

The Pennine Dynamic Fund



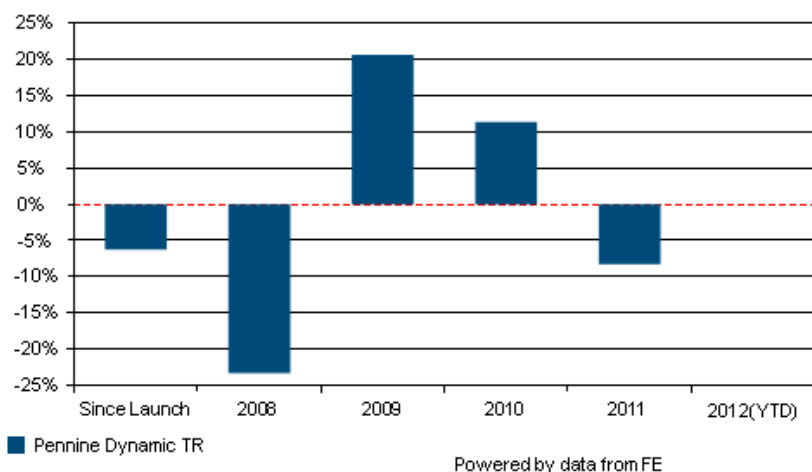
| Fund Strategy |

- The Fund adopts a truly multi asset approach to investing, looking beyond the traditional portfolio asset classes of equities, bonds and cash to include alternatives such as absolute return strategies, structured products, private equity, commodities and property.
- We believe equities are the key driver of long term performance for an investment portfolio. By utilising other asset classes that display low or no correlation to equities, within an actively managed portfolio, we are able to offer investors a percentage of the upside that long term equity investing offers whilst significantly reducing the inevitable short term volatility associated with this asset class.
- We are aiming to achieve a positive return regardless of the prevailing market conditions. The Fund offers the potential for some downside protection during periods of volatility in global equity markets, ensuring a smoother ride in pursuit of long term growth.
- The Fund Manager is fully aware of the characteristics and demands of the types of investor to whom this Fund might be appropriate, namely equity investors willing to sacrifice some return for a smoother short term ride and those investors seeking the potential for protection from the vagaries of global equity markets.

| Fund Objectives |

To provide long-term capital growth from a portfolio of global investments.

Performance Record



Discrete Annual Performance (%)

| Share Type | 2012(YTD) | 2011 | 2010 | 2009 | 2008 |
|--------------|-----------|------|------|------|-------|
| Accumulation | - | -8.2 | 11.4 | 20.6 | -23.3 |

Discrete Annual Performance to Quarter End 31 December 2011 (%)

| Share Type | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 | 31/12/2006 |
|--------------|------------|------------|------------|------------|------------|
| | 31/12/2011 | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 |
| Accumulation | -8.2 | 11.4 | 20.6 | -23.3 | - |

Cumulative Performance to 31 December 2011 (%)

| Share Type | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|--------------|----------|----------|--------|---------|---------|
| Accumulation | 1.8 | -7.4 | -8.2 | 23.3 | - |

Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested.

Source: Financial Express. 11/01/2012

| Key Facts |

| | |
|---------------------|-------------------------|
| Fund Size: | £7.2m |
| Launch Date: | 5 October 2007 |
| Benchmark: | Libor + 5% over 5 years |
| Sector: | IMA Unclassified |

| Top 10 Holdings |

| | % |
|-------------------------------------|--------------|
| Cash | 10.90 |
| JUPITER UT MNGRS GROWTH & INCOME I | 7.65 |
| AXA FRAMLINGTON UN UK SELECT OPPOR | 6.14 |
| ABSOLUTE INSIGHT F CREDIT B1P ACC N | 5.51 |
| CAPITA FINL MNGRS LINDSELL TRAIN UK | 5.48 |
| CATCO REINSURANCE ORD USD0.0001 C S | 5.29 |
| CAPITA FINL MNGRS ECLECTICA CF ABS | 4.89 |
| BLACKROCK AM UK UK INCOME D INC | 4.60 |
| SWIP STRATEGIC BOND B INC | 4.32 |
| MARTIN CURRIE UT JAPAN ALPHA B | 3.94 |
| TOTAL | 58.72 |

| Asset Allocation |

| | % |
|-----------------|------|
| Global Equity | 32.8 |
| UK Equity | 23.9 |
| Corporate Bond | 12.9 |
| Cash | 10.9 |
| Absolute Return | 6.2 |
| Specialist | 5.3 |
| Commodity | 5.2 |
| Private Equity | 1.8 |
| Property | 1.1 |

| Equity Geographical Breakdown |

| | % |
|-------------------------|-----|
| USA | 8.1 |
| Japan | 7.8 |
| Asia | 7.2 |
| Global Emerging Markets | 4.8 |
| Europe | 3.0 |
| Global Other | 1.8 |

The Pennine Dynamic Fund



Fund developments and comments

Pennine Dynamic Fund, Investment Manager - John Husselbee



December saw the conclusion of yet another 'emergency summit' by Eurozone leaders. Despite repeated disappointments following previous summits, markets yet again gave politicians the benefit of the doubt, with risk assets moving higher in the lead up to the meeting. Somewhat predictably, it turned out to be another case of 'buy the rumour', 'sell the fact'. Although the latest plan included a commitment by 26

European Union (EU) Nations (the UK opted out) toward a greater fiscal unity, once again limited detail was provided how the mechanics would work in practice.

Following the initial disappointment that greeted the results of the EU Summit, equity markets gradually moved higher toward month end, albeit on very thin volumes. While the UK, US and European markets all posted positive gains, Emerging Markets continued to lag.

Gilt yields continued to fall as the bond market remained on 'red alert' over the events unfolding in the Eurozone. Improved US economic data has not been enough to stop safe-haven buying in gilts, bunds and treasuries. Credit enjoyed a good month, with high yield the strongest performer.

Portfolio Commentary

Firming of US economic data alongside increased optimism over a possible solution to the Eurozone crisis has seen equities bounce back in the past six weeks. The rally had been led by western developed markets, in particular the US. Conversely, equity markets in Japan and the emerging nations have been slightly left behind. This has had a short term impact on relative fund performance as we remained slightly overweight these regions.

While a commitment to a greater fiscal union has been agreed in principal and action has been taken to unfreeze European credit markets, we remain concerned the risks in Europe lie to the downside. We are happy to take equity risk in good quality, cash generative companies and also in deep value situations such as those found in Japan and parts of Asia. Conversely, we have and are looking to trim exposure to parts of the equity market which have become fully valued. Over the month, exposure to equities was scaled back slightly

Outlook

We enter 2012 with a fairly cautious tone. The hurdles facing the global economy should not be underestimated and with many asset prices appearing fully valued, the risks appear to lie to the downside. The good news is there are pockets of genuine value, in certain cases extremely good value. We have positioned the fund in order to benefit from a re-rating in these assets, while at the same time also exploring alternative investments to provide the fund with much needed diversification in the current environment.

Fund Information

| | |
|--------------------------|--|
| Annual Management Charge | 1.50% |
| Initial Charge | 5.55% |
| Accounting Dates | 28 Feb, 31 Aug |
| Payment Dates | 30 Jun, 31 Oct |
| Valuation Point | 12 noon, daily |
| Sedol Code | B23Z492 |
| Share Class | Accumulation |
| Published Price | www.thepenninefund.co.uk |
| ISA eligible | Yes, stocks & shares |
| Min. Investment | £1,000 / £100pm |

Investment Team

I North Investment Partners I

North is an independent, specialist multi manager investment company created to work in partnership with clients, to help deliver bespoke investment solutions. North was launched in August 2005 and quickly established itself as a leading provider of innovative, top performing investment management expertise.

I John Husselbee, Chief Executive I

John Husselbee is Chief Executive of North, where he and his team have fund management responsibility for over £245 million of assets. John has over twenty years' investment experience. Before launching North, John was Director of Multi Manager Investment at Henderson Global Investors, where he was responsible for a full range of mutual fund portfolios and products totalling over £750m. He joined Henderson in 1996 from Rothschilds Asset Management where he was responsible for the launch and ongoing management of their portfolio management service. John is a well respected industry commentator and sits on the selection committee for the prestigious Investment Week Fund Manager of the Year Awards.

This document is 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. Exchange rates can 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, your call may be recorded. Reference to any particular stock or fund is not a recommendation to buy or sell. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus which is available on request. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.