

# Premier Alliance Trust Asia-Pacific Equity Fund

Annual Short Report for the period from 1st October 2007 to 30th September 2008

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the period. Copies of the Long-Form Annual Report & Accounts are available free of charge by calling Premier on 01483 306 090. It can also be downloaded from the Alliance Trust website, [www.alliancetrust.co.uk/assetmanagement](http://www.alliancetrust.co.uk/assetmanagement), or the Premier website, [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.co.uk).

## Investment Objective and Policy

The Premier Alliance Trust Asia-Pacific Equity Fund aims to achieve long term capital growth. The 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 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 Fund may invest in derivatives and forward transactions for hedging purposes only.

## Fund Facts

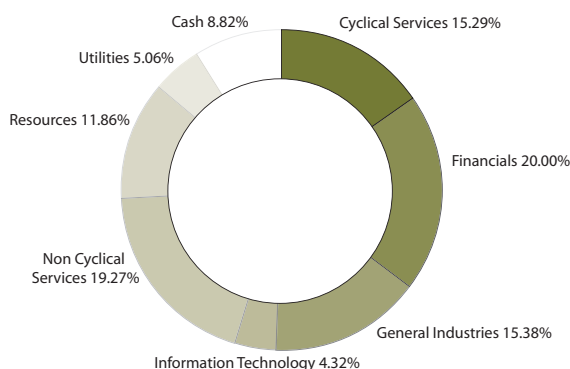
Accounting dates: .....31 March, 30 September  
 Income dates: ..... 31 May, 31 January  
 Launch date: .....13 November 2006  
 IMA sector:.....Asia-Pacific (ex Japan)

## Total Expense Ratios (TERs)

	30/09/2008
Class A	1.61%
Class I	1.10%

The TERs show the annual operating expenses of the 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.

## Asset Allocation as at 30/09/2008



## Top Ten Holdings as at 30/09/2008

QBE Insurance	3.58%
BHP Billiton	3.38%
China Mobile	3.31%
China Life Insurance	3.28%
CLP Holdings	3.21%
Rio Tinto	3.15%
Singapore Telecommunications	3.10%
Samsung Electronics	3.02%
KT&G	2.80%
Taiwan Fertilizer	2.80%

## Risk Profile

The Fund will invest in a concentrated portfolio of Asia-Pacific stocks which may give rise to a greater volatility than other more diverse portfolios.

## Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2006 <sup>1</sup>	Accumulation A	106.87	99.16
	Accumulation I	106.72	99.16
2007	Accumulation A	137.77	103.13
	Accumulation I	138.42	103.20
2008 <sup>2</sup>	Accumulation A	128.50	82.15
	Accumulation I	129.22	83.29

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

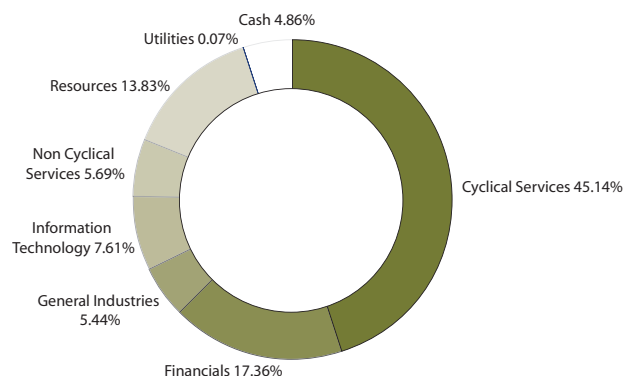
<sup>2</sup> To 30th September 2008

Past performance is not a guide to future returns. The price of units and the income from them may go down as well as up and you may get back less than you invested.

## Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
30/09/2007	Accumulation A	128.50
	Accumulation I	129.05
30/09/2008	Accumulation A	81.83
	Accumulation I	83.16

## Asset Allocation as at 30/09/2007



## Top Ten Holdings as at 30/09/2007

BHP Billiton	4.80%
High Tech Computer	4.41%
Keppel Corporation	4.25%
Prime Success International	4.11%
China Overseas Land & Investment	3.84%
Esprit	3.66%
China Merchant	3.26%
Infosys Technologies	3.20%
Petrochina	3.19%
Kasikornbank	3.18%

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## 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.

Issued by:

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Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is an ISA manager and markets a number of funds. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. Premier Portfolio Managers Limited is also a member of the Investment Management Association.

You should remember that past performance is not a guide to future returns and the price of shares and the income from them may go down as well as up and you may get back less than you invested. Investment in these funds should be viewed as a long term investment. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Monthly cash withdrawals may lead to erosion of the capital value of your investment should you take a higher cash withdrawal than the growth or income generated. 1501095420

## Dividend Distribution (in pence per share)

Accounting Date	Paid	Share Class	Distribution
31/03/2008	31/05/2008	Accumulation A	-
		Accumulation I	0.0892
30/09/2008	31/01/2009 <sup>3</sup>	Accumulation A	0.1383
		Accumulation I	1.0137

<sup>3</sup> Payable

## Other Information

**Authorised Corporate Director (ACD) & Registered Office:** Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE

**Auditor:** Grant Thornton (UK) LLP, 30 Finsbury Square, London, EC2P 2YU

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

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

**Investment Manager:** AT Asset Management (Asia-Pacific) Limited, Suite 3003, 30/F One Exchange Square, 8 Connaught Place, Central, Hong Kong

With effect from Monday 19 January 2009, Alliance Trust Asset Management has been appointed Investment Manager of Premier Alliance Trust Asia-Pacific Equity Fund. The Authorised Corporate Director (ACD) of the Fund 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 on exactly the same terms as those that applied to the appointment of AT Asset Management (Asia Pacific). The Investment Manager's address is:

**Alliance Trust Asset Management Limited**  
Meadow House  
64 Reform Street  
Dundee DD1 1TJ