

THE SNOWDONIA INCOME FUND

Interim Short Report for the period from 01/04/2006 to 30/09/2006



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 Interim 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.

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.

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.

Summary Performance

Share Class	Year	Highest Price (p)	Lowest Price (p)
Income	2005	113.64	99.40
	2006 ¹	119.24	112.78
Accumulation	2005	116.01	99.40
	2006 ¹	123.53	116.17

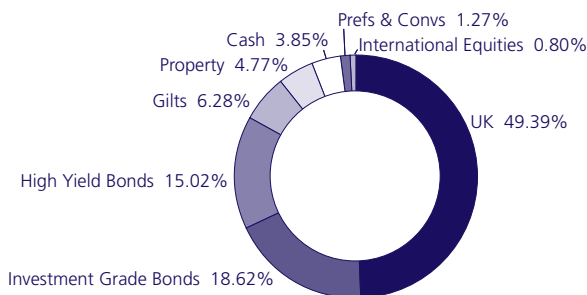
¹ From 01/01/2006 to 30/09/2006.

Income Record

Share Class	Year	Net Income per Share (p)	Net Income per £1,000 at Launch (p)
Income	2005	3.0451	3,041.50
	2006 ²	3.2076	3,207.60
Accumulation	2005	2.5453	2,545.30
	2006 ²	3.2688	3,268.80

² From 01/01/2006 to 30/09/2006.

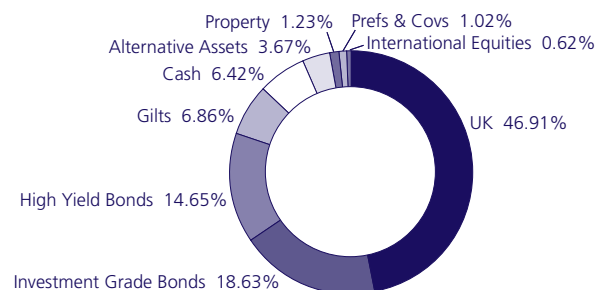
Asset Allocation as at 31/03/2006



Source: Premier Fund Managers Limited.

Note: All allocations are rounded to 2 decimal places, this may produce a variance of 0.5%. Please also note that the asset allocation shown here may differ from the portfolio of investments in the Long Form Report and Accounts due to differences in sector classifications.

Asset Allocation as at 30/09/2006



Top Ten Holdings as at 30/09/2006

Legal & General High Income	4.94%
Baillie Gifford British 350	4.89%
M&G High Yield Income	4.89%
Baillie Gifford Corporate Bond 'B'	4.77%
Mellon Newton Higher Income	4.71%
Standard Life UK Equity High Income	4.65%
Jupiter Income	4.61%
F&C Extra Income	4.61%
Royal London Income	4.52%
Henderson Preference & Bond	4.42%

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 Corporate Bond 'B'	4.50%
Baillie Gifford British 350	4.44%
Credit Suisse Alpha Income Institutional	4.42%
Royal London Income	4.42%

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Fund Manager Review

Performance

Over what has been a turbulent six months for the UK's financial markets, the Fund registered a return of 1.0%. This was ahead of the IMA Cautious Managed sector average, which gained 0.2% over the half year, but behind the benchmark* advance of 1.3%.

Portfolio Activity

The Fund remained close to the benchmark weighting in equities throughout the period, as we continued to favour the longer-term potential of equities over bonds. Due to the timing of the stock market correction, this preference hindered returns over this specific six-month period, as investors temporarily lost their appetite for risk.

More positively, the decision to remain underweight in fixed interest in favour of cash proved beneficial, as UK bond returns were behind those generated by property and cash. This position was maintained throughout the half year, as our view on the fixed-interest market has remained largely unchanged.

Our only significant asset allocation change over the month was to reduce the Fund's property exposure. Having had an extremely strong run over the past few years, we feel property markets are unlikely to be able to maintain this pace for much longer. Instead, we have introduced a weighting in alternative assets because, in our view, these provide risk-controlled access to potentially attractive returns.

The weighting in alternative assets has been created through the addition of two new holdings to the Portfolio. The first; Middlefield Canadian Income, is a Jersey-domiciled fund investing in tax-efficient Canadian Income Trusts (CITs). Middlefield are highly-regarded managers of CITs, which eliminate corporation tax on trusts formed around mature businesses with sustainable cashflows that are largely paid out to shareholders. The other; BNP Paribas European Shield, is a Guernsey-domiciled product that provides protected access to the returns generated by European stock markets.

Still at an individual holding level, we sold HSBC Infrastructure to lock in profits, as this holding had enjoyed a strong run since its purchase earlier this year. In addition, we continued to add to or trim back holdings in response to individual performance.

Outlook

Markets have continued to stabilise following the turbulence over the summer, which has so far vindicated our continuing preference for equities. However, we remain wary that a number of economic factors are delicately balanced and would not be surprised to see volatility pick up again in the short term at least.

Looking at the world's pace of economic growth, the US continues to be the most significant concern. While the global economy is no longer so reliant on the US as its sole driver, a considerable slowdown would still have an impact that would be magnified in the eyes of wary investors. However, the US economy currently seems unlikely to tip over into recession, although growth should continue to slow to around or just below trend levels.

At a corporate level, the picture remains encouraging. Increasingly efficient companies are churning out good financial results on a consistent basis and the volume of takeover activity has been brisk. These factors, combined with robust global economic growth, give us confidence over the medium to long-term outlook for equities.

Fixed-interest markets, meanwhile, still look unlikely to generate strong capital growth any time soon. However, we continue to them for the purposes of providing income and diversification.

Source: Premier Fund Managers Ltd, October 2006.

*Composite Benchmark: 50% FTSE All Share Index, 50% FTSE All Stocks Index.

Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/03/2006	Income	118.28
	Accumulation	122.54
30/09/2006	Income	116.62
	Accumulation	123.20

Dividend Distribution

Interim dividend distribution in pence per share

As at	Share Class	Distribution paid
30/08/2006	Income	0.8534
	Accumulation	0.8868
30/11/2006	Income	1.2754
	Accumulation	1.3409

Other Information

Authorised Corporate Director (ACD) & Registered Office:

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

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Trustee & Depositary Services,
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Administrators & Registrar:

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P.O. Box 55736, 50 Bank Street,
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The full Fund Manager Review is available in the Long Form Interim Report & Accounts which is available on request, or on the Premier website, www.premierfunds.co.uk



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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. 2811064846