

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

Interim Short Report for the period from 1st March 2009 to 31st August 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 Pathfinder Fund is to provide medium to long term growth from a portfolio of global investments.

The Fund invests mainly in units in 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

2.28%

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.

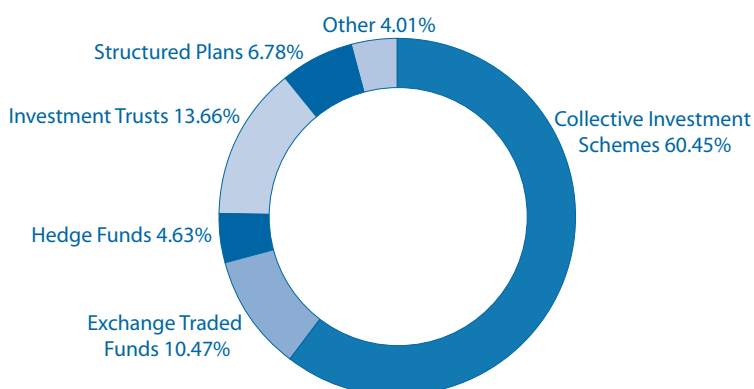
Portfolio Turnover Rate (PTR)

28/02/2009

76.86%

The PTR is a ratio that reflects the volume of trading within the 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 Fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

Asset Allocation as at 31/08/2009



Top Ten Holdings as at 31/08/2009

M&G Optimal Income	7.27%
Insight Liquidity Class 5	5.73%
Goldman Sachs Sterling Liquid Reserves Institutional	5.06%
First State Asia Pacific Leaders 'B'	4.84%
Invesco Perpetual Corporate Bond	4.66%
Legal & General Dynamic Bond 'I'	4.48%
Premier Pan European Property Share Fund	4.30%
Schroder Income Maximiser 'A'	4.28%
iShares S&P 500	3.84%
Goldman Sachs International 3 year certificates 26/06/2012	3.52%

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.

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 ¹	Income	101.22	98.41
	Accumulation	101.22	98.42
2008	Income	102.34	80.59
	Accumulation	102.32	81.02
2009 ²	Income	94.24	78.83
	Accumulation	94.81	79.46

¹ From 5th October 2007 to 31st December 2007 ² To 31st August 2009
Past performance is not an indication of future returns

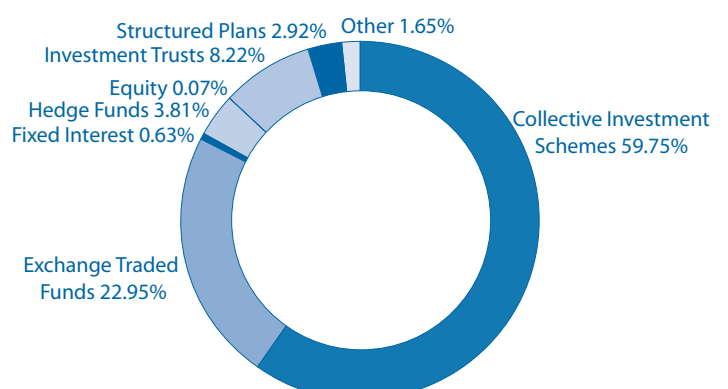
Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Income	80.72
	Accumulation	81.26
31/08/2009	Income	93.84
	Accumulation	94.53

Dividend Distribution (in pence per share)

XD Date	Pay Date	Share Class	Distribution
31/08/2009	31/10/2009	Income	0.0607
		Accumulation	0.0612

Asset Allocation as at 28/02/2009



Top Ten Holdings as at 28/02/2009

Goldman Sachs Sterling Liquid Reserves Institutional	12.99%
Insight Liquidity Class 5	11.61%
M&G Optimal Income	11.18%
iShares FTSE 100	10.40%
Invesco Perpetual Corporate Bond	10.33%
iShares S&P 500	6.34%
Barclays Simple '543' 0% NTS 27/06/2013	2.93%
Quorum Oil & Gas Technology	2.22%
Gold Bullion 0% Undated Notes	2.02%
FRM Credit Alpha	1.99%

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Investment Review

Performance

The world's financial markets have staged a remarkable and dramatic rebound over the last six months with investor confidence improving significantly from the extreme lows in March. The global financial system which faced near collapse in late 2008 has been rescued by the concerted efforts of governments and central banks worldwide. With interest rates down to historic lows and unprecedented fiscal stimulus, liquidity has flooded the markets. In this environment, investors' appetite for risk assets has returned once more. Against this backdrop, the Pennine Pathfinder Portfolio rose by 16.03% for the period under review.

Portfolio Activity

After a broad market rally, we believe dispersion in sectors and individual stocks will reappear. A market which is willing to reward winners will suit the active fund managers. As such we have begun to sell down our holdings in index tracking Exchange Traded Funds in favour of active stock pickers. We sold iShares FTSE 100 Index to buy Schroder Income Maximiser, a fund which can also provide downside protection in falling markets. This theme has been carried into overseas markets and we have invested in Axa Framlington American Growth Fund. This fund has been managed for over a decade by Stephen Kelly who has a focus on growth and quality. Our fixed interest holdings have also been reviewed and we made the switch from corporate bond to strategic bond funds. Funds such as Legal & General Dynamic Bond Trust and M&G Optimal Income allow experienced fund managers to tactically asset allocate across all bond sectors. Finally we have added some new names to absolute return holdings, Artemis Strategic Assets and Absolute Insight UK Equity Neutral Fund.

Outlook

There are signs of the emergence of more stable economic data and the markets are no longer anticipating a depression or a slump but rather a severe recession. Whilst many investors have decided that the fiscal and monetary stimulus will eventually succeed in leading to a recovery, the question now is how sustainable is this recovery when the economic fundamentals remain poor? Unemployment continues to rise against a background of high levels of indebtedness amongst the government, businesses and households. The fact that corporate earnings continue to surprise is more a reflection of the behavior of analysts who have swung from too optimistic to overly pessimistic in less than a year. For now corporate earnings are being driven more by cost cutting than sales or revenue growth. However, we believe that we have seen the worst in terms of this economic slowdown and that next year will see the beginnings of a recovery. Interest rates will stay low for now and short term the risk is deflation rather than inflation. In this environment we continue to favour equities and corporate bonds.

Source: North Investment Partners, September 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

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

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Administrators & Registrar: **Northern Trust Global Services Limited**, PO Box 55736, 50 Bank Street, Canary Wharf, London E14 1BT

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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. 2610095972