

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

Short Report for the period from 1st March 2009 to 28th February 2010

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). Subject to the above, the 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 Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Portfolio Turnover Rate (PTR)

28/02/2010
106.55%

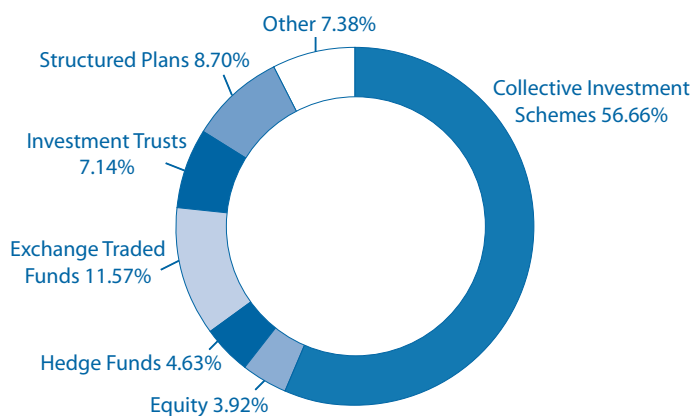
The PTR is a ratio that reflects the volume of trading within the Fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the Fund's shares and is expressed as a percentage of the sub-fund's average net asset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

Total Expense Ratio (TER)

28/02/2010
2.35%

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.

Asset Allocation as at 28/02/2010



Top Ten Holdings as at 28/02/2010

First State Asia Pacific Leaders 'B'	7.31%
Artemis Income 'I'	4.42%
Goldman Sachs Certificates 20/11/14	3.84%
First State Greater China Growth 'B'	3.63%
Premier Pan European Property Share Fund	3.61%
iShares S&P 500	3.50%
Schroder Income Maximiser 'A'	3.46%
Neptune European Opportunities 'B'	3.32%
JPMorgan Income Opportunity	3.00%
Goldman Sachs International 3 Year Certificates	2.97%

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.

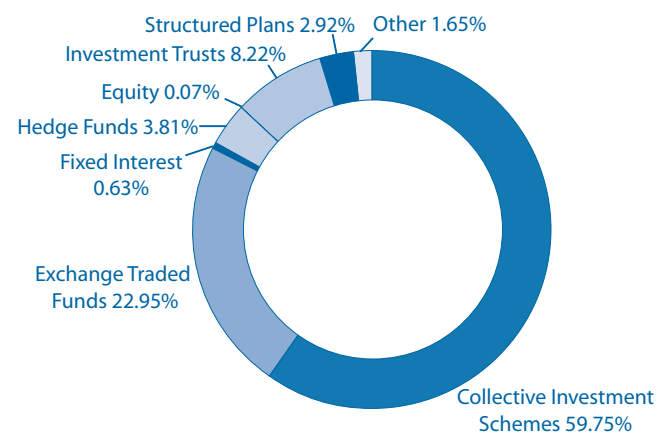
Fund Facts

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

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Income	80.72
	Accumulation	81.26
28/02/2010	Income	100.57
	Accumulation	101.25

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 last decade was far from good for long term equity investors but the final six months did provide investors with some cause for renewed optimism. Global equities continued to rise, supported by improving economic fundamentals and corporate earnings surprise. There remains some concerns about what lies on the horizon for stock markets as pessimists question whether these earnings surprises have been driven by cost cutting rather than growth in sales. However for now, we find ourselves in equity friendly waters. Against this backdrop, the Pennine Pathfinder Fund rose by 24.27% in the period under review.

Portfolio Activity

With evidence of the global economic recovery, we continued to move away from our stance of capital preservation over the period. This has resulted in a reduction in cash and increasing our favoured long term growth markets. In a momentum driven market, there have been very few opportunities to buy at cheap prices and we have resisted any temptation to chase prices. Holdings in First State Asian Leaders and Allianz BRIC Stars were increased along with the introduction of AXA Framlington American Growth, a fund that has a bias to the technology sector. As the economic recovery continues, investors are increasingly turning their attentions to the exit strategy and the growing debt burden. This will eventually mean higher bond yields and we have reduced our weightings in Invesco Perpetual Corporate Bond, Legal & General Dynamic Bond and M&G Optimal Bond funds.

Outlook

The outlook remains supportive for equities although there are naturally a number of longer and shorter term fears that may upset this environment. Longer term concerns, particularly with regard to monetary policies and the exit strategy of central banks, remain at the forefront. Another spike in oil prices could accelerate the still present fears of a double dip recession, but for now, the price remains within a certain range. Despite these fears, it would be a mistake to sit on the sidelines. Equities are still in a sweet spot. Company profits are improving and interest rates remain low, which underpins the equity story. Developed economies, in particular, could deliver surprisingly strong growth in 2010, coming off a low base, which should boost commodity prices and the technology sector. The year ahead may look better for the global economy but there is some debate about how much of this is already priced in. If it is, then equities markets, particularly in developed markets, may move sideways and the money will be made through the stock picking skills of individual managers rather than through any major market calls. We also face the prospect of interest rate hikes on the horizon, coupled with a decline in what was abundant liquidity in 2009. This too could prove challenging for investors and we proceed with cautious optimism. We are aware that the economic recovery we continue to see remains quite fragile, as does investor confidence.

Source: North Investment Partners, March 2010. 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.

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
28/02/2010	30/06/2010	Income	-
		Accumulation	-

Expenses exceeded revenue during 2010, as a result no distributions were paid.

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	Income	100.64	78.83
	Accumulation	101.32	79.46
2010 ²	Income	102.64	97.94
	Accumulation	103.33	98.60

¹ From 5 October 2007 to 31 December 2007

² To 28 February 2010

Past performance is not an indication of future returns

Other Information

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

Auditor: **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

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