

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

Interim Short Report for the period 1st April 2008 to 30th September 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 Interim Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Fund's website at www.thesnowdoniafund.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 Ratio (TER)

31/03/2008

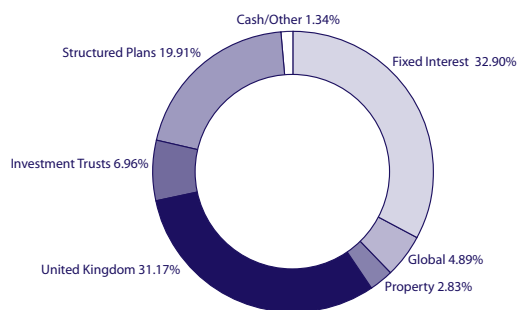
2.26%

The TER shows 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)
31/03/2008	Income	104.81
	Accumulation	117.48
30/09/2008	Income	92.22
	Accumulation	105.94

Asset Allocation as at 30/09/2008



Top Ten Holdings at 30/09/2008

Royal London Corporate Bond.....	5.34%
Baillie Gifford Corporate Bond.....	5.20%
Henderson Preference & Bond.....	5.09%
Aegon Sterling Corporate Bond.....	5.05%
Resolution Corporate Bond	4.95%
Mellon Newton Global Higher Income.....	4.89%
PSigma Income.....	4.77%
Neptune Income.....	4.49%
Standard Life UK Equity High Income	3.92%
Liontrust First Income	3.82%

Investment Risks

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	103.66	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	Income	123.53	113.72
	Accumulation	132.72	124.06
2008 ²	Income	115.24	94.34
	Accumulation	127.49	106.64

¹ 14th October 2004 to 31st December 2004.

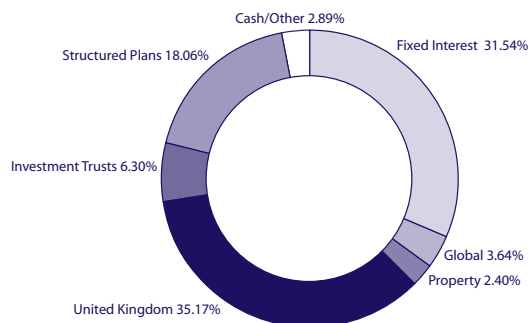
² To 30th September 2008.

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

XD date	Paid	Share Class	Distribution (Per Share (P))
30/06/2008	31/08/2008	Income	0.8651
		Accumulation	1.0463
30/09/2008	30/11/2008	Income	1.5059
		Accumulation	1.6997

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%

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Investment Review

Performance

The six months under review proved to be a highly volatile period for equity and bond markets in the UK, with very few assets managing to avoid losing ground. The problems stemmed from the twin evils of the credit crisis and volatile commodity and energy prices, which have caused markets to yo-yo throughout the half-year period. The Fund lost ground in this hostile environment, falling back by 10.0% over the six months. On the income front the news has been more positive, with the income payout for the last financial year more than 20% higher than the year before. We're confident that we can continue to grow this distribution going forward, thereby providing some protection against the damage that inflation causes to income levels that stay fixed over time.

Portfolio Activity

With markets as volatile as they were, we were given plenty of opportunities to top up holdings into weakness and take profits after the rebounds. We placed over 150 trades during the six-month period, most of which were in reaction to market movements, with the others being new additions to or disposals from the Fund.

Several of the additions were made in May. With gilt prices falling, pushing their yield over 5%, we decided to take profits from the short-lived equity rebound and put some of the proceeds into government bonds – specifically L&G's All-Stocks Gilt Index Tracker. This move latterly proved useful as equities soon plummeted again while gilts bounced back. Then, as a further means of increasing the diversity within the Fund, we added the oil and gas infrastructure play, CQS Rig Financing, and HSBC Infrastructure, which invests in assets such as schools, hospitals and airports.

We sold out of Jupiter Income in July, replacing it with PSigma Income which is run by the renowned fund manager, Bill Mott. We have great confidence in this manager's ability, and his fund's smaller size means it has the potential to be more nimble than the one it replaced which has become something of a giant in recent years. In addition, we believe that the poor run for equity income funds may be coming to an end, so adding a contrarian, value-oriented equity income fund such as this makes good sense to us at the present time.

We also sold completely out of Merrill Lynch's 21A Capital Accumulation structured product at the end of August. This product had outperformed the UK stock market by over 6% since we first bought it in October last year, so we felt that it was a good time to take relative profits. We made the last change of the period in September by adding M&G Strategic Corporate Bond

in place of M&G's High-Yield Bond. We made this change as we believe high-yield bonds will suffer as corporate defaults rise, while the manager of the Strategic Corporate Bond Fund has proved himself highly adept at navigating his way through these tricky market conditions.

Outlook

This current market phase bears the hallmarks of capitulation which is something that was missing from the earlier pull-backs. It would be foolhardy to call this as the bottom of the market when investors are in full flight mode, but we believe that valuations are now low enough to begin tempting investors back into the highest quality assets. We are confident that our selection of managers are adept at picking the wheat from the chaff, and so feel that we are wellpositioned for any recovery from these levels.

Source: Premier Fund Managers Limited, October 2008.

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.

The full Investment Review is available in the Long-Form Interim Report & Accounts, which is available on request, or from the Fund's website, www.thesnowdoniafund.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. 2011085342