

# The Snowdonia Property 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 Property Fund aims to provide income and capital growth from a portfolio which will mainly consist of European investments. The sub-fund will invest in a portfolio of securities which are typically shares in property companies and collective investment schemes whose investments consist of shares in property companies. The sub-fund 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>
	1.84%	2.29%

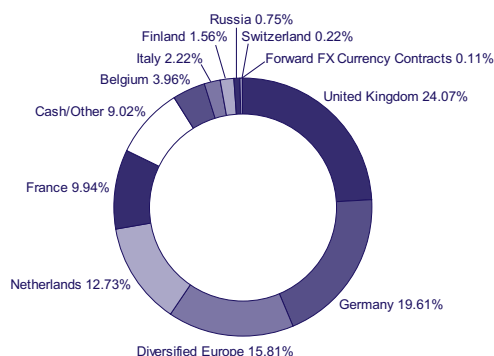
The total expense ratio (TER) shows the annual operating expenses of the sub-fund, including the annual management charge and other expenses. It does not include transaction figures, but does reflect any initial and management charges on other collective investment schemes held by the sub-fund. All funds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

<sup>1</sup>The TER for the sub-fund has been calculated based on figures for the 4 months since launch.

### Risk Profile

The Snowdonia Property Fund only invests in shares of property investment companies. Whilst equity investments carry potential for attractive returns over the long-term, the volatility of these returns can also be relatively high when compared to physical property. The capital value is sensitive to interest rate trends and the value is likely to fall if interest rates rise in the medium to long-term and vice versa.

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



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

Land Securities	5.90%
Summit Germany	5.33%
Prologis European Property	5.04%
Develica Deutschland	4.71%
Medic X	4.29%
Alpha Pyrenees	3.96%
Dawnay Day Treveria	3.44%
Unibail	3.40%
Wichford	3.26%
Vastned Industrial	2.80%

### Fund Facts

Launch date: .....6th December 2005  
 Ex-dividend dates: ...31st March, 30th June, 30th September, 31st December  
 Income dates: .....28th February, 31st May, 31st August, 30th November  
 IMA sector: .....Specialist

### Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2005 <sup>2</sup>	Income	101.11	99.52
	Accumulation	101.12	99.53
2006	Income	129.13	101.06
	Accumulation	133.36	101.07
2007 <sup>3</sup>	Income	138.29	128.61
	Accumulation	143.89	133.83

<sup>2</sup>6th December 2005 to 31st December 2005.

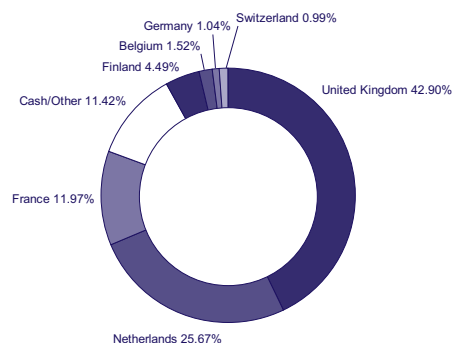
<sup>3</sup>To 31st March 2007.

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.

### Dividend Distribution (in pence per share)

XD date	Paid	Share Class	Distribution
30/06/06	30/08/06	Income	2.1073
		Accumulation	2.1278
30/09/06	30/11/06	Income	0.6286
		Accumulation	0.6466
31/12/06	28/02/07	Income	1.0398
		Accumulation	1.0593
31/03/07	31/05/07	Income	0.5293
		Accumulation	0.5390

### Asset Allocation as at 31/03/2006



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

Land Securities	7.40%
Insight Foundation Property	7.27%
Slough Estates	6.27%
Vastned Retail	5.65%
Nieuwe Steen Investments	5.14%
F&C Commercial Property	4.84%
Vastned Industrial	4.30%
Wereldhave	4.29%
Affine	4.28%
Wichford	3.66%

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

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



### Investment Review

#### Performance

The Snowdonia Property Fund rose in value by 23.0% over the year, outperforming the IMA Specialist sector average, which returned 7.6% but underperforming the benchmark\*, which returned 29.8%. European quoted property companies saw relatively high volatility during the period, although the Fund's remit of a minimum 70% invested in Real Estate Investment Trusts (REITs) and REIT-type vehicles meant that the Fund saw significantly lower volatility compared to the benchmark stocks.

#### Portfolio Activity

The year under review saw significant inflows into the Fund, which were increasingly invested into continental Europe due to the attractive underlying fundamentals of European real estate. The exposure to UK property was reduced because the yield from UK property is now below the cost of borrowing in the UK.

The most significant increase in asset allocation has been Germany. It is expected to have a cyclical recovery in its property market, which has seen steady declines over the last 5 years. We see Germany as an attractive long term opportunity and the Fund is well placed to further increase its exposure to this recovering property market in a tax-efficient way thanks to the introduction of German REITs.

#### Outlook

Attractive returns from UK property are likely to be increasingly selective from current levels. The Fund will look to target UK property stocks that are able to generate rental growth or are trading at attractive discounts to their underlying asset value.

We expect to continue to favour the continental European property markets, which are increasingly recognised by international investors.

We are expecting volatility to increase in quoted property companies after some strong recent gains and will look to use any short term price weakness to acquire better quality European property companies. The Fund targets commercial property companies offering an attractive income stream with well positioned assets and strong tenants. We continue to pay little attention to our benchmark, given the high weighting of pure speculative property developers and residential property companies in the Index. These stocks can provide good returns in a strong market, but they carry significant volatility and risk in a property downturn, as they do not have the same support of underlying asset backing.

The outlook for the European property sector offers attractive medium to long term opportunities for the Fund. Unlike those indirect property funds that are more aligned to their benchmark, we aim to provide an attractive income and capital return from indirect European property with lower volatility.

Source: Premier Fund Managers Limited, May 2007.

\*Benchmark: FTSE EPRA Europe 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).

### Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
31/03/2006	Income	114.73
	Accumulation	114.78
31/03/2007	Income	134.78
	Accumulation	140.38

### 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

Issued by:

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

Tel: 01483 306 090 Fax: 01483 300 845 Email: [premier@premierfunds.co.uk](mailto:premier@premierfunds.co.uk) [www.premierassetmanagement.co.uk](http://www.premierassetmanagement.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 funds. 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.

2007074284