

The Pennine Dynamic Fund - a sub-fund of the Pennine Fund

Short Report for the period from 5th October 2007 (launch date) to 28th February 2009

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 Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Pennine Fund website at www.thepenninefund.co.uk

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 Fund invests predominantly in units in collective investment schemes. The long-term capital growth objective may lead to the Fund maintaining a weighting of equity based collective investment schemes. The 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 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 Fund). The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Fund Facts

Launch date:	5th October 2007
Ex-dividend dates:	28th February and 31st August
Income dates:	30th June and 31st October

Total Expense Ratio (TER)

28/02/2009

3.17%

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.

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Accumulation	72.63

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 ¹	Accumulation	102.01	96.33
2008	Accumulation	101.18	72.56
2009 ²	Accumulation	77.97	72.79

¹ From 5th October 2007 to 31st December 2007

² To 28th February 2009

Past performance is not an indication of future returns

Investment Risks

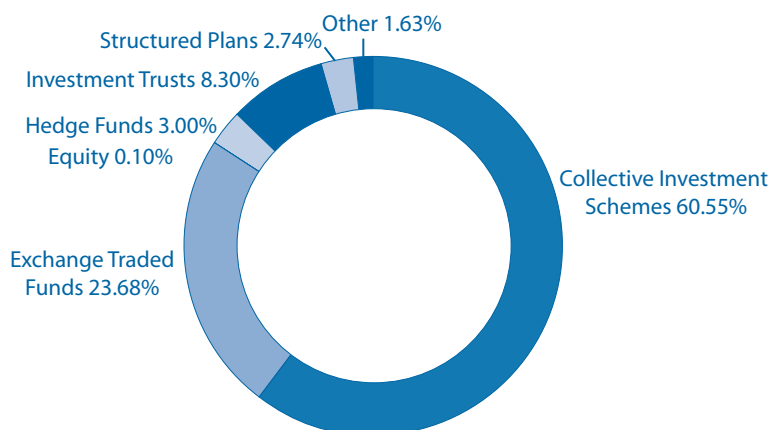
There is a market risk. This is the risk that the value of investments and any income from them, can fall as well as rise. Neither capital nor income is guaranteed.

This Fund may invest in derivatives for investment purposes. Although this may mean that the value of the Fund could be subject to volatility from time to time, investing in derivatives is not expected to alter the risk profile of the Fund.

The Fund may have significant holdings in collective investment vehicles and these collective investment vehicles may also be subject to the other risks listed on this page.

Since this Fund has been launched recently, or is small in size, there is a risk that the charges and expenses allocated to the Fund may be higher than expected if the fund does not grow as much as planned. This would have an effect on the Fund's performance.

Asset Allocation as at 28/02/2009



Top Ten Holdings as at 28/02/2009

iShares FTSE 100	15.55%
Insight Liquidity Class 5	12.83%
Goldman Sachs Sterling Liquid Reserves Institutional	12.17%
M&G Optimal Income	10.85%
Invesco Perpetual Corporate Bond No Trail	9.97%
iShares S&P 500	4.14%
Goldman Sachs International Certificates Linked to FTSE 100	1.80%
Quorum Oil & Gas Technology	1.78%
FRM Credit Alpha	1.75%
Chirin Asia Absolute Alpha 'I'	1.67%

No prior year figures are available as this is the 1st Annual Short Report.

The Pennine Dynamic Fund - a sub-fund of the Pennine Fund

Short Report for the period from 5th October 2007 (launch date) to 28th February 2009

Investment Review

Performance

The financial system faced almost a collapse in 2008. This one factor lies behind the negative portfolio returns over the period under review. We, like many others, did not anticipate nor predict the credit crisis which followed the bankruptcy of Lehman Brothers. The decision by the authorities to allow this failure caused credit quality to be immediately reassessed and all risk assets to plunge in the final quarter of last year. Against this backdrop, the Pennine Dynamic Fund fell by 27.37% over the accounting period.

Portfolio Activity

The portfolio is diversified with the aim to offset equity exposure through investing in other asset classes such as cash, commodities, property, private equity and absolute return strategies. We raised cash from equities pre the Lehman Bankruptcy in early September and felt that the rest of the portfolio would be protected by the diversification in the portfolio. However in this perfect storm, all asset classes plunged as investors deleveraged their portfolios at any price. We were not amongst those investors who were forced to sell quality assets at deeply discounted prices, but certainly suffered as a result. Much of the recent activity has been restructuring the portfolio to adjust for a recession and a period of falling inflation. In the absence of private capital, Governments have stepped in to significantly increase money supply. This action, known as the reflation trade, supports bond prices and we have increased our corporate bond weighting through buying Invesco Perpetual Corporate Bond and M&G Optimal Income. We have also been rebuilding our exposure to risk assets, equities in particular. There is no haste here as we increase exposure via Exchange Traded Funds, iShares FTSE 100 being the investment vehicle of choice.

Outlook

The economic and corporate news continues to be bleak both here in the UK and around the world. Governments and central banks have been throwing liquidity at the financial markets in order to reflate the economy. Investors fear a depression rather than a severe recession and are desperate to see evidence of the stimulus beginning to work. However, it is well known that economic data is a lagging indicator and there is a tendency for equities to recover before such evidence is reported. Deleveraging has slowed and the credit markets are slowly beginning to function once more. It takes time to restore investor confidence but we believe that the portfolio is well positioned to capture a recovery in the financial markets.

Source: North Investment Partners, March 2009. 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 Report & Accounts, which is available on request, or from the Pennine Fund website at www.thepenninefund.co.uk

Noteable Changes

On 14th August 2008, shareholders approved an amendment to the Investment Policy to allow the use of derivatives for investment purposes.

Other Information

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

Auditors: **Grant Thornton UK 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 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 www.premierassetmanagement.co.uk



Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and 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 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. 2906095741