



THE PREMIER DIVERSIFIED PROPERTY FUND

Investment Objective: The Premier Diversified Property Fund (the "Fund")

The objective of the Fund is to provide investors with low volatility capital growth over the medium to long term by investing in a diversified portfolio of secure property assets without the need to purchase manage and maintain property directly. Shares in publicly quoted property companies will not be considered.

The Premier Diversified Property Fund Performance:

Sub-Fund	Current Price	1 Month	3 Months	1 Year	Since Inception	Launch Date
STG OEIC	0.649	-2.70%	-2.84%	-11.58%	-35.10%	1 Nov 02
EURO OEIC	0.589	-2.64%	-2.81%	-11.83%	-41.10%	1 Nov 02
USD OEIC	0.559	-2.95%	-3.12%	-12.11%	-44.10%	1 Jun 04
STG EUT	0.663	-2.64%	-2.64%	-10.53%	-33.70%	1 Dec 02

* Please note the above prices are net of annual management charges.

Commentary

Whilst this month has seen share and unit prices fall, this was more the result of one off and non-recurring costs being taken into account rather than falling property valuations, which remain largely unchanged.

As investors were advised in a recent circular, the board have now completed the refinancing of the Funds lending which given the difficult financial markets, can be considered an important and positive development.

There have been signs that some lenders are not renewing facilities, which is putting pressure on borrowers to sell the properties involved at considerably lower prices than would have been anticipated. Forced sales are rarely good news for those holding such assets.

Overall, there continues to be more positive comment from industry professionals about the regional markets in which most of the Fund's portfolio is situated.

Commenting on the property investment market Knight Frank wrote: *"Eventually we expect investors to conclude that it is time to take the plunge, as waiting for normality to return will become an exercise in watching inflation eat your cash."*

In other words, demand is likely to increase which in time should impact positively on valuations and meanwhile a headline from Property Week states: *"Flight to regions and 'swaps' on rise as London market overheats."*

It is appreciated that investors would like to see a return to consistent positive performance rather than comments by those involved in the property sector, but changing sentiment is likely to precede rising values and these comments appear to reflect that this has begun.

For Professional Intermediaries and Advisers Only

Currencies: US\$, Stg, Euro

Min. Investment:
£10,000, €15,000, US\$15,000

Trading Frequency:
Monthly

ISIN Code:
PDPF GBP: GB0031910085
PDPF EUR: GB0031910192
PDPF USD: GB00B01FLK09
PDPF EUT: GB0031909970

Sedol Code:
PDPF GBP: 3191008
PDPF EUR: 3191019
PDPF USD: B01FLK0
PDPF EUT: 3190997

Ticker Symbol:
PDPF GBP: PREDVIS IO
PDPF EUR: PREDVID IO
PDPF USD: PREDVIE IO

Website:
www.premierdiversifiedpropertyfund.com

The value of investments can fall as well as rise. Past performance is not necessarily a guide to future returns. Full details of this Qualifying Type Experienced Investor Fund are contained in the Scheme Particulars.

The Premier Group (Isle of Man) Limited is licensed by the Financial Supervision Commission of the Isle of Man.

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