

# The Nevis Fund

Interim Report & Financial Statements (unaudited)

For the period from 26th February 2008 to 31st August 2008

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## MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director ("ACD") and registered office of The Nevis Fund ("the Company"):

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,  
Guildford, Surrey, GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority ("FSA") and is a member of the Investment Management Association ("IMA"). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

**DIRECTORS OF THE ACD:** Mike O'Shea (Chairman)  
Neil Macpherson (Finance Director)  
Simon Weldon (Managing Director, Sales and Marketing)  
Mark Friend (Managing Director, Operations)  
Mike Hammond (IFA Sales Director)

**INVESTMENT ADVISER:** Premier Fund Managers Limited is the Investment Adviser to The Nevis Fund.  
Premier Fund Managers Limited has appointed North Investment Partners Limited as sub-Investment Adviser to the Nevis Conservative Portfolio and the Nevis Growth Portfolio.

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

**AUDITORS:** Grant Thornton UK LLP  
30 Finsbury Square,  
London, EC2P 2YU

**ADMINISTRATORS & REGISTRAR:** Northern Trust International Fund  
Administration Services (UK) Limited and  
Northern Trust Global Services Limited  
PO Box 55736, 50 Bank Street,  
Canary Wharf,  
London, E14 1BT

### COMPANY INFORMATION

The Nevis Fund is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000581 and authorised by the FSA with effect from 26th February 2008. Shareholders are not liable for the debts of the Company. At the period end the Company contained two sub-funds, the Nevis Conservative Portfolio and the Nevis Growth Portfolio.

The Company is a non-UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

### STATEMENT OF ACD AND DEPOSITARY'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE SCHEME

The Open-Ended Investment Companies Regulations 2001 and the FSA's Collective Investment Schemes sourcebook ("the Regulations") require the ACD to prepare accounts for each annual accounting year together with half-yearly reports, which give a true and fair view of the financial position of the scheme as at the end of the period and of the net income and the net gains or losses on the property of the scheme for the period then ended. In preparing the accounts, the ACD is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to 'Financial Statements of Authorised Funds', issued by the IMA in December 2005 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The ACD is responsible for the management of the Fund in accordance with its Instrument of Incorporation, the Prospectus and the Regulations.

The Depositary is responsible for safeguarding the property of the scheme and must take reasonable care to ensure that the scheme is managed by the ACD in compliance with the Regulations and the provisions of the Instrument of Incorporation and Prospectus.

The ACD and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## MANAGEMENT AND ADMINISTRATION

### REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the unaudited financial statements of the Company for the period from 26th February 2008 to 31st August 2008.

The Company is a non-UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

In the future there may be other sub-funds of the Company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the Company.

### DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the Directors of Premier Portfolio Managers Limited.

The image shows two handwritten signatures in black ink. The signature on the left is for Neil Macpherson and the signature on the right is for Mark Friend. Both signatures are cursive and stylized.

Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

28th October 2008

# NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the period from 26th February 2008 to 31st August 2008

	Notes	31/08/08	
		£'000	£'000
Net losses on investments during the period	2		(659)
Income	3	251	
Expenses	4	(176)	
Finance costs: Interest	6	-	
Net income before taxation		75	
Taxation	5	(11)	
Net income after taxation			64
Total return before distributions			(595)
Finance costs: Distributions	6		(132)
<b>Change in net assets attributable to shareholders</b>			<b>(727)</b>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 26th February 2008 to 31st August 2008

	Notes	31/08/08	
		£'000	£'000
<b>Net assets at the start of the period</b>			-
Movements due to sales and repurchases of shares:			
Amounts receivable on issue of shares		29,610	
Less: Amount payable on cancellation of shares		(1,184)	
Stamp Duty Reserve Tax (SDRT)			(1)
Change in net assets attributable to shareholders (see above)			(727)
Retained distribution on accumulation shares	6		129
<b>Net assets at the end of the period</b>			<b>27,827</b>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments			27,166
Debtors	7		903
Cash and bank balances	8		206
<b>Total other assets</b>			<b>1,109</b>
<b>Total assets</b>			<b>28,275</b>
<b>LIABILITIES</b>			
Creditors	10		(171)
Bank overdrafts	9		(248)
Distributions payable on income shares	6		(29)
<b>Total liabilities</b>			<b>(448)</b>
<b>Net assets attributable to shareholders</b>			<b>27,827</b>

The notes on pages 5 to 6 are an integral part of these financial statements.  
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE AGGREGATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies applied are set out in the notes to the financial statements of each of the sub-funds. The aggregated financial statements represent the summation of the financial statements for each of the sub-funds.

### 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000
Non-derivative securities	(659)
<b>Net losses on investments</b>	<b>(659)</b>

### 3. INCOME

	31/08/08 £'000
Bank interest	78
Deposit interest	1
<b>Payments from authorised collective investment schemes:</b>	
- Franked distributions	23
- Unfranked distributions	149
	<b>251</b>

### 4. EXPENSES

	31/08/08 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	134
	<b>134</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	11
Transaction charges	2
	<b>13</b>
<b>Other expenses:</b>	
Auditors' remuneration	6
Registration fees	6
FSA and other regulatory fees	2
Legal fees	4
Printing fees	6
Price publication fees	5
	<b>29</b>
<b>Total expenses</b>	<b>176</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000
<b>Current tax:</b>	
Corporation tax	11
	<b>11</b>
<b>Total current tax (note 5 (b))</b>	<b>11</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000
Net income before taxation	75
	<b>75</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	15
<b>Effects of:</b>	
Franked UK dividends and distributions not subject to taxation	(5)
Expenses not utilised in period	1
<b>Current tax charge (note 5 (a))</b>	<b>11</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

### 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000
Interim distribution	34
Interim accumulation	95
Second interim distribution	29
Second interim accumulation	34
	<b>192</b>
Add: Income deducted on cancellation of shares	3
Deduct: Income received on issue of shares	(63)
<b>Net distributions for the period</b>	<b>132</b>
Interest	-
<b>Total finance costs</b>	<b>132</b>

# NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	64
Expenses offset against capital	84
Tax effect on expenses offset against capital	(16)
<b>Finance costs: Distributions</b>	<b>132</b>

## 7. DEBTORS

	31/08/08 £'000
Accrued income	76
Amounts receivable for issue of shares	565
Recoverable income tax	1
Sales awaiting settlement	261
	<b>903</b>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000
Sterling	206
<b>Cash and bank balances</b>	<b>206</b>

## 9. BANK OVERDRAFTS

	31/08/08 £'000
Sterling	248
<b>Bank overdrafts</b>	<b>248</b>

## 10. CREDITORS

	31/08/08 £'000
Accrued expenses	15
Amounts payable for cancellation of shares	137
Corporation tax payable	9
Purchases awaiting settlement	10
	<b>171</b>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date.

## 13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 14. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 16. PORTFOLIO TRANSACTION COSTS

As the Company mainly invests in collective investment schemes, investment trust companies and structured plans there are no material transaction costs.

# NEVIS CONSERVATIVE PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
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### Income Shares

2008 <sup>1</sup>	103.52	95.49
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### Accumulation Shares

2008 <sup>1</sup>	103.53	96.03
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### Income/Accumulation Record

Calendar Year	Net Income Per Share (p)	Net Income Per £1,000 at Launch (£)
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### Income Shares

2008 <sup>1</sup>	1.1078	11.08
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### Accumulation Shares

2008 <sup>1</sup>	1.1092	11.09
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### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
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### Income Shares

31/08/2008	5,712,125	98.77	12,309,032
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### Accumulation Shares

31/08/2008	6,673,064	99.91	12,309,032
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<sup>1</sup>26th February 2008 to 31st August 2008.

## TOTAL EXPENSE RATIO (TER)

Estimated  
2.65%

The TER shows the annual operating expenses of the sub-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.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Nevis Conservative Portfolio is to provide a yield in excess of that offered by the FTSE All Share Index whilst, at the same time, offering the potential for capital growth over the medium to long term.

The investment policy of the Fund is to invest in units and/or shares in collective investment schemes including (but not limited to) units and/or shares of collective investment schemes which themselves may invest in immovable property. The Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants. It is the intention to be near fully invested at all times, however the Fund has the facility to take tactical positions in cash or near cash.

## INVESTMENT REVIEW

### PERFORMANCE

The Nevis Conservative Portfolio was launched on 26th February 2008. The Fund has, over its short life, experienced some of the most difficult market conditions we have seen for some time. Against this backdrop the Fund has been able to avoid the worst of the falls, returning a fall of 0.1%. To put this performance in context the UK stockmarket, represented by the FTSE All Share Index, fell 5.4%. At the same time, the IPD UK Property Index fell by 5.7% and the FTSE All Stocks Index grew by 3.4%. These are early days for the Fund and although the prevailing environment has been unfavourable it has at the same time offered plenty of longer term investment opportunities.

### MARKET REVIEW

The effects of the US sub prime mortgage collapse and subsequent credit crunch have been felt across the western world but it has been rising commodity prices, particularly oil and food, that have really threatened to stall global growth during this period. The oil price rose consistently and dramatically throughout the first half of this year, reaching a high of \$147.27 in early July before dropping off sharply. With eyes firmly fixed on Hurricane Gustav, the oil price ended the period under review at \$115.65. However, dramatic weather patterns aside, there has been a clear break in the upward momentum of the oil price witnessed throughout the year and, with the speculators seemingly flushed out of the market for the time being, the trend of falling prices looks set to continue over the coming months.

The world had been willing the oil price to fall for some time. The recent price fall is good news and will hopefully offer some respite for the Central Banks who have, in the Western world in particular, been struggling to cope with the external inflationary pressures whilst at the same time attempting to stave off recession. There is no doubt about the fact that investors want to see more interest rate cuts on a par with those seen over the first half of the review period and until that happens, a prolonged period of fearful markets may continue. However, inflation is still a threat and the Central Banks are likely to remain cautious until that threat has subsided.

After a prolonged period of gains, commodities as a whole were hit hard, revealing the implicit volatility within the asset class. However, the recent falls in commodity prices does not, we believe, mark the end of the commodity supercycle. It is more likely a pause for breath. The long term demand for natural resources is unlikely to decline as infrastructure spend is likely to continue in the developed world as well as the developing.

### PORTFOLIO ACTIVITY

The Fund has enjoyed strong inflows from launch and we have looked to invest strategically, building the portfolio gradually and taking advantage of opportunities as and when they arrive. The past months have been focussed on building exposure to the core asset classes that comprise the performance benchmarks for both funds – represented by the FTSE All Share (equities), the FTSE All Stocks (bonds) and the IPD Property Index (property).

In this volatile time, we are finding plenty of long term value in equity markets and this is proving attractive. Equities are cheap. We have exploited short term market weakness in US and UK equities by investing in two Exchange Traded Funds (ETFs) that track the S&P 500 and the FTSE 100. ETFs provide cheap and flexible access to both indices. For longer term equity exposure we have sought out experienced, proven fund managers such as Neil Woodford through his Invesco Perpetual Income Fund and Nigel Thomas through his AXA Framlington UK Opportunities Fund.

The portfolio is protected to an extent from the short term difficulties currently evident in equity markets by a large tactical cash position. We currently have 24% in cash, invested in the Goldman Sachs Sterling Liquid Return Fund which is offering around 5% at the moment.

## NEVIS CONSERVATIVE PORTFOLIO

We are still very negative on property but have exposure to the asset class through two funds – Harewood Property Recovery and MedicX. The latter is a fund that builds and owns state of the art medical centres in the UK which are then leased, long term, to the NHS - a gilt edged tenant. The former is a structured product offering a multiple of the growth offered by the FTSE EPRA (the European property index) over the next six years, with the starting point to be fixed at the lowest point reached over the next two years. This is a very interesting proposition that exploits the likely short term volatility in European property whilst providing leveraged exposure to the upside more likely to occur over the longer term.

At the end of the period we reduced our direct exposure to the oil price by selling our holding in an Oil ETF. This decision realised profits and reflected our concerns that we may see the oil price fall off soon. An investment in Allianz BRIC Stars ensures we benefit from the growing emerging economies of Brazil, Russia, India and China.

### OUTLOOK

Equity markets enjoyed a rally on the back of the falling oil price. These are volatile times though, and we are clearly in a transition phase. Markets are extremely wary at the moment and any news, good or bad, is likely to tip the fine balance. However, the tone of the market commentators is starting to change and there is plenty of scope for optimism. Stockmarkets are currently oversold on almost any valuation metric used by fund managers or global strategists. Put bluntly, equity markets are cheap; cheap historically and cheap versus other asset classes. Long term value is there to be found in these markets and it is a question of when, rather than if, that value will be realised.

Source: North Investment Partners, September 2008.

Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

# NEVIS CONSERVATIVE PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 71.60%</b>			
<b>United Kingdom 46.86%</b>			
110,282	Allianz RCM BRIC Stars Fund 'C'	170	1.38
474,817	Artemis Income	761	6.18
77,691	AXA Framlington UK Select Opportunities	738	5.99
800,389	Invesco Corporate Bond	786	6.38
1,735,890	Invesco Income Fund	1,462	11.89
1,142,226	M&G Securities Optimal Income	1,138	9.24
481,914	Neptune Income 'B'	714	5.80
		<b>5,769</b>	<b>46.86</b>
<b>Money Market 24.74%</b>			
2,396,387	Goldman Sachs Sterling Liquid Reserves	2,396	19.46
650,000	Insight Sterling Liquidity 5	650	5.28
		<b>3,046</b>	<b>24.74</b>
<b>EXCHANGE TRADED FUNDS 17.48%</b>			
<b>United Kingdom 12.09%</b>			
264,000	iShares FTSE 100	1,488	12.09
		<b>1,488</b>	<b>12.09</b>
<b>United States 5.39%</b>			
90,000	iShares S&P 500	636	5.17
600	Lyxor Gold Bullion	27	0.22
		<b>663</b>	<b>5.39</b>
<b>INVESTMENT TRUSTS 5.37%</b>			
<b>Global 0.19%</b>			
4,000	BlackRock World Mining	24	0.19
		<b>24</b>	<b>0.19</b>
<b>Property 0.31%</b>			
50,000	MedicX	38	0.31
		<b>38</b>	<b>0.31</b>
<b>United Kingdom 4.87%</b>			
512,000	FRM Credit Alpha	599	4.87
		<b>599</b>	<b>4.87</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>STRUCTURED PRODUCTS 2.36%</b>			
<b>United Kingdom 2.36%</b>			
359,500	Harewood Structured Enhanced Property Recovery 'A'	291	2.36
		<b>291</b>	<b>2.36</b>
<b>Total Value of Investments</b>		<b>11,918</b>	<b>96.81</b>
<b>Net Other Assets</b>		391	3.19
<b>Total Net Assets</b>		<b>12,309</b>	<b>100.00</b>

There are no comparative figures as the Fund launched on 26th February 2008.

# NEVIS CONSERVATIVE PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period from 26th February 2008 to 31 August 2008

	Notes	31/08/08	
		£'000	£'000
Net losses on investments during the period	2		(165)
Income	3	122	
Expenses	4	(83)	
Finance costs: Interest	6	-	
Net income before taxation		39	
Taxation	5	(5)	
Net income after taxation			34
Total return before distributions			(131)
Finance costs: Distributions	6		(101)
Change in net assets attributable to shareholders			<u>(232)</u>

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 26th February 2008 to 31 August 2008

	Notes	31/08/08	
		£'000	£'000
Net assets at the start of the period			-
Amounts receivable on issue of shares		13,116	
Less: Amount payable on cancellation of shares		(640)	
			12,476
Stamp Duty Reserve Tax (SDRT)			(1)
Change in net assets attributable to shareholders (see above)			(232)
Retained distribution on accumulation shares	6		66
Net assets at the end of the period			<u>12,309</u>

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	
		£'000	£'000
<b>ASSETS</b>			
Portfolio of Investments			<u>11,918</u>
Debtors	7	274	
Cash and bank balances	8	168	
Total other assets			<u>442</u>
Total assets			<u>12,360</u>
<b>LIABILITIES</b>			
Creditors	9	(22)	
Distribution payable	6	(29)	
Total liabilities			<u>(51)</u>
Net assets attributable to shareholders			<u>12,309</u>

The notes on pages 11 to 14 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# NEVIS CONSERVATIVE PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 28th February 2008 to 31 August 2008

Purchases	Cost £'000	Note
Invesco Income Fund	2,595	
Goldman Sachs Sterling Liquid Reserves	2,545	
iShares FTSE 100	1,477	
Invesco Corporate Bond	1,242	
M&G Securities Optimal Income	1,122	
AXA Framlington UK Select Opportunities	795	
Artemis Income	790	
Neptune Income 'B'	765	
Insight Sterling Liquidity 5	650	
FRM Credit Alpha	583	
iShares S&P 500	561	
Harewood Structured Enhanced Property Recovery 'A'	340	
Allianz RCM BRIC Stars Fund 'C'	205	
MedicX	39	
Lyxor Gold Bullion	28	
ETFS WTI Oil	26	
BlackRock World Mining	25	
Other	-	
<b>Total purchases during the period</b>	<b>13,788</b>	<b>14</b>
Sales	Proceeds £'000	
Invesco Income Fund	1,065	
Invesco Corporate Bond	456	
Goldman Sachs Sterling Liquid Reserves	150	
ETFS WTI Oil	35	
Other	-	
<b>Total sales during the period</b>	<b>1,706</b>	<b>14</b>

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period (or at the end of the period for the sub-fund's first accounting period) and at minimum the top 20 purchases and sales during the period. There were 17 purchases and 4 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Accumulation of income relating to accumulation units or shares held in collective investment schemes is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Income on structured plans and unquoted investments is recognised when the right to receive the income is established.

Bank interest, interest on debt securities, underwriting commission and other income are recognised on an accruals basis.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-funds' expenses are to be borne by capital.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of investments managed by the ACD is their single price and the fair value of investments which are managed by other management groups is their contractual bid price.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the bid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# NEVIS CONSERVATIVE PORTFOLIO

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000
Non-derivative securities	(165)
<b>Net losses on investments</b>	<b>(165)</b>

## 3. INCOME

	31/08/08 £'000
Bank interest	36
Deposit interest	1
<b>Payments from authorised collective investment schemes:</b>	
- Franked distributions	14
- Unfranked distributions	71
	<b>122</b>

## 4. EXPENSES

	31/08/08 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	60
	<b>60</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	5
Transaction charges	1
	<b>6</b>
<b>Other expenses:</b>	
Auditors' remuneration	3
Registration fees	3
Legal fees	2
FSA & other regulatory fees	2
Printing fees	4
Price publication fees	3
	<b>17</b>
<b>Total expenses</b>	<b>83</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000
<b>Current tax:</b>	
Corporation tax	5
	<b>5</b>
<b>Total current tax (note 5 (b))</b>	<b>5</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000
Net income before taxation	39
	<b>39</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	8

**Effects of:**

Franked UK dividends and distributions not subject to taxation (3)

**Current tax charge (note 5 (a))** **5**

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £nil arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000
First interim distribution	34
First interim accumulation	32
Second interim distribution	29
Second interim accumulation	34
	<b>129</b>
Add: Income deducted on cancellation of shares	1
Deduct: Income received on issue of shares	(29)
<b>Net distribution for the period</b>	<b>101</b>
Interest	-
<b>Total Finance Costs</b>	<b>101</b>

# NEVIS CONSERVATIVE PORTFOLIO

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	34
Expenses offset against capital	83
Tax on expenses offset against capital	(16)

<b>Finance costs: Distributions</b>	<b>101</b>
-------------------------------------	------------

## 7. DEBTORS

	31/08/08 £'000
Accrued income	39
Amounts receivable for issue of shares	234
Recoverable income tax	1
	<u>274</u>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000
Sterling	168
<b>Cash and bank balances</b>	<b>168</b>

## 9. CREDITORS

	31/08/08 £'000
Accrued expenses	8
Purchases awaiting settlement	10
Corporation tax payable	4
	<u>22</u>

## 10. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 13 on page 14. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 12. The balance outstanding at the period end was £nil.

### Investment Adviser

The ACD has appointed Premier Fund Managers Limited to provide investment management and advisory services to the ACD.

The Investment Adviser has appointed North Investment Partners Limited as sub-Investment Adviser to the sub-fund.

### Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties

as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 12. There was nothing due to the Depository at the period end.

## 11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date.

## 12. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 7, the main risks arising from the sub-funds financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser and sub-Investment Adviser consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser and sub-Investment Adviser do not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Other than cash and bank balances and bank overdrafts there was no direct foreign currency exposure within the sub-fund at the balance sheet date. However, there was significant foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

# NEVIS CONSERVATIVE PORTFOLIO

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 10.

## Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

## 13. SHARE CLASSES

The sub-fund currently has two classes of shares, Class 1 (Income) and Class 2 (Accumulation). The AMC is as follows:

Class 1: 1.5%

Class 2: 1.5%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 7. The distribution per share class is given in the distribution tables below.

## 14. PORTFOLIO TRANSACTION COSTS

As the sub-fund mainly invests in collective investment schemes, investment trust companies and structured plans, there are no material transaction costs.

## DISTRIBUTION TABLES

For the period from 26th February 2008 to 31st May 2008

### First interim dividend distribution in pence per share

#### Income shares

	Net		Distribution
	Income	Equalisation	Paid 28/08/2008
Group 1	0.6007	-	0.6007
Group 2	0.4018	0.1989	0.6007

### First interim dividend distribution in pence per share

#### Accumulation shares

	Net		Accumulation
	Income	Equalisation	Paid 28/08/2008
Group 1	0.6007	-	0.6007
Group 2	0.4091	0.1916	0.6007

For the period from 1st June 2008 to 31st August 2008

#### Income shares

	Net		Distribution
	Income	Equalisation	Payable 27/11/2008
Group 1	0.5071	-	0.5071
Group 2	0.1026	0.4045	0.5071

### First interim dividend distribution in pence per share

#### Accumulation shares

	Net		Accumulation
	Income	Equalisation	Payable 27/11/2008
Group 1	0.5085	-	0.5085
Group 2	0.2974	0.2111	0.5085

# NEVIS GROWTH PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
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### Accumulation Shares

2008 <sup>1</sup>	104.50	94.47
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### Income/Accumulation Record

Calendar Year	Net Income Per Share (p)	Net Income per £1,000 at Launch (£)
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### Accumulation Shares

2008 <sup>1</sup>	0.4032	4.03
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### Net Asset Values

As at	Shares In Issue	Net Asset Value Per Share (p)	Net Asset Value of Sub-Fund (£)
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### Accumulation Shares

31/08/2008	15,736,343	98.61	15,517,922
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<sup>1</sup>26th February 2008 to 31st August 2008.

## TOTAL EXPENSE RATIO (TER)

Estimated  
2.61%

The TER shows the annual operating expenses of the sub-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.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Nevis Growth Portfolio is to provide capital growth over the medium to long term. The investment policy of the Fund is to invest in units in collective investment schemes including (but not limited to) units and/or shares of collective investment schemes which themselves may invest in immovable property. The Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants. It is the intention to be near fully invested at all times, however the Fund has the facility to take tactical positions in cash or near cash.

## INVESTMENT REVIEW

### PERFORMANCE

The Nevis Growth Portfolio was launched on 26th February 2008. The Fund has, over its short life, experienced some of the most difficult market conditions we have seen for some time. Against this backdrop the Fund has been able to avoid the worst of the falls, returning a fall of 1.3%. To put this performance in context the UK stockmarket, represented by the FTSE All Share Index, fell 5.4%. At the same time, the IPD UK Property Index fell by 5.7% and the FTSE All Stocks Index grew by 3.4%. These are early days for the Fund and although the prevailing environment has been unfavourable it has at the same time offered plenty of investment opportunities.

### MARKET REVIEW

The effects of the US sub prime mortgage collapse and subsequent credit crunch have been felt across the western world but it has been rising commodity prices, particularly oil and food, that have really threatened to stall global growth during this period. The oil price rose consistently and dramatically throughout the first half of this year, reaching a high of \$147.27 in early July before dropping off sharply. With eyes firmly fixed on Hurricane Gustav, the oil price ended the period under review at \$115.65. However, dramatic weather

patterns aside, there has been a clear break in the upward momentum of the oil price witnessed throughout the year and, with the speculators seemingly flushed out of the market for the time being, the trend of falling prices looks set to continue over the coming months.

The world had been willing the oil price to fall for some time. The recent price fall is good news and will hopefully offer some respite for the Central Banks who have, in the Western world in particular, been struggling to cope with the external inflationary pressures whilst at the same time attempting to stave off recession. There is no doubt about the fact that investors want to see more interest rate cuts on a par with those seen over the first half of the review period and until that happens, a prolonged period of fearful markets may continue. However, inflation is still a threat and the Central Banks are likely to remain cautious until that threat has subsided.

After a prolonged period of gains, commodities as a whole were hit hard, revealing the implicit volatility within the asset class. However, the recent falls in commodity prices does not, we believe, mark the end of the commodity supercycle. It is more likely a pause for breath. The long term demand for natural resources is unlikely to decline as infrastructure spend is likely to continue in the developed world as well as the developing.

### PORTFOLIO ACTIVITY

The Fund has enjoyed strong inflows from launch and we have looked to invest strategically, building the portfolio gradually and taking advantage of opportunities as when they arrive. The past months have been focussed on building exposure to the core asset classes that comprise the performance benchmarks for both funds – represented by the FTSE All Share (equities), the FTSE All Stocks (bonds) and the IPD Property Index (property).

In this volatile time, we are finding plenty of long term value in equity markets and this is proving attractive. Equities are cheap. We have exploited short term market weakness in US and UK equities by investing in two Exchange Traded Funds (ETFs) that track the S&P 500 and the FTSE 100. ETFs provide cheap and flexible access to both indices. For longer term equity exposure we have sought out experienced, proven fund managers such as Neil Woodford through his Invesco Perpetual Income Fund and Nigel Thomas through his AXA Framlington UK Opportunities Fund.

The portfolio is protected to an extent from the short term difficulties currently evident in equity markets by a large tactical cash position. We currently have 24% in cash, invested in the Goldman Sachs Sterling Liquid Return Fund which is offering around 5% at the moment.

We are still very negative on property but have exposure to the asset class through two funds – Harewood Property Recovery and Medicx. The latter is a fund that builds and owns state of the art medical centres in the UK which are then leased, long term, to the NHS - a gilt edged tenant. The former is a structured product offering a multiple of the growth offered by the FTSE EPRA (the European property index) over the next six years, with the starting point to be fixed at the lowest point reached over the next two years. This is a very interesting proposition that exploits the likely short term volatility in European property whilst providing leveraged exposure to the upside more likely to occur over the longer term.

At the end of the period we reduced our direct exposure to the oil price by selling our holding in an Oil ETF. This decision realised profits and reflected our concerns that we may see the oil price fall off soon. An investment in Allianz BRIC Stars ensures we benefit from the growing emerging economies of Brazil, Russia, India and China.

### OUTLOOK

Equity markets enjoyed a rally on the back of the falling oil price. These are volatile times though, and we are clearly in a transition phase. Markets are extremely wary at the moment and any news, good or bad, is likely to tip the fine balance. However, the tone of the market commentators is starting to change and there is plenty of scope for optimism. Stockmarkets are currently oversold on almost any valuation metric used by fund managers or global strategists. Put bluntly, equity markets are cheap; cheap historically and cheap versus other asset classes. Long term value is there to be found in these markets and it is a question of when, rather than if, that value will be realised.

Source: North Investment Partners, September 2008.  
Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

# NEVIS GROWTH PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st August 2008

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 61.39%</b>			
<b>Asia Pacific (ex Japan) 5.61%</b>			
1,109,023	Martin Currie Asia Pacific 'A' Acc	871	5.61
		<b>871</b>	<b>5.61</b>
<b>United Kingdom 23.96%</b>			
291,478	Allianz RCM BRIC Stars Fund 'C'	449	2.89
1,160,724	Invesco Income Fund	978	6.30
733,216	M&G Securities Optimal Income	730	4.70
95,571	AXA Framlington UK Select Opportunities	907	5.84
442,618	Neptune Income 'B'	656	4.23
		<b>3,720</b>	<b>23.96</b>
<b>Europe 6.31%</b>			
587,514	JPMorgan Europe Dynamic (ex UK) <sup>1</sup>	495	3.19
197,123	SVM AM Continental European 'B'	485	3.12
		<b>980</b>	<b>6.31</b>
<b>Money Market 23.21%</b>			
2,203,390	Goldman Sachs Sterling Liquid Reserves	2,203	14.19
1,400,000	Insight Sterling Liquidity 5	1,400	9.02
		<b>3,603</b>	<b>23.21</b>
<b>United States 2.30%</b>			
37,500	Schroder US Smaller Companies 'A'	357	2.30
		<b>357</b>	<b>2.30</b>
<b>EXCHANGE TRADED FUNDS 23.55%</b>			
<b>United Kingdom 14.99%</b>			
413,000	iShares FTSE 100	2,327	14.99
		<b>2,327</b>	<b>14.99</b>
<b>United States 8.56%</b>			
180,000	iShares S&P 500	1,273	8.21
1,200	Lyxor Gold Bullion	54	0.35
		<b>1,327</b>	<b>8.56</b>
<b>INVESTMENT TRUSTS 4.62%</b>			
<b>Global 0.31%</b>			
8,000	BlackRock World Mining	48	0.31
		<b>48</b>	<b>0.31</b>
<b>Property 0.24%</b>			
50,000	MedicX	38	0.24
		<b>38</b>	<b>0.24</b>
<b>United Kingdom 4.07%</b>			
540,000	FRM Credit Alpha	632	4.07
		<b>632</b>	<b>4.07</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>HEDGE FUNDS 6.22%</b>			
<b>United Kingdom 6.22%</b>			
1,231,873	Martin Currie Japan Alpha 'B'	965	6.22
		<b>965</b>	<b>6.22</b>
<b>STRUCTURED PRODUCTS 2.45%</b>			
<b>United Kingdom 2.45%</b>			
469,500	Harewood Structured Enhanced Property Recovery 'A'	380	2.45
		<b>380</b>	<b>2.45</b>
<b>Total Value of Investments</b>		<b>15,248</b>	<b>98.23</b>
<b>Net Other Assets</b>		<b>270</b>	<b>1.77</b>
<b>Total Net Assets</b>		<b>15,518</b>	<b>100.00</b>

<sup>1</sup> Accumulation Shares.

There are no comparative figures as the Fund launched on 26th February 2008.

# NEVIS GROWTH PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the period from 26th February 2008 to 31 August 2008

	Notes	31/08/08	
		£'000	£'000
Net losses on investments during the period	2		(494)
Income	3	129	
Expenses	4	(93)	
Finance costs: Interest	6	-	
Net income before taxation		36	
Taxation	5	(6)	
Net income after taxation			30
Total return before distributions			(464)
Finance costs: Distributions	6		(31)
Change in net assets attributable to shareholders			(495)

## STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS

For the period from 26th February 2008 to 31 August 2008

	Notes	31/08/08	
		£'000	£'000
Net assets at the start of the period			-
Movements due to sales and repurchases of shares:			
Amounts receivable on issue of shares		16,494	
Less: Amount payable on cancellation of shares		(544)	
Change in net assets attributable to shareholders (see above)			(495)
Retained distribution on accumulation shares	6		63
Net assets at the end of the period			15,518

## BALANCE SHEET

As at 31st August 2008

	Notes	31/08/08	
			£'000
<b>ASSETS</b>			
Portfolio of Investments			15,248
Debtors	7		629
Cash and bank balances	8		38
Total other assets			667
Total assets			15,915
<b>LIABILITIES</b>			
Creditors	10		(149)
Bank overdrafts	9		(248)
Total liabilities			(397)
Net assets attributable to shareholders			15,518

The notes on pages 18 to 21 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
28th October 2008

Mark Friend  
Managing Director, Operations (of the ACD)

# NEVIS GROWTH PORTFOLIO

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 28th February 2008 to 31 August 2008

Purchases	Cost £'000	Note
Goldman Sachs Sterling Liquid Reserves	2,813	
iShares FTSE 100	2,362	
Invesco Income Fund	1,723	
Insight Sterling Liquidity 5	1,400	
iShares S&P 500	1,172	
Martin Currie Asia Pacific 'A' Acc	1,030	
Martin Currie Japan Alpha 'B'	996	
AXA Framlington UK Select Opportunities	975	
M&G Securities Optimal Income	720	
Neptune Income 'B'	705	
FRM Credit Alpha	614	
SVM AM Continental European 'B'	550	
Allianz RCM BRIC Stars Fund 'C'	546	
JPMorgan Europe Dynamic (ex UK) <sup>1</sup>	545	
Harewood Structured Enhanced Property Recovery 'A'	445	
Schroder US Smaller Companies 'A'	340	
Lyxor Gold Bullion	55	
BlackRock World Mining	53	
ETFS WTI Oil	52	
MedicX	39	
Other	-	
<b>Total purchases during the period</b>	<b>17,135</b>	<b>15</b>
Sales	Proceeds £'000	
Invesco Income Fund	694	
Goldman Sachs Sterling Liquid Reserves	620	
ETFS WTI Oil	68	
Other	-	
<b>Total sales during the period</b>	<b>1,382</b>	<b>15</b>

<sup>1</sup> Accumulation shares.

Please note: the purchases and sales shown represent all those with a value of 2% or more of the net asset value of the sub-fund at the start of the period (or at the end of the period for the sub-fund's first accounting period) and at minimum the top 20 purchases and sales during the period. There were 20 purchases and 3 sales during the period.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for 'Financial Statements of Authorised Funds', issued by the IMA in December 2005, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Income Recognition

Income from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Accumulation of income relating to accumulation units or shares held in collective investment schemes is recognised as income and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Income on structured plans and unquoted investments is recognised when the right to receive the income is established.

Bank interest, interest on debt securities, underwriting commission and other income are recognised on an accruals basis.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against income for the period on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding those expenses relating to the purchase and sale of investments which are borne by capital and expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-funds' expenses are to be borne by capital.

#### Valuations

All investments are valued at their fair value at noon on 29th August 2008, being the last business day of the financial period. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of investments managed by the ACD is their single price and the fair value of investments which are managed by other management groups is their contractual bid price.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Dividend income and taxation are stated net of any associated tax credits. Deferred tax is fully provided for on all timing differences. Deferred tax assets are recognised only to the extent that the assets are considered to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-fund and included in the Statement of Change in Shareholders' Net Assets. The levy is intended to cover certain dealing charges not included in the bid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

# NEVIS GROWTH PORTFOLIO

## 2. NET LOSSES ON INVESTMENTS

The net losses on investments during the period comprise:

	31/08/08 £'000
Non-derivative securities	(494)
<b>Net losses on investments</b>	<b>(494)</b>

## 3. INCOME

	31/08/08 £'000
Bank interest	42
<b>Payments from authorised collective investment schemes:</b>	
- Franked distributions	9
- Unfranked distributions	78
	<b>129</b>

## 4. EXPENSES

	31/08/08 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
ACD's periodic charge	74
	<b>74</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	6
Transaction charges	1
	<b>7</b>
<b>Other expenses:</b>	
Auditors' remuneration	3
Registration fees	3
Legal fees	2
Printing fees	2
Price publication fees	2
	<b>12</b>
<b>Total expenses</b>	<b>93</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAX ON ORDINARY ACTIVITIES

(a) The tax charge comprises:

	31/08/08 £'000
<b>Current tax:</b>	
Corporation tax	6
	<b>6</b>
<b>Total current tax (note 5 (b))</b>	<b>6</b>

(b) Factors affecting the tax charge for the period

The tax charged for the period is lower than the special 20% rate of corporation tax applicable to open-ended investment companies (OEICs). The differences are explained below:

	31/08/08 £'000
Net income before taxation	36
	<b>36</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2007: 20%)	7

**Effects of:**

Franked UK dividends and distributions not subject to taxation	(1)
--	-----

<b>Current tax charge (note 5 (a))</b>	<b>6</b>
--	----------

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £nil arising as a result of having unutilised management expenses.

## 6. FINANCE COSTS

The distributions take into account income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	31/08/08 £'000
Interim accumulation	63
	<b>63</b>
Add: Income deducted on cancellation of shares	2
Deduct: Income received on issue of shares	(34)
<b>Net distribution for the period</b>	<b>31</b>
Interest	-
<b>Total Finance Costs</b>	<b>31</b>

# NEVIS GROWTH PORTFOLIO

The difference between the net income after taxation and the amounts distributed comprises:

Net income after taxation	30
Expenses offset against capital	1
<b>Finance costs: Distributions</b>	<u>31</u>

## 7. DEBTORS

	31/08/08 £'000
Accrued income	37
Amounts receivable for issue of shares	331
Sales awaiting settlement	261
	<u>629</u>

## 8. CASH AND BANK BALANCES

	31/08/08 £'000
Sterling	38
<b>Cash and bank balances</b>	<u>38</u>

## 9. BANK OVERDRAFTS

	31/08/08 £'000
Sterling	248
<b>Bank overdrafts</b>	<u>248</u>

## 10. CREDITORS

	31/08/08 £'000
Accrued expenses	7
Amounts payable for cancellation of shares	137
Corporation tax payable	5
	<u>149</u>

## 11. SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. The ACD is responsible for managing and administering the sub-fund's affairs in compliance with the FSA Regulations. In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the sub-fund, calculated on a mid-market basis.

The annual management charge ("AMC") accrues daily and is payable monthly. The current AMC for the sub-fund is set out in note 14 on page 21. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4 on page 19. The balance outstanding at the period end was £nil.

### Investment Adviser

The ACD has appointed Premier Fund Managers Limited to provide investment management and advisory services to the ACD.

The Investment Adviser has appointed North Investment Partners Limited as sub-Investment Adviser to the sub-fund.

## Depository

The sub-fund's Depository is The Royal Bank of Scotland plc. The Depository is responsible for the safekeeping of all of the scheme property of the sub-fund and has a duty to take reasonable care to ensure that the sub-fund is managed in accordance with the provisions of the FSA Regulations relating to the pricing of and dealing in shares and relating to the income of the sub-fund. Subject to FSA Regulations, the Depository has full power under the Depository agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depository. It has delegated custody services to The Northern Trust Company. The Depository received for its own account a periodic fee which accrues daily and is payable monthly. The fee is payable out of the property attributable to the sub-fund. The rate of the periodic fee is as agreed between the ACD and the Depository from time to time and subject to a current maximum of 0.077% of the value of the relevant sub-fund per annum which may be varied from time to time with the agreement of the ACD and the Depository.

The total remuneration payable to the Depository out of the property attributable to each sub-fund for its services also includes transaction charges and custody charges.

Amounts paid to The Royal Bank of Scotland plc in respect of the Depository's services are disclosed in note 4 on page 19. There was nothing due to the Depository at the period end.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or commitments at the Balance Sheet date.

## 13. DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-funds investment objective, as set out in the investment objective and policy on page 15, the main risks arising from the sub-funds financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The Investment Adviser and sub-Investment Adviser consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The Investment Adviser and sub-Investment Adviser do not use derivative instruments to hedge the investment portfolio against risks as, in their opinion, the cost of such a process would result in an unacceptable reduction in the potential capital growth.

### Currency Risk

Other than cash and bank balances and bank overdrafts there was no direct foreign currency exposure within the sub-fund at the balance sheet date. However, there was significant foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall within one year.

## Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty and from recognised product providers.

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the Balance Sheet on page 17.

## Derivatives

The sub-fund does not hold any derivatives that could materially impact the value of the sub-fund.

## 14. SHARE CLASSES

The sub-fund currently has one type of share, Class 1 (Accumulation). The AMC is as follows:

Class 1: 1.5%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 15. The distribution per share class is given in the distribution table below.

## 15. PORTFOLIO TRANSACTION COSTS

As the sub-fund mainly invests in collective investment schemes, investment trust companies, structured plans, there are no material transaction costs.

## DISTRIBUTION TABLE

For the period from 1st June 2008 to 31st August 2008

First interim dividend distribution in pence per share

Accumulation shares

	Net Income		Accumulation Payable 31/10/2008
Group 1	0.4032	-	0.4032
Group 2	0.2555	0.1477	0.4032

## Administration Queries

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## This document is issued by:

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