

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

Interim Short Report for the period from 1st April 2007 to 30th September 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 period. Copies of the Long-Form Interim 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.

Total Expense Ratios (TERs)

31/03/2007

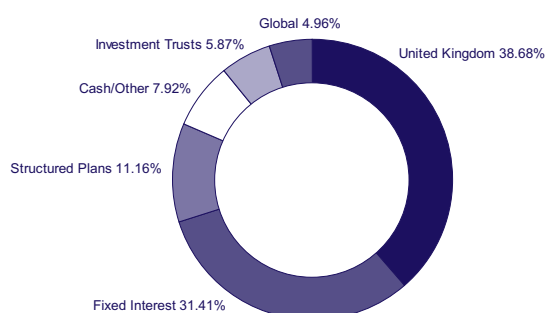
2.39%

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. The TER shown reflects the last audited accounts for the sub-fund.

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
30/09/2007	Income	116.69
	Accumulation	127.95

Asset Allocation as at 30/09/2007



Top Ten Holdings at 30/09/2007

Standard Life UK Equity High Income	4.98%
Mellon Newton Global Higher Income	4.96%
Baillie Gifford Corporate Bond	4.91%
Neptune Income	4.90%
Rathbone Income	4.87%
Henderson Preference & Bond	4.79%
Resolution Corporate Bond	4.72%
AXA Framlington Monthly Income	4.71%
Aegon Sterling Corporate Bond	4.67%
Rensburg UK Equity Income	4.67%

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

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	123.53	114.64
	Accumulation	132.72	124.06

¹14th October 2004 to 31st December 2004.

²To 30th September 2007.

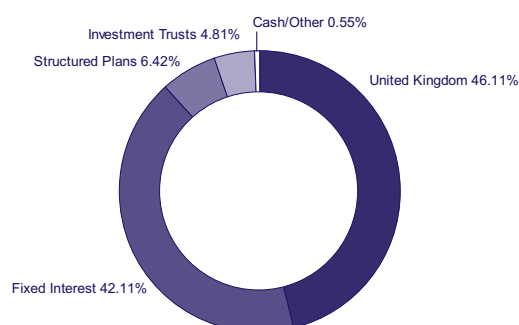
Past performance is not a guide to future returns. The price of units and the income from them may go down as well as up and you may get back less than you invested.

Dividend Distribution (in pence per share)

XD date	Paid	Share Class	Distribution
30/06/07	31/08/07	Income	0.8666
		Accumulation	0.9266
30/09/07	30/11/07 ³	Income	1.6482
		Accumulation	1.7436

³Payable

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%

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Investment Review

Performance

The Snowdonia Income Fund fell back -1.1% during the reporting period, putting it behind its benchmark⁵ which returned 2.2% and its sector (IMA Cautious Managed) average which was 0.3%. Much of the underperformance came towards mid August, with UK equities and corporate bonds hit hard by a market sell-off.

Portfolio Activity

Over the course of the six months, we reduced our bond weighting in favour of our equity and cash exposures. Within bonds, we sold our gilt position, locking in profits following their solid run over the summer. In addition, we cut back the Fund's risk profile, trimming back our high-yield bond fund exposure.

To this end, we disposed of Legal and General All-Stocks Gilt Index, F&C Extra Income Bond and Standard Life Higher Income in September. In addition, we sold Collins Stewart Total Return Bond, based on its disappointing performance and increased volatility, and added Aegon Sterling Corporate Bond in July.

Within equities, in respect of market capitalisation, we increased our blue-chip exposure as they have more defensive qualities than their small and mid-sized peers; we therefore sold Investec UK Smaller Companies in July.

Meanwhile, in September, we sold the UK equity income fund, Mellon Newton Higher Income, to replace it with its global equivalent, Mellon Newton Global Higher Income. This move proved immediately beneficial, as the global fund has since strongly outperformed the UK fund. In addition, we also bought Merrill Lynch Elders 14.5% FTSE 100 26A Autocall. This is a structured product that has 50% downside protection with the potential to generate an attractive 14.5% one-year return.

Within alternatives, at the beginning of August, we established a new holding in PSource Structured Debt. It typically holds senior secured loans provided to small and micro cap US companies seeking funding for growth. This is a niche fund offering attractive rates of return with low correlation to equity and traditional debt markets.

Outlook

The reverberations of the credit crisis continued to be felt into September – a month that will be remembered for the run on Northern Rock and the Federal Reserve's dramatic half-per cent cut in US interest rates. The latter of the two has so far had the most emphatic impact on financial markets, including the UK equity market rebound.

The UK economy has also been hit by the summer's turmoil, and as a result, the growth forecast for 2008 has now been reduced. At the moment, the

Bank of England is waiting to see a clearer outcome of the summer's turmoil to react. Against this uncertain backdrop, we have positioned ourselves in defensive and alternative investments with low correlation to traditional equity and bond markets.

Source: Premier Fund Managers Limited, November 2007. Performance data taken from Financial Express Analytics, on a total return, bid to bid, UK Sterling basis. Past performance is not a guide to future returns.

⁵Benchmark: 50% FTSE All Share, 50% FTSE All Stocks.

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

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.

Other Information

Authorised Corporate Director (ACD) & Registered Office:	Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE
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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. 2311074488