

# The Snowdonia Growth Fund, a sub-fund of the Snowdonia Fund

## Annual Short Report for the year to 31<sup>st</sup> 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](http://www.premierassetmanagement.co.uk).

### Investment Objective and Policy

The Snowdonia Growth Fund aims to provide long-term capital growth from a portfolio of global investments. The sub-fund is managed such that a maximum of 100% of the sub-fund's property will be exposed to equities. 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 <sup>1</sup>
	3.11%	3.05%

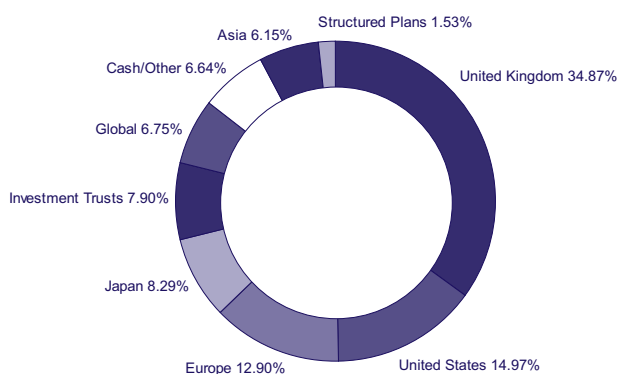
The total expense ratio (TER) shows the annual operating expenses of the sub-fund, including the annual management charge and other expenses. It does not include transaction figures, but does reflect any initial and management charges on other collective investment schemes held by the sub-fund. All funds highlight the TER to help you compare the annual operating expenses of different schemes.

<sup>1</sup>As 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.

### Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
31/03/2006	Accumulation	131.58
31/03/2007	Accumulation	134.04

### Asset Allocation as at 31/03/2007



### Top Ten Holdings at 31/03/2007

Invesco Perpetual High Income	5.51%
Merrill Lynch UK Dynamic	4.81%
AXA Framlington Equity Income	4.74%
Artemis European Growth	4.65%
Old Mutual UK Select Large Cap	4.60%
Old Mutual North American	4.41%
First State Asia Pacific Leaders	4.32%
NSAM Hiscox Insurance	3.65%
Schroder UK Alpha Plus	3.53%
Zenith European Income	3.46%

### Fund Facts

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

### Performance Record

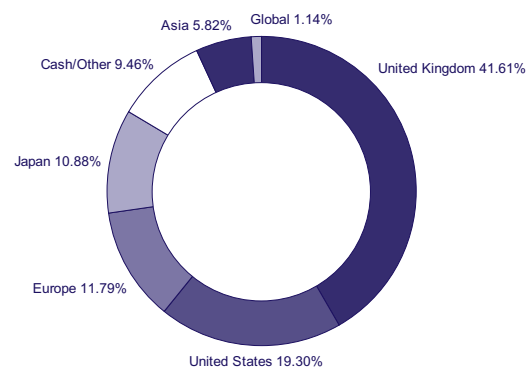
Year	Share Class	Highest Price (p)	Lowest Price (p)
2004 <sup>2</sup>	Accumulation	104.72	98.50
2005	Accumulation	123.29	101.62
2006	Accumulation	136.92	116.81
2007 <sup>3</sup>	Accumulation	137.19	130.16

<sup>2</sup>14th October 2004 to 31st December 2004.

<sup>3</sup>To 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 31/03/2006



### Top Ten Holdings at 31/03/2006

Invesco Perpetual High Income	6.67%
HSBC Growth & Income	6.59%
Cazenove UK Growth & Income	6.56%
Old Mutual North American	6.55%
Old Mutual UK Select Large Cap	6.49%
Merrill Lynch UK Dynamic	6.45%
AXA Framlington Equity Income	6.36%
CF Morant Wright Japan	5.53%
Schroders Tokyo	5.35%
Schroders UK Smaller Companies	4.33%

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## Annual Short Report for the year to 31<sup>st</sup> March 2007



### Investment Review

#### Performance

The Snowdonia Growth Fund recorded a return of 2.1% in the year to 31<sup>st</sup> March 2007, underperforming both its benchmark\* and the IMA Active Managed sector average, which returned 6.7% and 4.7% respectively.

#### Portfolio Activity

This was the first full year of UBS's management of the Snowdonia Growth Fund (which had previously been managed by Rensburg Investment Management). Over this period, we re-structured and re-positioned the holdings within the Fund. The re-structuring process was completed in June and the Fund now represents the changes we highlighted in our last review. Areas of focus have been within the specialist sectors, mainly global insurance and re-insurance, Far East property and private equity. Exposure to these sectors was obtained via Hiscox Insurance, Henderson Horizon Far Eastern Property and Electra Private Equity.

Within the geographic areas, we have introduced investment trusts that are trading at a discount to their net asset values. For example, we bought JPMF Japan, which was trading at a 6% discount.

#### Outlook

Recent performance has trailed behind the benchmark because of the Fund's relatively high exposure to the US dollar. We, however, believe that the dollar is oversold versus sterling.

Outside the US, the global economy remains robust. The industrialisation of the economies of China, India and the Far East continues to help drive global demand, explaining in part the inflation conundrum of the US. GDP growth in China should remain above 10% for 2007, helping to sustain expansion elsewhere in the region and providing a benign backdrop for corporate profitability. Under these circumstances, global earnings growth has more than kept pace with the rise in equity prices, suggesting that, as an asset class, equities continue to offer good value.

Source: UBS Wealth Management (UK) Limited, May 2007.

\*Benchmark: 50% FTSE All-Share Index, 50% MSCI World ex UK 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](http://www.premierassetmanagement.co.uk).

### Risk Profile

As the Snowdonia Growth Fund has a global portfolio of investments, there is a risk that the income and capital value of the sub-fund may be affected by currency movements if a significant proportion of the sub-fund's assets are either denominated in other currencies or are investments in unit trusts or investment funds with substantial currency exposure.

### 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

Depository:

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

Administrators & 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

### Notable Change After the Period Under Review

Since launch in 2004 the Snowdonia Growth Fund has been benchmarked against 50% FTSE All-Share Index and 50% MSCI World ex-UK Index. Effective from 21<sup>st</sup> May 2007, the benchmark for the Snowdonia Growth Fund has been changed to 35% FTSE All-Share Index, 45% MSCI World ex-UK Index and 20% MSCI Emerging Markets Index. This change has been implemented to more accurately reflect the investment remit of the sub-fund, as the previous benchmark did not incorporate emerging markets and was too UK focused for a global growth fund.

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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