

The Pennine Fund

Interim (unaudited) Report & Financial Statements
For the period from 1st March 2010 to 31st August 2010



Pennine

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MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director ("ACD") and registered office of The Pennine Fund ("the Company"):

PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,
Guildford, Surrey, GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority ("FSA") and is a member of the Investment Management Association ("IMA"). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

DIRECTORS OF THE ACD: Mike O'Shea (Chairman)
Neil Macpherson (Finance Director)
Simon Weldon (Managing Director, Sales and Marketing)
Mark Friend (Managing Director, Operations)
Mike Hammond (IFA Sales Director)

INVESTMENT ADVISER: Premier Fund Managers Limited is the Investment Adviser to the Pennine Dynamic Fund and the Pennine Pathfinder Fund.

Premier Fund Managers Limited has appointed North Investment Partners Limited as sub-Investment Adviser to the Pennine Dynamic Fund and the Pennine Pathfinder Fund.

DEPOSITARY: The Royal Bank of Scotland plc
Trustee & Depositary Services
The Broadstone,
50 South Gyle Crescent,
Edinburgh, EH12 9UZ

AUDITOR: Grant Thornton UK LLP
30 Finsbury Square,
London, EC2P 2YU

ADMINISTRATOR & REGISTRAR: Northern Trust Global Fund Services Limited
PO Box 55736,
50 Bank Street,
Canary Wharf,
London, E14 1BT

COMPANY INFORMATION

The Pennine Fund is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000580 and authorised by the FSA with effect from 4th September 2007. Shareholders are not liable for the debts of the Company. At the period end the Company contained 2 sub-funds, the Pennine Dynamic Fund and the Pennine Pathfinder Fund.

The Company is a non-UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the unaudited financial statements of the Company for the period from 1st March 2010 to 31st August 2010.

The Company is a non-UCITS retail scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The Investment Objectives and Policies of each sub-fund of the Company are covered in the section for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on this page.

In the future there may be other sub-funds of the Company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the Company.

DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the directors of Premier Portfolio Managers Limited.



Neil Macpherson
Finance Director (of the ACD)
29th October 2010

Mark Friend
Managing Director, Operations (of the ACD)

THE PENNINE FUND AGGREGATED FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(187)		2,677
Revenue	224		175	
Expenses	(242)		(162)	
Finance costs: Interest	-		-	
Net (expense)/revenue before taxation	(18)		13	
Taxation	(6)		(7)	
Net (expense)/revenue after taxation		(24)		6
Total return before distributions		(211)		2,683
Finance costs: Distributions		-		(7)
Change in net assets attributable to shareholders from investment activities		(211)		2,676

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		25,121		15,002
Amounts receivable on issue of shares	4,674		3,022	
Amounts payable on cancellation of shares	(1,128)		(841)	
		3,546		2,181
Dilution levy		1		1
Stamp duty reserve tax		(4)		(2)
Change in net assets attributable to shareholders from investment activities		(211)		2,676
Retained distributions on accumulation shares		-		8
Closing net assets attributable to shareholders		28,453		19,866

¹Opening net assets attributable to shareholders for current period differs from the comparative period closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	26,885	23,266
Debtors	204	822
Cash and bank balances	1,575	2,001
Total other assets	1,779	2,823
Total assets	28,664	26,089
LIABILITIES		
Creditors	(109)	(929)
Bank overdrafts	(102)	(39)
Total liabilities	(211)	(968)
Net assets attributable to shareholders	28,453	25,121

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

THE PENNINE FUND AGGREGATED FINANCIAL STATEMENTS

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

PENNINE DYNAMIC FUND

COMPARATIVE TABLES

Performance Record

Calendar Year	High (p)	Low (p)
Accumulation Shares		
2007 ¹	102.01	96.33
2008	101.18	72.56
2009	91.81	70.90
2010 ²	97.30	88.82

Accumulation Record

Calendar Year	Net Income per Share (p)
Accumulation Shares	
2007 ¹	-
2008	-
2009	-
2010 ²	-

Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) ³
Accumulation Shares		
28/02/2009	5,420,569	72.63
28/02/2010	7,787,906	91.55
31/08/2010	8,434,569	91.10
		NAV of Sub-Fund (£)
Total NAV		
28/02/2009		3,936,793
28/02/2010		7,129,876
31/08/2010		7,683,832

¹From 5th October 2007 to 31st December 2007.

²To 31st August 2010.

³The net asset value per share is calculated on a bid to bid basis and excludes any distribution payable.

TOTAL EXPENSE RATIO (TER)

28/02/10
2.55%

The TER shows the annual operating expenses of the sub-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 of different schemes.

PORTFOLIO TURNOVER RATE (PTR)

28/02/10
121.70%

The PTR is a ratio that reflects the volume of trading within the sub-fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Pennine Dynamic Fund is to provide long-term capital growth from a portfolio of global investments.

The investment policy of the sub-fund is to invest predominantly in units in collective investment schemes. The long-term capital growth objective may lead to the sub-fund maintaining a weighting of equity based collective investment schemes. The sub-fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants, and may invest indirectly in immovable property typically through units in collective investment schemes and/or shares in property companies.

The sub-fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the sub-fund).

Subject to the above, the sub-fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full prospectus. The sub-fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

INVESTMENT REVIEW

PERFORMANCE

In the period under review, the Pennine Dynamic Fund returned -1.28%.

MARKET REVIEW

The pendulum of investor sentiment has continued to swing back and forth from optimism to pessimism this year as leading economic indicators point to mixed outcomes. Compared to the West, Asia and Emerging Markets have stronger economic growth and continue to provide support to global growth. However, the threat of deflation in the West is causing investor anxiety in an environment where equities look cheap against low yielding government bonds and cash deposits.

This year started in a similar fashion to last, with global equities rising early on driven by further evidence of a sustainable global economic recovery. However, it was not to be a smooth ride for equity markets. There was a sell off which ended mid February as anxiety increased over the Greek's sovereign debt, coupled with President Obama's proposals for tighter banking regulation and China draining liquidity to slowdown an overheated property market. Many of these issues remained unsolved as equities then rallied at an unstoppable pace for the next ten weeks.

Then, mid April, the market was taken by surprise with the shock announcement that the Securities & Exchange Commission (SEC) was investigating Goldman Sachs over allegations of fraud in the sale of sub prime products. Meanwhile, Greece came under increasing pressure to agree to a package of severe austerity measures to reduce their growing deficit in exchange for assistance from other European Union (EU) members and the International Monetary Fund (IMF). The reluctance of such an agreement caused uncertainty and pressure on the euro, which weakened against the US dollar. A strong US dollar was not good news for an economy which had based a strong and sustainable recovery upon exports.

June was a tough month. After a relief rally from the late May lows, investors began to worry about the possibility of a "double dip" recession, whilst bond markets feared that a Japanese style deflation was now in the offering. The decline in yields of both US and UK 10 year government bond debt was fairly dramatic - it caught many investors by surprise. The US authorities are determined to avoid deflation, and more recently, risk assets have risen on the prospects that policy makers will turn once again to further quantitative easing. The reflation trade was initially funded by enormous amounts of government debt, which should have suggested much higher inflation in the future. However, the reaction of government bond yields today would suggest otherwise.

PORTFOLIO ACTIVITY

In our opinion, market volatility is set to continue for the short to medium term. Our current approach is therefore to maintain an even spread between risk assets and defensive assets, any changes have been marginal. In early April, we switched physical commodities for their equities, those beneficiaries of rising commodity prices. As a result the Exchange Traded Funds (ETFs) were sold and

PENNINE DYNAMIC FUND

proceeds switched into Investec Global Energy and BlackRock Gold & General. Absolute Return funds are an important ingredient in portfolio construction – they are funds which can profit in both falling and rising markets. We sold Cazenove ARF UK Dynamic after the fund manager's departure, but added BlueCrest AllBlue, Artemis Strategic Assets and Gartmore UK ARF.

Whilst the news on the global recovery remains mixed, we will continue to increase our equity on weakness. With the markets in a pessimistic mood in July, we added to UK and US equities. AXA Framlington UK Select Opportunities, managed by Nigel Thomas, is one of our favoured UK equity funds. This was funded from cash and partial sales of European equities. At the end of the period, we bought into JPMorgan Consumer Trends, a global fund managed by Peter Kirkman, which looks to profit from the changing appetite of the consumer in both the West and the Emerging Markets.

OUTLOOK

Following the reflation of the global economy, financial markets are now at a tipping point. The expansion of global governments' quantitative easing programmes have now ended, marked by the April peak in equity markets. Investors are trying to gauge whether the momentum is sufficient to carry vulnerable economies out of recession in a low growth environment, or whether they will slip back into a double dip recession. The global macro environment continues to be fraught with dangers but interest rates remain low, there is little sign of inflation, growth forecasts remain reasonable and many companies have strong balance sheets and continue to surprise on the upside.

Source: North Investment Partners, September 2010. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

The top ten purchases and sales during the period were as follows:

Purchases	Costs Sales		Proceeds
	£'000		
Martin Currie Japan Alpha H	355	Gold Bullion 0% Undated Notes	204
iShares FTSE 250	344	Martin Currie Japan Alpha 'B'	202
BlackRock Gold & General	245	F&C Private Equity Zero	
JPMorgan Global Consumer		Dividend Preference Shares	141
Trends	240	ETFs Oil Securities	132
BlueCrest Allblue	150	Goldman Sachs Dividend-Linked	
Investec Global Energy 'A'	138	Equity Income Portfolio	119
Legal & General Growth Trust	135	Cazenove Absolute UK Dynamic	99
AXA Framlington UK Select		Investec Global Energy 'A'	94
Opportunities	128	Barclays Simple '543' 0%	
F&C UK Property Fund	110	NTS 27/06/2013	81
iShares FTSE 100	68	BlackRock World Mining	72
		Goldman Sachs Put	
		Warrants 30/09/10	72
Total purchases during the period were	2,127	Total sales during the period were	1,342

PENNINE DYNAMIC FUND

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(51)		739
Revenue	64		51	
Expenses	(64)		(50)	
Finance costs: Interest	-		-	
Net revenue before taxation	-		1	
Taxation	(2)		(2)	
Net expense after taxation		(2)		(1)
Total return before distributions		(53)		738
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		(53)		738

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		7,130		3,937
Amounts receivable on issue of shares	758		888	
Amounts payable on cancellation of shares	(151)		(218)	
		607		670
Dilution levy		1		-
Stamp duty reserve tax		(1)		-
Change in net assets attributable to shareholders from investment activities		(53)		738
Closing net assets attributable to shareholders		7,684		5,345

¹Opening net assets attributable to shareholders for current period differs from the comparative period closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	7,339	6,602
Debtors	79	410
Cash and bank balances	318	432
Total other assets	397	842
Total assets	7,736	7,444
LIABILITIES		
Creditors	(28)	(306)
Bank overdrafts	(24)	(8)
Total liabilities	(52)	(314)
Net assets attributable to shareholders	7,684	7,130

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

DISTRIBUTION TABLE

For the period from 1st March 2010 to 31st August 2010

Expenses exceeded revenue during the period, as a result no distributions were paid.

PENNINE PATHFINDER FUND

COMPARATIVE TABLES

Performance Record

Calendar Year	High (p)	Low (p)
Income Shares		
2007 ¹	101.22	98.41
2008	102.34	80.59
2009	100.64	78.83
2010 ²	105.80	97.94

Accumulation Shares

2007 ¹	101.22	98.42
2008	102.32	81.02
2009	101.32	79.46
2010 ²	106.52	98.60

Income Record

Calendar Year	Net Income per Share (p)
Income Shares	
2007 ¹	-
2008	0.5658
2009	0.1008
2010 ²	-

Accumulation Shares

2007 ¹	-
2008	0.5658
2009	0.1028
2010 ²	-

Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) ³
Income Shares		
28/02/2009	2,814,964	80.72
28/02/2010	3,118,736	100.57
31/08/2010	3,212,908	100.04
Accumulation Shares		
28/02/2009	10,821,221	81.26
28/02/2010	14,670,360	101.25
31/08/2010	17,429,495	100.72

Total NAV

	NAV of Sub-Fund (£)
28/02/2009	11,065,417
28/02/2010	17,990,725
31/08/2010	20,769,030

¹ From 5th October 2007 to 31st December 2007.

² To 31st August 2010.

³ The net asset value per share is calculated on a bid basis and excludes any distribution payable.

TOTAL EXPENSE RATIO (TER)

28/02/10

2.35%

The TER shows the annual operating expenses of the sub-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 of different schemes. The TER for income and accumulation shares is the same.

PORTFOLIO TURNOVER RATE (PTR)

28/02/10

106.55%

The PTR is a ratio that reflects the volume of trading within the sub-fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Pennine Pathfinder Fund is to provide medium to long term growth from a portfolio of global investments.

The investment policy of the sub-fund is to invest mainly in units in collective investment schemes. The sub-fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants, and may invest indirectly in immovable property, typically through units in collective investment schemes and/or shares in property companies.

The sub-fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the sub-fund).

Subject to the above, the sub-fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full prospectus. The sub-fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

INVESTMENT REVIEW

PERFORMANCE

In the period under review, the Pennine Pathfinder Fund returned -1.18%.

MARKET REVIEW

The pendulum of investor sentiment has continued to swing back and forth from optimism to pessimism this year as leading economic indicators point to mixed outcomes. Compared to the West, Asia and Emerging Markets have stronger economic growth and continue to provide support to global growth. However, the threat of deflation in the West is causing investor anxiety in an environment where equities look cheap against low yielding government bonds and cash deposits.

This year started in a similar fashion to last, with global equities rising early on driven by further evidence of a sustainable global economic recovery. However, it was not to be a smooth ride for equity markets. There was a sell off which ended mid February as anxiety increased over the Greek's sovereign debt, coupled with President Obama's proposals for tighter banking regulation and China draining liquidity to slowdown an overheated property market. Many of these issues remained unsolved as equities then rallied at an unstoppable pace for the next ten weeks.

Then, mid April, the market was taken by surprise with the shock announcement that Securities & Exchange Commission (SEC) was investigating Goldman Sachs over allegations of fraud in the sale of sub prime products. Meanwhile, Greece came under increasing pressure to agree to a package of severe austerity measures to reduce their growing deficit in exchange for assistance from other European Union (EU) members and the International Monetary Fund (IMF). The reluctance of such an agreement caused uncertainty and pressure on the euro, which weakened against the US dollar. A strong US dollar was not good news for

PENNINE PATHFINDER FUND

an economy which had based a strong and sustainable recovery upon exports.

June was a tough month. After a relief rally from the late May lows, investors began to worry about the possibility of a "double dip" recession, whilst bond markets feared that a Japanese style deflation was now in the offering. The decline in yields of both US and UK 10 year government bond debt was fairly dramatic - it caught many investors by surprise. The US authorities are determined to avoid deflation, and more recently, risk assets have risen on the prospects that policy makers will turn once again to further quantitative easing. The reflation trade was initially funded by enormous amounts of government debt, which should have suggested much higher inflation in the future. However, the reaction of government bond yields today would suggest otherwise.

PORTFOLIO ACTIVITY

In our opinion, market volatility is set to continue for the short to medium term. Our current approach is therefore to maintain an even spread between risk assets and defensive assets, any changes have been marginal. In early April, we switched our exposure to Oil and Gold, via Exchange Traded Funds (ETFs), into Investec Global Energy and BlackRock Gold & General. Both commodities had performed well respective to companies involved in energy and gold mining. In June we began to sell Cazenove ARF UK Dynamic after the fund manager's departure and switched the proceeds into listed fund of hedge funds, BlueCrest AllBlue. This multi strategy fund is managed internally and has created an impressive track record which we believe is sustainable. At the end of the period, we bought into JPMorgan Global Consumer Trends, a global fund managed by Peter Kirkman, which looks to profit from the changing appetite of the consumer in both the West and the Emerging Markets.

Turning to the bond markets, we have been surprised by the strength of UK Gilts, where yields have fallen further as the UK has been seen as a relative safe haven for international investors when compared with many of the countries within the Eurozone. However, we believe this is unlikely to continue and our focus within this asset class is on absolute return funds such as the JPMorgan Income Opportunities fund, which invests globally and is able to protect against the downside, should yields rise as developed nations seek to finance their huge budget deficits.

OUTLOOK

Following the reflation of the global economy, financial markets are now at a tipping point. The expansion of global governments' quantitative easing programmes have now ended, marked by the April peak in equity markets. Investors are trying to gauge whether the momentum is sufficient to carry vulnerable economies out of recession in a low growth environment, or whether they will slip back into a double dip recession. The global macro environment continues to be fraught with dangers but interest rates remain low, there is little sign of inflation, growth forecasts remain reasonable and many companies have strong balance sheets and continue to surprise on the upside.

Source: North Investment Partners, September 2010. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
iShares FTSE 100	1,110	iShares S&P 500	550
Thames River Credit Select	803	Gold Bullion 0%	
JPMorgan Income Opportunity	781	Undated Notes	543
Martin Currie Japan Alpha H	779	First State Asia Pacific	
AXA Framlington UK		Leaders 'B'	400
Select Opportunities	600	Martin Currie Japan Alpha 'B'	379
JPMorgan Global Consumer		ETFs Oil Securities	363
Trends	600	Goldman Sachs Dividend-Linked Equity Income Portfolio	329
Absolute Insight UK		Neptune European	
Equity Market Neutral B2P	479	Opportunities 'B'	273
iShares FTSE 250	477	Cazenove Absolute UK	
Investec Global Energy 'A'	448	Dynamic	266
BlackRock Gold & General	429	Barclays Simple '543' 0%	
		NTS 27/06/2013	257
		Goldman Sachs Put	
		Warrants 30/09/10	184
Total purchases during the period were	7,345	Total sales during the period were	3,803

PENNINE PATHFINDER FUND

PORTFOLIO OF INVESTMENTS

As at 31st August 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 64.48% (56.66%)				EXCHANGE TRADED FUNDS 9.23% (11.57%)			
China 3.02% (3.63%)				Asia 1.66% (1.89%)			
166,670	First State Greater China Growth 'B'	628	3.02	14,222	iShares MSCI Emerging Markets	345	1.66
		628	3.02			345	1.66
Europe 9.74% (6.93%)				North America 0.29% (3.50%)			
282,000	Insight Liquidity	282	1.36	9,000	iShares S&P 500	61	0.29
7,614	JPMorgan Income Opportunity	788	3.79			61	0.29
100,896	Neptune European Opportunities 'B'	307	1.48	United Kingdom 7.28% (6.18%)			
1,636,113	Premier Pan European Property Share Fund	645	3.11	206,918	iShares FTSE 100	1,065	5.13
		2,022	9.74	46,520	iShares FTSE 250	446	2.15
Far East 6.88% (9.75%)						1,511	7.28
14,911	Atlantis China Fortune	22	0.11	HEDGE FUNDS 5.52% (4.63%)			
34,982	Chirin Asia Absolute Alpha 'I'	383	1.84	Global 5.52% (4.63%)			
322,129	First State Asia Pacific Leaders 'B'	1,023	4.93	296,000	BlackRock Hedge Selector UK Emerging Companies	324	1.56
		1,428	6.88	78,204	Thames River Credit Select	822	3.96
Global 11.75% (9.06%)						1,146	5.52
208,700	Allianz RCM BRIC Stars 'C'	352	1.69	INVESTMENT TRUSTS 6.85% (7.14%)			
57,720	BlackRock Gold & General	801	3.86	Asia 0.80% (0.87%)			
323,027	Investec Global Energy 'A'	668	3.22	79,000	Invesco Asia	106	0.52
581,015	Legal & General Dynamic Bond 'I'	383	1.84	15,800	Invesco Asia Sub Shares	3	0.01
173,533	PSource Structured Debt	70	0.34	30,000	Schroder Asia Pacific	57	0.27
33,167	Quorum Oil and Gas Technology	167	0.80	6,000	Schroder Asia Pacific Subscription	1	-
		2,441	11.75			167	0.80
Japan 1.46% (2.10%)				Global 4.96% (5.06%)			
158,231	AXA Framlington American Growth	304	1.46	40,800	BlackRock World Mining	230	1.11
		304	1.46	368,697	BlueCrest Allblue	614	2.96
North America 3.51% (1.76%)				167,806	Cazenove Absolute Equity	178	0.86
736,912	Martin Currie Japan Alpha 'H'	730	3.51	37,928	CQS RIG Finance	7	0.03
		730	3.51			1,029	4.96
United Kingdom 28.12% (23.43%)				Property 1.09% (1.21%)			
896,771	Absolute Insight UK Equity Market Neutral B2P	982	4.72	181,304	Enhanced Property Recovery	111	0.53
506,466	Artemis Income 'I'	797	3.84	75,000	MedicX	53	0.26
535,825	Artemis Strategic Assets 'I'	311	1.50	104,000	Terra Catalyst*	63	0.30
60,000	AXA Framlington UK Select Opportunities	605	2.91			227	1.09
410,000	F&C UK Property Fund	402	1.94	STRUCTURED PLANS 6.18% (8.70%)			
230,768	FRM Credit Alpha	157	0.76	United Kingdom 6.18% (8.70%)			
460,150	Gartmore UK Absolute Return 'I'	502	2.42	699,000	Goldman Sachs Certificates 20/11/14	537	2.59
329,222	Investec Enhanced Natural Resources	384	1.85	512,000	Goldman Sachs Emerging Markets 25/06/12	547	2.63
588,993	JPMorgan Global Consumer Trends	583	2.81	12,600,000	Goldman Sachs International 3 Year Certificates Linked to GBP 10 Year SWAP due 12/06/12	13	0.06
640,583	Legal & General Growth Trust	328	1.58	186,432	Goldman Sachs Sterling Liquid Reserves	186	0.90
141,032	M&G Optimal Income 'I'	172	0.83			1,283	6.18
1,441,593	Schroder Income Maximiser 'A'	617	2.96	Total Value of Investments			
		5,840	28.12			19,546	94.11
EQUITY 1.85% (3.92%)				Net Other Assets			
United Kingdom 1.85% (3.92%)						1,223	5.89
190,000	Better Capital Ltd	210	1.01	Total Net Assets			
151,391	HSBC Infrastructure	174	0.84			20,769	100.00
		384	1.85				

Figures in brackets represent sector distribution at 28th February 2010.
*Securities held on the Alternative Investment Market (AIM).

PENNINE PATHFINDER FUND

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(136)		1,938
Revenue	160		124	
Expenses	(178)		(112)	
Finance costs: Interest	-		-	
Net (expense)/revenue before taxation	(18)		12	
Taxation	(4)		(5)	
Net (expense)/revenue after taxation		(22)		7
Total return before distributions		(158)		1,945
Finance costs: Distributions		-		(7)
Change in net assets attributable to shareholders from investment activities		<u>(158)</u>		<u>1,938</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		17,991		11,065
Amounts receivable on issue of shares	3,916		2,134	
Amounts payable on cancellation of shares	(977)		(623)	
		2,939		1,511
Dilution levy		-		1
Stamp duty reserve tax		(3)		(2)
Change in net assets attributable to shareholders from investment activities		(158)		1,938
Retained distributions on accumulation shares		-		8
Closing net assets attributable to shareholders		<u>20,769</u>		<u>14,521</u>

¹Opening net assets attributable to shareholders for current period differs from the comparative period closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	<u>19,546</u>	<u>16,664</u>
Debtors	125	412
Cash and bank balances	<u>1,257</u>	<u>1,569</u>
Total other assets	<u>1,382</u>	<u>1,981</u>
Total assets	<u>20,928</u>	<u>18,645</u>
LIABILITIES		
Creditors	(81)	(623)
Bank overdrafts	<u>(78)</u>	<u>(31)</u>
Total liabilities	<u>(159)</u>	<u>(654)</u>
Net assets attributable to shareholders	<u>20,769</u>	<u>17,991</u>

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

DISTRIBUTION TABLE

For the period from 1st March 2010 to 31st August 2010

Expenses exceeded revenue during the period, as a result no distributions were paid.

The Pennine Fund

Administration Queries

Premier Portfolio Managers Limited
PO BOX 55736,
50 Bank Street, Canary Wharf,
London E14 1BT
Tel: 0845 605 63 63

Further Information

Premier Portfolio Managers Limited
Eastgate Court, High Street,
Guildford, Surrey GU1 3DE
Tel: 01483 306 090
Fax: 01483 300 845
email: enquiries@premierfunds.co.uk
Web: www.premierassetmanagement.co.uk

This document is issued by:

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

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 of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is an 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 the future. 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. Exchange rates will also cause the value of underlying investments to fall or rise. Tax concessions are not guaranteed and may be changed at any time; their value will depend on your individual circumstances. For your protection when dealing, your call may be recorded and monitored. 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. Large print documents are available on request from the above Guildford address.



Pennine