

THE SNOWDONIA INCOME FUND

Annual Short Report for the period from 14/10/2004 to 31/03/2006



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 and Accounts are available free of charge by calling Premier on 0845 6056363, or can be downloaded from the Premier website, www.premierfunds.co.uk

Investment Objective and Policy

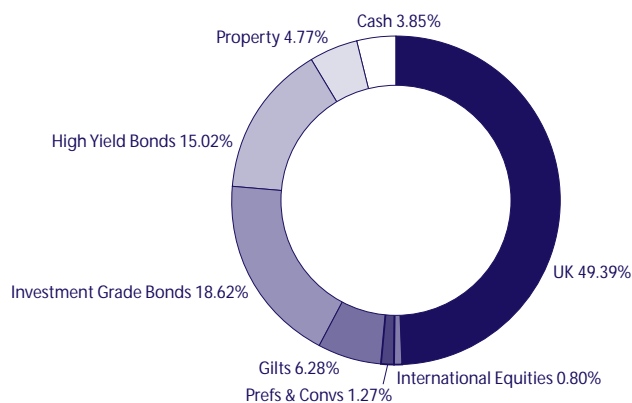
The Snowdonia Income Fund aims to provide income together with some long-term capital growth from a portfolio of investments. The Fund is managed such that a maximum of 60% of the Fund's property will be exposed to equities. The Fund may invest in collective investment schemes, equities, fixed interest securities, money market instruments, deposits and warrants.

Fund Facts

Launch date:	14 October 2004
xd dates:	31 March, 30 June, 30 September, 31 December
Income payment dates:	28 February, 31 May, 31 August, 30 November
Total Expense Ratio*:	2.379%
IMA sector:	Cautious Managed

* The TER is designed to show the annual operating expenses of the Fund. As this Fund had an extended initial accounting period of just under 18 months, the TER for the full 18 month accounting period has been adjusted to bring it in line with other funds and allow comparability. The TER for the full period is available on request.

Asset Allocation as at 31/03/2006



Source: Premier Fund Managers Limited.

No prior year figures are available, as this is the first Annual Report & Accounts for the Fund. Please note that the asset allocation shown here may differ from the portfolio of investments in the Long Form Annual Report and Accounts due to differences in sector classifications.

Net Asset Values

As at	Share Class	Shares in issue	Net Asset Value per Share (p)	Net Asset Value of Fund (£)
30/09/05	Income	14,064,289	111.28	24,397,456
	Accumulation	7,859,130	111.28	24,397,456
31/03/06	Income	18,305,044	118.28	39,417,389
	Accumulation	14,498,149	122.54	39,417,389

Risk Profile

The Fund deducts all charges, including the annual management charge, from capital rather than income. This may result in the income being higher than would otherwise have been the case and the growth in the capital may be constrained.

Top Ten Holdings as at 31/03/2006

F&C Extra Income	4.96%
Rensburg UK Equity Income	4.77%
Framlington Monthly Income	4.73%
Standard Life UK Equity High Income	4.71%
M&G High Yield Income	4.70%
Legal & General High Income	4.64%
Baillie Gifford 'B'	4.50%
Baillie Gifford British 350	4.44%
Credit Suisse Alpha Income Institutional	4.42%
Royal London Income	4.42%

No prior year figures are available, as this is the first Annual Report & Accounts for the Fund.

Summary Performance

Year	Share Class	Highest Price (p)	Lowest Price (p)
2005	Income	113.64	99.40
	Accumulation	116.01	99.40
2006 ¹	Income	119.24	112.78
	Accumulation	122.61	116.17

¹ From 01/01/2006 to 31/03/2006.

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

Income Record

Year	Share Class	Net Income per Share (p)	Net Income per £1,000 at Launch (p)
2005	Income	3.0451	30.45
	Accumulation	2.5453	25.45
2006 ²	Income	1.0788	10.78
	Accumulation	1.0411	10.41

² To 31/03/2006, paid 31/05/2006.

Dividend Distribution

Dividend distribution in pence per share

	Share Class	Gross Income	Tax Credit (10%)	Distribution paid
To 31/12/05	Income	0.8357	0.0835	0.7522
	Accumulation	0.7252	0.0725	0.6527
To 31/03/06	Income	1.1986	0.1198	1.0788
	Accumulation	1.1567	0.1156	1.0411

THE SNOWDONIA INCOME FUND

Annual Short Report for the period from 14/10/2004 to 31/03/2006



Fund Manager Review

The Fund has delivered encouraging returns since its launch in mid October 2004, rising 22.6% on the back of a very strong UK stockmarket. Fixed interest markets have been weak over the last few months, although have outperformed cash over the reporting period as a whole. Since launch, the Fund's composite benchmark¹ has risen 23.6%.

The Fund has grown rapidly since launch and these inflows have been invested in a diversified portfolio of collective investment schemes, which in turn have exposure to UK equities, property funds and fixed interest securities

The Fund has remained close to its benchmark weighting in equities although high cash inflows have reduced our exposure from time to time.

Meanwhile, we have remained underweight in fixed interest and overweight in cash which has had a negative impact on performance. A modest exposure to commercial property proved to be a positive contributor to performance.

We made a number of changes to the Fund portfolio during the latter half of 2005 including switching from Credit Suisse Income to the more concentrated Credit Suisse Alpha Income Fund in July while selling DWS UK Equity Income Plus and Norwich UK Equity Income following the departure of their respective fund managers. These were replaced with positions in Standard Life UK Equity High Income and Framlington Monthly Income.

A new position was taken out in the BNP UK High Income Fund in December. This is a structured product which provides a high level of income together with exposure to a basket of the UK's largest companies, whilst offering a degree of downside protection.

It has been a good period for property funds and we took advantage of this strength to take profits in a number of funds earlier this year.

Equity markets around the world fell sharply during May with the threat of higher US inflation seen as the main trigger for the sell off. However, the main reason for the correction in share prices is more likely to have been the fact that global stockmarkets had simply got ahead of themselves following more than three years of almost uninterrupted gains.

In spite of the talk of higher US inflation there seems little to justify these fears and while the headline figures may give cause for occasional concern, core inflation is likely to remain benign as a result of globalisation and the fact that the US is still importing deflation from Asia.

Although volatility and risk aversion have increased recently, equity valuations remain attractive both on a price/earnings basis and relative to bonds. Corporate balance sheets are stronger than they have been for a very long time, which bodes well for future dividends and share buybacks.

Having surprised on the upside during the first quarter, corporate earnings are also expected to continue to grow although the market is anticipating a slowdown in the second half of the year.

Liquidity has been a major driving force for world equity markets over the last three years and with interest rates on an upward path, this stimulus is now being withdrawn. It therefore seems a sensible option to reduce risk in portfolios for the time being although barring a major economic slump in the US, equities would appear to still offer positive medium term prospects.

¹ 50% FTSE All Share, 50% FTSE All Stocks.

Source: Premier Fund Managers Limited, June 2006.

Other Information

The Company converted to the FSA rules contained in the New Collective Investment Schemes sourcebook (COLL) on 01 October 2005.

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

Auditors: RSM Robson Rhodes LLP, 30 Finsbury Square, London EC2P 2YU.

Depositary: The Royal Bank of Scotland plc, Drummond House, 1 Redheugh Avenue, Edinburgh EH12 9JN.

Administrators & Registrar*: Northern Trust International Fund** Administration Services (UK) Limited & Northern Trust Global Services Limited, 50 Bank Street, Canary Wharf, London E14 5NT.

* Registrar duties were previously undertaken by Ravensbourne Registration Services Limited, who assigned these duties to Northern Trust Global Services in March 2006. As at this date, Northern Trust Global Services Limited ceased to act as registrar following the transfer of its registration services to Northern Trust International Fund Administration Services (UK) Limited.

** International Fund Managers Limited changed its name to Northern Trust Fund Administration Services (UK) Ltd on 1st September 2005.

Contact Us

Email: premier@premierfunds.co.uk

Telephone: 01483 400 400

Visit: www.premierfunds.co.uk

Write to: Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE.

The full Fund Manager Review is available in the Long Form Annual Report & Accounts which is available on request.



Issued by:

Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE.

Tel: 01483 400 400 Fax: 01483 300 845 Email: premier@premierfunds.co.uk www.premierfunds.co.uk

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. Premier Portfolio Managers Limited is a PEP and ISA manager and markets a number of OEIC funds and a Unit Trust. 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. 2607064560