.

### PORTFOLIO ACTIVITY

Compared to 12 months ago, we have reduced our holdings in Banks, Other Financials and the Automobile sectors mainly by selling out of regional banks, consumer finance companies and a number of auto ancillary stocks. We also reduced our holdings in Commodity/Material stocks while adding to some consumer staple stocks and domestic focused retailers. While this has done well for the portfolio, there is some danger in carrying this logic too far as the outlook for the domestic demand related stocks is not great either.

### OUTLOOK

Japanese banks and financial institutions have taken some losses from investments; however, they have mostly avoided the systemic problems of the banks in the US and European banks. Balance sheets of Japanese companies are generally in good shape. However, earnings growth is an issue both this year and next with both domestic and external demand slowing rapidly. While Japanese stocks may bounce back from the current oversold positions as some confidence comes back into the global markets, the lack of growth is going to weigh on stock market performance in the medium term.

Source: Alliance Trust Asset Management (Asia Pacific) Limited, October 2008. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## PORTFOLIO OF INVESTMENTS

As at 30th September 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>CYCLICAL SERVICES 13.18% (11.82%)</b>		
	<b>Real Estate 6.91% (6.77%)</b>		
85,000	Aeon Mall	1,389	4.08
93,000	Mitsui Fudosan	961	2.83
		<b>2,350</b>	<b>6.91</b>
	<b>Transportation 6.27% (5.05%)</b>		
513	East Japan Railway	2,132	6.27
		<b>2,132</b>	<b>6.27</b>
	<b>FINANCIALS 14.78% (21.50%)</b>		
	<b>Banks 11.50% (15.94%)</b>		
309,000	Mitsubishi UFJ Financial	1,459	4.29
460	Mizuho Financial	1,074	3.16
270	Sumitomo Mitsui	899	2.64
135,000	Sumitomo Trust and Banking	478	1.41
		<b>3,910</b>	<b>11.50</b>
	<b>Speciality and Other Finances 0.00% (2.74%)</b>		
	<b>Insurance 3.28% (2.82%)</b>		
56,500	Tokio Marine Holdings	1,117	3.28
		<b>1,117</b>	<b>3.28</b>
	<b>GENERAL INDUSTRIES 40.53% (38.15%)</b>		
	<b>Alcohol beverages 2.60% (0.00%)</b>		
91,000	Asahi Breweries	885	2.60
		<b>885</b>	<b>2.60</b>
	<b>Automobiles &amp; Parts 6.59% (10.79%)</b>		
170,000	Nissan Motor	626	1.84
70,000	Toyota Motor	1,617	4.75
		<b>2,243</b>	<b>6.59</b>
	<b>Diversified Industries 3.60% (2.89%)</b>		
140,000	Sumitomo	711	2.09
200,000	Toray Industries Inc	515	1.51
		<b>1,226</b>	<b>3.60</b>
	<b>Electronic &amp; Electrical Equipment 16.63% (12.86%)</b>		
50,500	Canon	1,020	3.00
30,000	Ibiden	395	1.16
37,500	Nidec	1,263	3.71
39,000	Sony	654	1.92
7,100	Nintendo	1,626	4.80
17,000	Fanuc Ltd	695	2.04
		<b>5,653</b>	<b>16.63</b>
	<b>Engineering &amp; Machinery 9.34% (9.57%)</b>		
70,000	Komatsu	620	1.82
190,000	OSG	887	2.61
112,100	Sato	823	2.42
190,000	Shimadzu	848	2.49
		<b>3,178</b>	<b>9.34</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>Metals 1.77% (2.04%)</b>		
360,000	Sumitomo Metal	603	1.77
		<b>603</b>	<b>1.77</b>
	<b>INFORMATION TECHNOLOGY 2.89% (4.21%)</b>		
	<b>Software &amp; Computer Services 2.89% (4.21%)</b>		
2,100	Works Applications	983	2.89
		<b>983</b>	<b>2.89</b>
	<b>NON CYCLICAL CONSUMER GOODS 8.19% (8.77%)</b>		
	<b>Pharmaceutical &amp; Biotechnology 4.47% (4.16%)</b>		
30,000	Shionogi & Co	336	0.99
42,700	Takeda Chemical	1,185	3.48
		<b>1,521</b>	<b>4.47</b>
	<b>Speciality Chemicals 3.72% (4.61%)</b>		
103,000	JSR	747	2.20
20,000	Shin-Etsu Chemical	516	1.52
		<b>1,263</b>	<b>3.72</b>
	<b>NON CYCLICAL SERVICES 14.17% (10.41%)</b>		
	<b>General Retailers 10.85% (7.75%)</b>		
72,000	Seven Eleven	1,140	3.35
74,400	Sundrug	810	2.38
19,000	Yamada Denki	795	2.34
220,000	Asics Corp	946	2.78
		<b>3,691</b>	<b>10.85</b>
	<b>Telecommunications 3.32% (2.66%)</b>		
455	Nippon Telegraph & Telephone	1,128	3.32
		<b>1,128</b>	<b>3.32</b>
	<b>Total Value of Investments</b>	<b>31,883</b>	<b>93.74</b>
	<b>Net Other Assets</b>	<b>2,129</b>	<b>6.26</b>
	<b>Total Net Assets</b>	<b>34,012</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated.

Figures in brackets represent sector distribution at 30th September 2007.

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## STATEMENT OF TOTAL RETURN

For the year to 30th September 2008

	Notes	30/09/08 £'000	30/09/07 £'000
Net losses on investments during the year	2	(6,213)	(1,855)
Other gains/(losses)	3	573	(101)
Income	4	700	427
Expenses	5	(411)	(350)
Finance costs: Interest	7	-	-
Net income before taxation		289	77
Taxation	6	(44)	(28)
Net income after taxation		245	49
Total return before distributions		(5,395)	(1,907)
Finance costs: Distributions	7	(248)	(62)
<b>Change in net assets attributable to shareholders</b>		<b>(5,643)</b>	<b>(1,969)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the year to 30th September 2008

	Notes	30/09/08 £'000	30/09/07 £'000
<b>Net assets at the start of the year</b>		<b>39,130</b>	<b>-</b>
Movements due to sales and repurchases of shares:			
Amounts receivable on issue of shares		352	41,123
Less: Amount payable on cancellation of shares		(75)	(86)
		277	41,037
Change in net assets attributable to shareholders (see above)		(5,643)	(1,969)
Retained distribution on accumulation shares	7	248	62
<b>Net assets at the end of the year</b>		<b>34,012</b>	<b>39,130</b>

## BALANCE SHEET

As at 30th September 2008

	Notes	30/09/08 £'000	30/09/07 £'000
<b>ASSETS</b>			
<b>Portfolio of Investments</b>		<b>31,883</b>	<b>37,119</b>
Debtors	8	249	486
Cash and bank balances	9	2,071	1,912
<b>Total other assets</b>		<b>2,320</b>	<b>2,398</b>
<b>Total assets</b>		<b>34,203</b>	<b>39,517</b>
<b>LIABILITIES</b>			
Creditors	11	(47)	(52)
Bank overdrafts	10	(144)	(335)
<b>Total liabilities</b>		<b>(191)</b>	<b>(387)</b>
<b>Net assets attributable to shareholders</b>		<b>34,012</b>	<b>39,130</b>

The notes on pages 21 to 24 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
26th January 2009

Mark Friend  
Managing Director, Operations (of the ACD)

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

As at 30th September 2008

Purchases	Cost £'000	Note
Nintendo	1,330	
Asics Corp	1,245	
Asahi Breweries	915	
Shimadzu	893	
Yamada Denki	781	
Fanuc Ltd	764	
Toray Industries Inc	692	
Toyota Motor	607	
Aeon Mall	372	
Shionogi & Co	333	
Nidec	251	
Sumitomo Metal	220	
Mitsubishi UFJ Financial	198	
Ibiden	184	
Sumitomo	174	
Canon	157	
JSR	95	
Works Applications	89	
Mizuho Financial	86	
Seven Bank	16	
<b>Total purchases during the year</b>	<b>9,402</b>	<b>16</b>
<b>Sales</b>	<b>Proceeds £'000</b>	
Works Applications	1,234	
Plenus	1,148	
Takata	959	
Credit Saison	927	
Chiba Bank	921	
Sumitomo Mitsui	758	
Aeon Mall	611	
OSG	448	
Keyence	376	
Sumitomo Trust and Banking	197	
Toyota Motor	180	
Komatsu	174	
Mitsubishi UFJ Financial	152	
Mizuho Financial	148	
Takeda Chemical	134	
Sundrug	38	
Seven Bank	20	
<b>Total sales during the year</b>	<b>8,425</b>	<b>16</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the year and at minimum the top 20 purchases and 17 sales during the year.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Overseas income received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Bank interest and other income are recognised on an accruals basis.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either income or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the year on an accruals basis.

In addition to the annual management charge the Investment Manager is entitled to a performance related fee of 15% of outperformance of the relevant index by each share class of the sub-fund and is calculated to the end of September of each calendar year.

The relevant index for the Premier Alliance Trust Japan Equity Fund is the FTSE All World Japan Index.

The full amount of the performance fee is chargeable against income and is calculated on an accruals basis.

Further details of the calculation can be found in the Fund's Prospectus.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-funds' expenses are to be borne by income.

#### Valuations

All investments are valued at their fair value at noon on 30th September 2008, being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued income.

#### Foreign Currencies

Assets and liabilities in currencies other than sterling are translated into sterling at the exchange rates prevailing at noon on the last working day of the accounting period. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date. Where forward positions in currencies are held, these are translated at the appropriate forward rate. Any resulting exchange differences in these forward positions are disclosed in net gains/(losses) on investments in the Statement of Total Return.

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

Withholding tax on overseas dividends is accounted for on an accruals basis.

## Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

## Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the year comprise:

	30/09/08 £'000	30/09/07 £'000
Non-derivative securities	(6,213)	(1,855)
<b>Net losses on investments</b>	<b>(6,213)</b>	<b>(1,855)</b>

## 3. OTHER GAINS/(LOSSES)

Other gains/(losses) comprise:

	30/09/08 £'000	30/09/07 £'000
Other currency gains/(losses)	573	(101)
	<b>573</b>	<b>(101)</b>

## 4. INCOME

	30/09/08 £'000	30/09/07 £'000
Bank interest	16	13
Overseas dividends	684	414
	<b>700</b>	<b>427</b>

## 5. EXPENSES

	30/09/08 £'000	30/09/07 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	304	271
	<b>304</b>	<b>271</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	22	20
Safe custody fees	6	5
Transaction charges	1	3
	<b>29</b>	<b>28</b>

## Other expenses:

Auditors' remuneration	8	7
Administration fees	48	25
Registration fees	12	15
FSA and other regulatory fees	6	-
Printing fees	1	1
Price publication fees	3	3
	<b>78</b>	<b>51</b>
<b>Total expenses</b>	<b>411</b>	<b>350</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 6. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	30/09/08 £'000	30/09/07 £'000
<b>Current tax:</b>		
Corporation tax	21	-
Double taxation relief	(21)	-
Overseas withholding tax	44	28
<b>Total current tax (note 6 (b))</b>	<b>44</b>	<b>28</b>

(b) Factors affecting the tax charge for the year

The tax charged for the year is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	30/09/08 £'000	30/09/07 £'000
Net income before taxation	289	77
	<b>289</b>	<b>77</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)

	58	15
--	----	----

## Effects of:

Double taxation relief	(21)	-
Overseas withholding tax	44	28
Expenses not deducted for tax purposes	-	1
Expenses not utilised in period	-	21
Prior period expenses utilised	(21)	-
Overseas dividends not received during the year	(16)	(37)
<b>Current tax charge (note 6 (a))</b>	<b>44</b>	<b>28</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £nil (2007: £21,214) arising as a result of having unutilised management expenses and eligible unrelieved foreign tax (EUFT) of £32,647 (2007: £15,287). There is no deferred tax to be paid due to excess EUFT.

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## 7. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	30/09/08 £'000	30/09/07 £'000
Interim accumulation	183	49
Final accumulation	65	13
	<b>248</b>	<b>62</b>
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	-	-
<b>Net distribution for the period</b>	<b>248</b>	<b>62</b>
Interest	-	-
<b>Total finance costs</b>	<b>248</b>	<b>62</b>

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	245	49
Transaction charges against capital	1	3
Income deficit taken to capital	2	10
<b>Finance costs: Distributions</b>	<b>248</b>	<b>62</b>

## 8. DEBTORS

	30/09/08 £'000	30/09/07 £'000
Accrued income	249	176
Amounts receivable for issue of shares	-	4
Sales awaiting settlement	-	306
	<b>249</b>	<b>486</b>

## 9. CASH AND BANK BALANCES

	30/09/08 £'000	30/09/07 £'000
Japanese yen	1,800	1,181
Sterling	271	731
<b>Cash and bank balances</b>	<b>2,071</b>	<b>1,912</b>

## 10. BANK OVERDRAFTS

	30/09/08 £'000	30/09/07 £'000
Sterling	144	335
<b>Bank overdrafts</b>	<b>144</b>	<b>335</b>

## 11. CREDITORS

	30/09/08 £'000	30/09/07 £'000
Accrued expenses	47	49
Amounts payable for cancellation of shares	-	3
	<b>47</b>	<b>52</b>

## 12. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 15 on page 24. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 5 on page 22. The balance outstanding at the year end was £nil (2007: £nil).

The investment manager is entitled to a performance related fee of 15% outperformance of the FTSE All World Japan Index by each share class of the sub-fund, and is calculated to the end of September of each calendar year. The full amount of the performance fee is chargeable against income and is calculated on an accruals basis. The charge during the year and the amount outstanding at the year end was £nil (2007: £nil).

### Investment Manager

The ACD has appointed AT Asset Management (Asia-Pacific) Limited to provide investment management and advisory services to the ACD.

### Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 5 on page 22. There was nothing due to the Depository at the year end (2007: £nil).

## 13. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the balance sheet date (2007: £nil).

## 14. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 18, the main risks arising from the sub-funds financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Manager considers the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Manager has not used derivative instruments to hedge the investment portfolio against market risks.

## Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

### Currency exposure as at 30th September 2008

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure £'000
Japanese yen	31,883	2,048	33,931	99.76
	31,883	2,048	33,931	99.76
Sterling	-	81	81	0.24
<b>Total</b>	<b>31,883</b>	<b>2,129</b>	<b>34,012</b>	<b>100.00</b>

### Currency exposure as at 30th September 2007

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure £'000
Japanese yen	37,119	1,661	38,780	99.11
	37,119	1,661	38,780	99.11
Sterling	-	350	350	0.89
<b>Total</b>	<b>37,119</b>	<b>2,011</b>	<b>39,130</b>	<b>100.00</b>

## Interest Rate Risk

The majority of the sub-fund's assets comprise equity shares which do not pay interest (2007: same).

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

## Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

## Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 20.

## Derivatives

The sub-fund does not hold any derivatives.

## 15. SHARE CLASSES

The sub-fund currently has two classes of share, A Class Shares and I Class Shares. The AMC on each share class is as follows:

Class A: 1.25%

Class I: 0.75%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 18. The distribution per share class is given in the distribution tables on page 25.

## 16. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs:

	30/09/08 £'000	30/09/07 £'000
Purchases in year before transaction costs	9,383	54,455
Commissions	19	41
<b>Total purchase costs</b>	<b>19</b>	<b>41</b>
<b>Gross purchases total</b>	<b>9,402</b>	<b>54,496</b>

Analysis of total sale costs:

	30/09/08 £'000	30/09/07 £'000
Gross sales before transaction costs	8,442	15,553
Commissions	(17)	(31)
<b>Total sale costs</b>	<b>(17)</b>	<b>(31)</b>
<b>Total sales net of transaction costs</b>	<b>8,425</b>	<b>15,522</b>

# PREMIER ALLIANCE TRUST JAPAN EQUITY FUND

## DISTRIBUTION TABLES

For the period from 1st October 2007 to 31st March 2008

### Interim dividend distribution in pence per share

#### A Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Paid 31/05/08	Paid 31/05/07
Group 1	0.2397	-	0.2397	0.0860
Group 2	0.2397	-	0.2397	0.0860

#### I Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Paid 31/05/08	Paid 31/05/07
Group 1	0.4710	-	0.4710	0.1309
Group 2	0.4009	0.0701	0.4710	0.1309

For the period from 1st April 2008 to 30th September 2008

### Final dividend distribution in pence per share

#### I Class Shares

	Net		Accumulation	Accumulation
	Income	Equalisation	Payable 31/01/09	Paid 31/01/08
Group 1	0.1793	-	0.1793	0.0357
Group 2	0.1793	-	0.1793	0.0357

Please note that expenses exceeded income within the A Share Class during the year under review and therefore there is no distribution on this class of share at the year end.

## Administration Queries

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