

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

Annual Short Report for the year to 31st March 2008



The information in this report is designed to enable investors to make an informed judgement on the activities of the 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 Fund is managed such that a maximum of 60% of the Fund's property will be exposed to equities. The 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 (TERs)

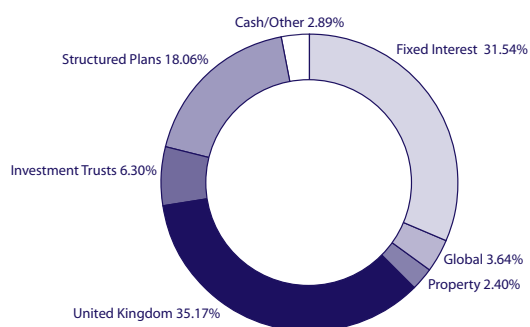
	31/03/2008	31/03/2007
	2.26%	2.39%

The TERs show the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
31/03/2007	Income	120.24
	Accumulation	129.51
31/03/2008	Income	104.81
	Accumulation	117.48

Asset Allocation as at 31/03/2008



Top Ten Holdings at 31/03/2008

Henderson Preference & Bond	5.04%
Baillie Gifford Corporate Bond	4.98%
Royal London Corporate Bond	4.96%
Resolution Corporate Bond	4.93%
M&G High Yield Corporate Bond	4.63%
Jupiter Income	4.56%
Standard Life UK Equity High Income	4.48%
Aegon Sterling Corporate Bond	4.35%
Neptune Income	4.32%
Rathbone Income	4.08%

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 ¹	Income	103.66	99.40
	Accumulation	103.65	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	Income	123.53	113.72
	Accumulation	132.72	124.06
2008 ²	Income	115.24	105.09
	Accumulation	127.49	116.33

¹ 14th October 2004 to 31st December 2004.

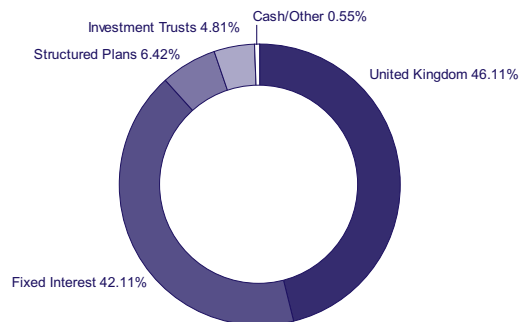
² To 31st March 2008.

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
30/06/2007	31/08/2007	Income	0.8666
		Accumulation	0.9266
30/09/2007	30/11/2007	Income	1.6482
		Accumulation	1.7436
31/12/2007	28/02/2008	Income	1.0498
		Accumulation	1.1918
31/03/2008	31/05/2008	Income	1.3217
		Accumulation	1.4694

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

Apart from a couple of sound months at the start, financial markets have endured a torrid time over the 12-month reporting period, with equities, property and corporate bonds all hit hard by the credit and banking crisis. The Snowdonia Income Fund fell back by 9.1%³ over this period, along with the IMA Cautious Managed Sector which fell by 4.8%, reflecting the turmoil that has beset the financial world in recent months.

Portfolio Activity

Following the solid performance of equity markets over the first few months of 2007, we decided to trim back our equity weighting in April in favour of cash; and again in May, as we were already wary of the possibility of a market correction. Specifically, we reduced our weighting in the shares of smaller companies, which we believed had become less attractively valued relative to blue chips. We then topped this up in September after prices had fallen, and trimmed back at the start of January before the steep market fall. Within bonds, we kept our strong underweight throughout the period, as all categories of bonds appeared expensive.

With regards to individual holdings, we made over 170 separate fund trades over the reporting period. The vast majority of these were either topping up or trimming back specific holdings in response to their own price movements, but we also made several additions and disposals to and from the Fund.

Within our equity portfolio, we established a new holding in Chelverton UK Equity Income in October. This fund was particularly appealing to us as it provides small-cap exposure with a decent yield, while it also helps to improve our portfolio's diversification. Being a small-cap equity income fund, it straddles two parts of the UK stock market where prices had been hit unusually hard, leading us to believe that this fund could fare very well when markets rebound.

Also within equities, we sold Mellon Newton Higher Income, a UK equity income fund, to replace it with its global equivalent - Mellon Newton Global Higher Income. This has helped the Fund greatly as the latter has comfortably outperformed the former since we made the switch back in September.

We also added a number of structured products during the period. These investments are available to us as corporate investors and appeal because of their potential for attractive capital gains or the level of capital protection they offer.

Outlook

The last year has been an undeniably tough period for the Fund, with a number of market trends combining to damage returns. While this has been

highly disappointing and frustrating for us and our investors alike, the flipside is that the prices of the investments we hold are more attractive, and this gives us confidence that our performance will recover to its previous strong levels in the medium to long term. We think it's important for investors to know that, throughout the turmoil, we have avoided panic and stuck to our investment principles – which are to buy investments that seem cheap and sell those that look expensive, while also seeking out well-managed investments that will produce the right level of income and at the same time give the best chance of capital gains.

We're content that the Fund is well positioned given our current thinking. Within equities, our slight underweight derives from our view that this asset class has potentially choppy waters ahead of it in the short term, but is not without its attractions over the medium to long term. Bonds, meanwhile, are even less appealing, and we are heavily underweight in this asset class: Government issues offer no long-term value and could start smarting from rising inflation; while corporate bond prices, particularly high yield, could be vulnerable to further signs of economic woe.

Source: Premier Fund Managers Limited, June 2008.

³Performance data taken from Financial Express Analytics, total return, bid to bid, UK sterling. Past performance is not a guide to future returns.

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.

Other Information

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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. 1607085073

