

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

Short Report for the Interim period from 1 March 2011 to 31 August 2011

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). 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).

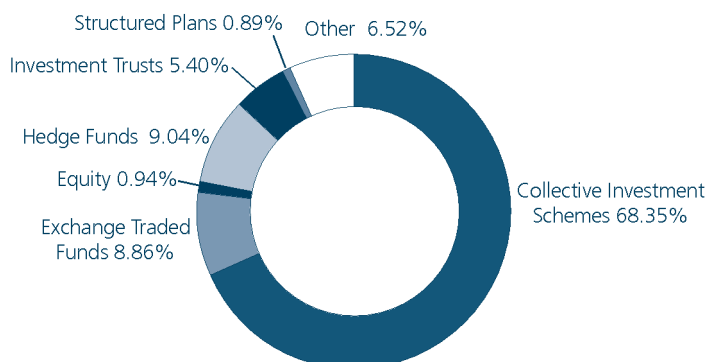
Total Expense Ratio (TER)

28/02/2011

2.67%

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.

Asset Allocation as at 31/08/2011



Top Ten Holdings as at 31/08/2011

AXA Framlington UK Select Opportunities	5.95%
Absolute Insight Credit Fund	5.85%
Martin Currie Japan Alpha 'B'	4.80%
Jupiter Japan Income Hedged 'I'	4.72%
Scottish Widows In Strategic Bond 'B'	4.39%
JO Hambro UK Equity Income	4.35%
Artemis Income 'I'	4.33%
Investec Enhanced Natural Resources	3.92%
First State Asia Pacific Leaders 'B'	3.77%
iShares FTSE 250	3.75%

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.

Fund Facts

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

Performance Record

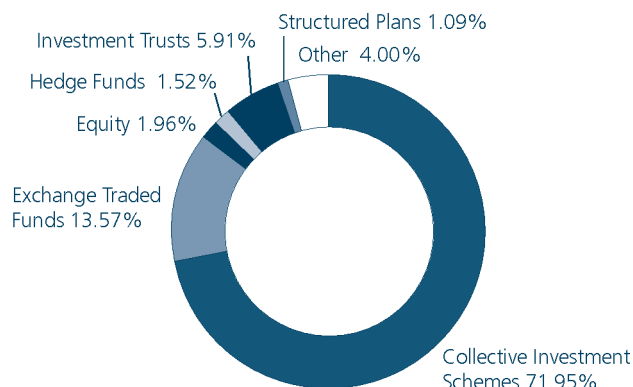
Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 ¹	Accumulation	102.01	96.33
2008	Accumulation	101.18	72.56
2009	Accumulation	91.81	70.90
2010 ²	Accumulation	102.19	88.82
2011 ²	Accumulation	103.59	91.29

¹ From 5 October 2007 to 31 December 2007.

² To 31 August 2011.

Past performance is not an indication of future returns.

Asset Allocation as at 28/02/2011



Top Ten Holdings as at 28/02/2011

AXA Framlington UK Select Opportunities	.6.92%
Martin Currie Japan Alpha 'H'	.6.22%
Investec Enhanced Natural Resources	.5.47%
JO Hambro UK Equity Income 'I'	.5.36%
Artemis Income 'I'	.5.13%
iShares FTSE 250	.4.56%
First State Asia Pacific Leaders 'B'	.4.04%
iShares FTSE 100	.4.01%
Neptune European Opportunities 'B'	.3.98%
JPMorgan Global Consumer Trends	.3.92%

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

Short Report for the Interim period from 1 March 2011 to 31 August 2011

Investment Review

Performance

Over the six month period, the Pennine Dynamic Fund fell by 6.3%.

Portfolio Activity

Fund selection within equities was broadly a positive contributor to relative performance. Holdings in Asia ex Japan performed exceptionally well with Schroder Asia Total Return and First State Asia Pacific Leaders posting positive returns despite the MSCI AC Asia ex Japan Index falling by 3.2%. The funds returned 7.0% and 3.2% respectively. AXA Framlington American Growth performed well in difficult markets, only falling 4.7% versus the 7.6% decline in the S&P 500 Index. Fixed interest fund selection proved a negative contributor to relative returns as underlying managers favoured corporate bonds over sovereign debt. Despite already offering scant value, sovereign bonds enjoyed another strong period and significantly outperformed corporate bonds.

The entire position in John Laing Infrastructure was sold as the price of this listed infrastructure fund moved to a significant premium to its net asset value. Following strong performance, the entire holding in Investec Global Energy was sold during the first half of the period, whilst Investec Enhanced Natural Resources was also trimmed. The proceeds were not initially re-invested as we looked to build cash levels on the back of mounting macro headwinds.

We significantly increased our weighting in Japan through the purchase of Jupiter Japan Income. The decision was based on compelling valuations and the belief that earnings forecasts had become too depressed following the tragic earthquake. Exposure to the US was also increased via the Threadneedle American Extended Alpha fund. These increases were financed through the disposal of the JPMorgan Global Consumer Trends and Allianz BRIC funds and a partial sale of the iShare MSCI Emerging Markets.

Towards the end of the period some of the cash position was re-invested in the Absolute Insight Credit and the Muzinich Short Duration High Yield funds.

Outlook

Although the odds of the global economy slipping back into recession have mounted in recent months, we do not subscribe to the double-dip scenario. Whilst growth in the developed world is likely to be anaemic, growth in the emerging nations is set to remain robust, especially as inflation slows and governments can begin to loosen policy after a period of tightening. We also expect policy makers in the developed world to remain accommodative and believe there is a good chance we will see further Quantitative Easing in both the UK and US.

The recent slowdown in global manufacturing has undoubtedly been influenced by supply side issues arising from the tragic events in Japan, a sharp spike in the oil price and also political instability. A sharp fall back in commodities witnessed in recent weeks combined with Japanese

production coming back on-line should help support growth in the second half of the year. With yields on the perceived 'safe-havens' of gilts and treasuries near record lows and offering negative real returns, we continue to see good quality equities and parts of the corporate bond market as offering far more attractive risk/reward characteristics than sovereign debt.

Source: North Investment Partners, September 2011. 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

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2010	Accumulation	91.55
28/02/2011	Accumulation	100.28
31/08/2011	Accumulation	93.91

Dividend Distribution (in pence per share)

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

Important Information

The Royal Bank of Scotland Group plc transferred its Trustee and Depositary Services to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as Depositary of the Fund on 30 September 2011.

On 31 July 2011, KPMG Audit Plc replaced Grant Thornton UK LLP as auditor to The Pennine Fund.

Other Information

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

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

Depositary: **KPMG Audit Plc**
15 Canada Square
Canary Wharf,
London, E14 5GL

Administrator & 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. Premier Portfolio Managers Ltd and Premier Fund Managers Ltd are ISA managers and members of the Premier Asset Management Marketing Group, authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Ltd is 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.