

The Snowdonia Income 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 Income Fund aims to provide income together with some long-term capital growth from a portfolio of investments. The sub-fund is managed such that a maximum of 60% 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.

Fund Facts

Launch date:14th October 2004
 Ex-dividend dates:..31st March, 30th June, 30th September, 31st December
 Income dates:.....28th February, 31st May, 31st August, 30th November
 IMA sector:Cautious Managed

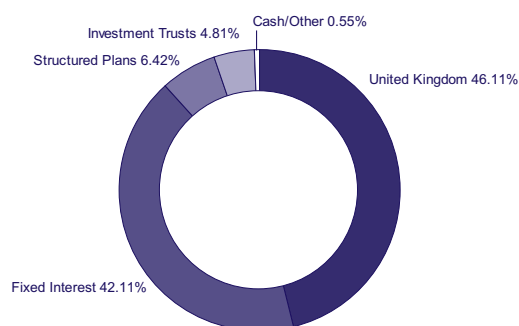
Total Expense Ratios

	31/03/2007	31/03/2006 ¹
	2.39%	2.38%

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. The TER for income and accumulation units is the same.

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.

Asset Allocation as at 31/03/2007



Top Ten Holdings at 31/03/2007

Mellon Newton Higher Income	4.97%
Jupiter Income	4.91%
Liontrust First Income	4.89%
Royal London Corporate Bond	4.89%
Neptune Income	4.84%
Henderson Preference & Bond	4.83%
F&C Extra Income Bond	4.81%
Rensburg UK Equity Income	4.69%
Resolution Corporate Bond	4.66%
Standard Life UK Equity High Income	4.62%

Risk Profile

The Snowdonia Income Fund deducts all charges, including the annual management charge, from capital rather than from 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.

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2004 ²	Income	103.66	99.40
	Accumulation	103.66	99.40
2005	Income	116.39	103.66
	Accumulation	116.39	103.29
2006	Income	121.24	112.78
	Accumulation	128.09	116.17
2007 ³	Income	122.87	119.64
	Accumulation	130.74	127.30

²14th October 2004 to 31st December 2004.

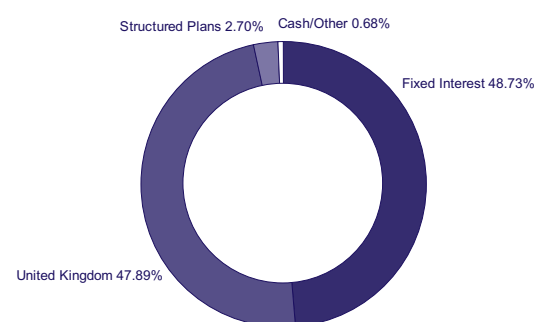
³To 31st March 2007.

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.

Dividend Distribution (in pence per share)

XD date	Paid	Share Class	Distribution
30/06/06	30/08/06	Income	0.8534
		Accumulation	0.8868
30/09/06	30/11/06	Income	1.2754
		Accumulation	1.3409
31/12/06	28/02/07	Income	0.8613
		Accumulation	0.9103
31/03/07	31/05/07	Income	1.1103
		Accumulation	1.1442

Asset Allocation as at 31/03/2006



Top Ten Holdings at 31/03/2006

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

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Investment Review

Performance

The Snowdonia Income Fund has enjoyed a solid 12 months, during which it outperformed both its benchmark* and the IMA Cautious Managed sector average. The Fund managed to generate a return of 6.0% over the reporting period, which compares well with a return of 5.8% for the benchmark and 4.4% for its peer-group average.

Portfolio Activity

Over the course of the period, we remained close to fully weighted in UK equities, which boosted returns as the stock market advanced. At the same time, we stayed heavily underweight in bonds, which also proved beneficial as the UK fixed interest market performed poorly. We reduced this underweight position slightly towards the end of the period, as the fall in prices and rise in yields improved their appeal slightly.

As in previous years, the vast majority of the trades we made over the 12 months were either trimming back or topping up holdings in response to market or fund-specific performance. In addition to these movements, there were several new additions to the portfolio, while a number of holdings were sold.

One such sale from the portfolio was Credit Suisse Alpha Income. So, we took the opportunity to dispose of this holding at a time when fund and market performance were still strong.

We also sold Baillie Gifford British 350 and replaced it with Schroder Income Maximiser. We were concerned that the Baillie Gifford fund did not perform as we expected during the earlier market correction and replaced it with what we consider to be a less volatile, higher-yielding fund.

Towards the end of 2006, we took the decision to introduce a little more caution into the portfolio in view of the length of the stock market's run of positive returns. This was done through the addition of Merrill Lynch's Elders UK capital-protected product, as well as Symphony Citigroup FTSE 100 Autocall – both of which provide capital protection with the potential for attractive, equity-based returns.

Outlook

Looking beneath the occasional bouts of heightened volatility and risk aversion that have hit equity markets over the last 12 months, there seems to be little that has shifted fundamentally enough to alter the benign long-term outlook. Earnings and dividend growth have been healthy and this has provided substance to underpin the rises in share prices, keeping valuations at relatively

attractive levels. Within the UK equity market, small and mid caps have had a good run relative to large companies, so we feel it may be prudent to increase exposure to blue chips at the expense of their more diminutive peers.

Bond prices, meanwhile, have recently fallen to more appealing levels, although they are still unattractively valued in comparison to equities. They remain useful for the purposes of income and diversification though and we continue to hold them for these purposes.

Source: Premier Fund Managers Limited, May 2007.

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

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
31/03/2006	Income	118.28
	Accumulation	122.54
31/03/2007	Income	120.24
	Accumulation	129.51

Other Information

Authorised Corporate Director (ACD) & Registered Office:

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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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