

The Snowdonia Balanced Fund, a sub-fund of the Snowdonia Fund

Annual Short Report for the year to 31st March 2007



The information in this report is designed to enable investors to make an informed judgement on the activities of the sub-fund during the year. Copies of the Long-Form Annual Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Premier website, www.premierassetmanagement.co.uk.

Investment Objective and Policy

The Snowdonia Balanced Fund aims to provide long-term capital growth from a portfolio of investments. The sub-fund is managed such that a maximum of 85% of the sub-fund's property will be exposed to equities, both UK and global. The sub-fund may invest in units in collective investment schemes and may also invest in equities, fixed interest securities, money market instruments, deposits and warrants.

Total Expense Ratios

	31/03/2007	31/03/2006 ¹
	3.01%	3.04%

The total expense ratio (TER) shows the annual operating expenses of the sub-fund, including the annual management charge and other expenses. It does not include transaction figures, but does reflect any initial and management charges on other collective investment schemes held by the sub-fund. All UCITS Schemes highlight the TER to help you compare the annual operating expenses of different schemes. ¹As the sub-fund had an extended initial accounting period of just under 18 months, the TER for the full 18 month accounting period was adjusted to bring it in line with other funds to allow comparability.

Fund Facts

Launch date: 14th October 2004
 Ex-dividend dates: 31st March and 30th September
 Income dates: 31st July and 30th November
 IMA sector: Balanced Managed

Performance Record

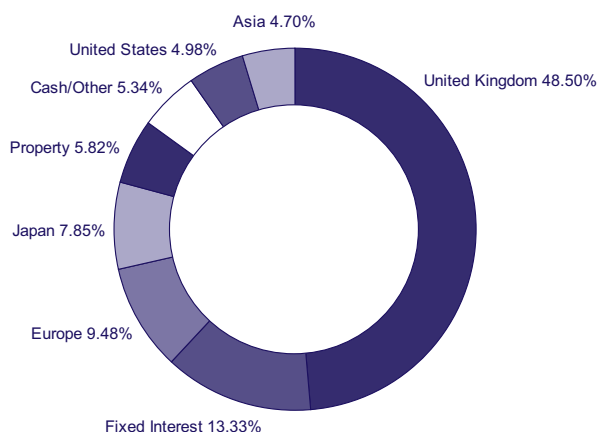
Year	Share Class	Highest Price (p)	Lowest Price (p)
2004 ²	Accumulation	102.26	99.02
2005	Accumulation	120.79	100.36
2006	Accumulation	130.60	115.22
2007 ³	Accumulation	137.37	129.07

²14th October 2004 to 31st December 2004.

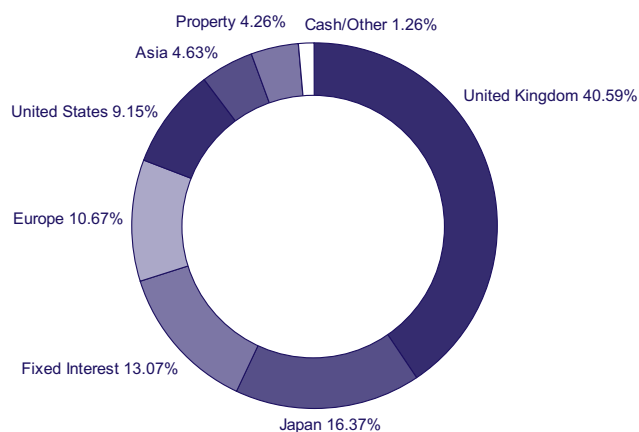
³To 31st March 2007.

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.

Asset Allocation as at 31/03/2007



Asset Allocation as at 31/03/2006



Top Ten Holdings at 31/03/2007

Edinburgh Partners UK Opportunities	9.25%
CF Walker Crips Corporate UK Growth	7.51%
Gartmore UK Focus	7.27%
M&G Optimal Income	7.03%
Threadneedle UK Equity Alpha Income	6.64%
Gartmore UK Equity Income	6.47%
Premier European Growth	4.88%
Mellon Newton Asian Income	4.70%
River & Mercantile UK Equity High Alpha	4.65%
CF Odey Continental European	4.60%

Top Ten Holdings at 31/03/2006

Premier European Growth	7.23%
Gartmore UK Focus	6.64%
AXA Framlington Japan	6.53%
CF Odey Continental European	6.41%
CF Walker Crips Corporate UK Growth	5.80%
UBS US Equity	5.19%
JO Hambro Japan	5.17%
Invesco Perpetual Income	4.90%
Thames River Japan	4.67%
Mellon Newton Asian Income	4.63%

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Investment Review

Performance

The Snowdonia Balanced Fund recorded a return of 3.0% in the year to 31st March 2007, underperforming both its benchmark* and the IMA Balanced Managed sector average, which returned 7.3% and 4.8% respectively.

Portfolio Activity

Cash which was subscribed to the sub-fund throughout the period was generally used to add to existing holdings. However, we purchased a number of new holdings, including 3 new funds; Threadneedle UK Equity Alpha Income, River & Mercantile UK Equity High Alpha and M&G Optimal Income. We also bought SWIP Property Trust in order to further diversify the Portfolio. We sold our holdings in Martin Currie Japan Alpha and Martin Currie UK Growth due to poor performance throughout the period and amongst others, we also sold out of Invesco Perpetual Income as we believe that the increasingly large size of the fund could limit the fund manager.

Outlook

We took profits from our overseas holdings before the setback in February and have continued to build on the sub-fund's fixed interest exposure. Markets have staged a strong recovery, led by a sharp increase in corporate activity and record company profitability. Whilst the outlook remains positive, we have concerns about how durable this recovery will prove to be.

Source: Mercater Capital Management, May 2007.

*Benchmark: 60% FTSE All-Share Index, 20% FTSE All-Stocks Index & 20% MSCI World Index.

Performance figures are taken from Financial Express Analytics, and are quoted on a bid to bid, total return, UK sterling basis.

The full Investment Review is available in the Long-form Annual Report & Accounts, which is available on request, or from the Premier website, www.premierassetmanagement.co.uk.

Risk Profile

As the Snowdonia Balanced Fund invests primarily in the UK, there is a market risk that the sub-fund might suffer through holding market positions concentrated in the UK in the face of price movements. The value of these investments may decline over a given period because of economic changes or other events that impact large portions of the market.

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
31/03/2006	Accumulation	129.00
31/03/2007	Accumulation	132.88

Other Information

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

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Trustee & Depositary Services,
The Broadstone, 50 South Gyle Crescent,
Edinburgh, EH12 9UZ

Administrators & Registrar:

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Northern Trust Global Services Limited,**
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Issued by:

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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.

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