

The Nevis Fund

Annual Report & Financial Statements

For the period from 1st March 2009 to 28th February 2010

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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

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

ADMINISTRATOR & REGISTRAR: Northern Trust Global Fund 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 year end the Company contained two sub-funds, the Nevis Conservative Portfolio and the Nevis Growth Portfolio.

The Company is a non-UCITS Retail 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 period, which give a true and fair view of the financial position of the scheme as at the end of the year and of the net revenue and the net capital gains or losses on the property of the scheme for the year 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 'Financial Statements of Authorised Funds', issued by the IMA in November 2008 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 Company 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.

NOTEABLE CHANGES

On 27th April 2009, the Fund's initial charge was reduced from 5.57% to 3.10%.

Following shareholder approval from 1st April 2010 the net revenue available for distribution at each interim period will usually be restricted to a rate pre-determined by the Investment Adviser and Sub-Investment Adviser. This will facilitate a smooth distribution flow to shareholders. The final distribution will include all revenue available for distribution for the year.

MANAGEMENT AND ADMINISTRATION

REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1st March 2009 to 28th February 2010.

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

The Investment Objectives and Policies of each sub-fund of the Company are covered in the section for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 2.

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.



Neil Macpherson

Finance Director (of the ACD)

30th June 2010

Mark Friend

Managing Director, Operations (of the ACD)

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE YEAR FROM 1ST MARCH 2009 TO 28TH FEBRUARY 2010 FOR THE NEVIS CONSERVATIVE PORTFOLIO AND THE NEVIS GROWTH PORTFOLIO AS SUB-FUNDS OF THE NEVIS FUND ('THE COMPANY')

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it. It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the FSA's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 and the Instrument of Incorporation in relation to the pricing of, and dealings in, shares in the Company, the application of the income of the Company, and the investment and borrowing powers and restrictions applicable to the Company.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary, it is our opinion that:

- the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and
- the application of the Company's income have, in all material respects, been carried out in accordance with the provisions of:
- the Regulations and
- the Open-Ended Investment Companies Regulations 2001 and
- the Instrument of Incorporation of the Company

and that, in all material respects, the investment and borrowing powers and restrictions applicable to the Company, in accordance with the provision of the Regulations and Instrument of Incorporation, have been observed.

The Royal Bank of Scotland plc

Trustee & Depositary Services

30th June 2010

MANAGEMENT AND ADMINISTRATION

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF THE NEVIS FUND

We have audited the financial statements of The Nevis Fund for the year ended 28 February 2010. These financial statements consist of the aggregated financial statements of the Company, which comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, and the related notes and for each of the Company's sub-funds, the statement of total return, statement of change in net assets attributable to shareholders, balance sheet, related notes and the distribution tables. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director and the auditor

The Authorised Corporate Director's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation are set out in the Statement of the ACD and Depositories Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation. We also report to you whether in our opinion the information given in the Report of the ACD (which comprises the management and administration, investment objectives and policies, investment reviews, portfolio of investments), consistent with the financial statements, and state whether we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In addition we report to you if, in our opinion, proper accounting records for the Company or a sub-fund have not been kept, or if the financial statements are not in agreement with those records.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises comparative tables, total expense ratios and portfolio turnover rates. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authorised Corporate Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the Company and each of the sub-funds as at 28 February 2010 and of the net revenue and net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association in November 2008, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation, and
- the information given in the Report of the ACD is consistent with the financial statements.

We have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit

Grant Thornton UK LLP

Registered Auditor

Chartered Accountants

London, England

30th June 2010

PREMIER NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

For the year ended 28th February 2010

	Notes	28/02/10		28/02/09 ¹	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		6,572	(6,156)	
Revenue	3	918		665	
Expenses					
Expenses	4	(626)		(410)	
Finance costs: Interest	6	-		(5)	
Net revenue before taxation					
		292		250	
Taxation	5	(27)		(35)	
Net revenue after taxation					
			265	215	
Total return before distributions					
			6,837	(5,941)	
Finance costs: Distributions	6		(533)	(369)	
Change in net assets attributable to shareholders from investment activities					
			<u>6,304</u>	<u>(6,310)</u>	

¹Restated (see notes to the financial statements on page 6).

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28th February 2010

	Note	28/02/10		28/02/09	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders					
			25,719		-
Amounts receivable on issue of shares					
		13,500		33,737	
Amounts payable on cancellation of shares					
		(6,218)		(2,002)	
			7,282	31,735	
Dilution levy					
			5	-	
Stamp duty reserve tax					
			(12)	(5)	
Change in net assets attributable to shareholders from investment activities					
			6,304	(6,310)	
Retained distributions on accumulation shares					
	6		451	299	
Closing net assets attributable to shareholders					
			<u>39,749</u>	<u>25,719</u>	

BALANCE SHEET

As at 28th February 2010

	Notes	28/02/10		28/02/09	
		£'000	£'000	£'000	£'000
ASSETS					
Investment assets					
			<u>36,890</u>	<u>25,355</u>	
Debtors					
	7		5,982	1,671	
Cash and bank balances					
	8		856	1,220	
Total other assets					
			<u>6,838</u>	<u>2,891</u>	
Total assets					
			<u>43,728</u>	<u>28,246</u>	
LIABILITIES					
Creditors					
	10		(3,823)	(2,511)	
Bank overdrafts					
	9		(150)	-	
Distribution payable on income shares					
	6		(6)	(16)	
Total liabilities					
			<u>(3,979)</u>	<u>(2,527)</u>	
Net assets attributable to shareholders					
			<u>39,749</u>	<u>25,719</u>	

The notes on pages 6 to 8 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Finance Director (of the ACD)

30th June 2010

Mark Friend

Managing Director, Operations (of the ACD)

PREMIER NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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 'Financial Statements of Authorised Funds', issued by the IMA in November 2008, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

During the year, the Company has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains or losses, certain management fee rebates and transaction charges are now classified as capital. The effect of this is to increase 'Net capital gains/(losses)' by £57,000 (2009: an increase of £2,000).

Revenue Recognition

Revenue 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 revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue 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.

The gains and losses arising on investments in structured plans are allocated between revenue and capital according to the nature of the structured plan. This is depending on the extent to which the return is capital or revenue based.

Bank interest and other revenue 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 revenue for the year on an accruals basis.

Distributions

Amounts distributable are calculated after excluding expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the Nevis Conservative sub-fund's expenses are borne by capital and that 100% of the Nevis Growth sub-fund's expenses are borne by revenue.

Valuations

All investments are valued at their fair value at noon on 26th February 2010, being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of dual priced collective investment schemes managed by the ACD is their cancellation price and the fair value of dual priced collective investment schemes which are managed by other management groups is their bid price. The fair value of all single priced collective investment schemes is their single price, taking account of any agreed redemption charges.

Structured plans are valued at the latest price from the product provider.

Taxation

Corporation tax has been provided for at a rate of 20%. Deferred tax is provided in respect of timing differences that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not 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-funds and included in the Statement of Change in Net Assets Attributable to Shareholders. The levy is intended to cover certain dealing charges not included in the mid 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.

2. NET CAPITAL GAINS/(LOSSES)

	28/02/10 £'000	28/02/09 £'000
Non-derivative securities	6,515	(6,158)
Currency gains	9	-
Capital management fee rebates	48	4
Transaction charges	-	(2)
Net capital gains/(losses)	6,572	(6,156)

3. REVENUE

	28/02/10 £'000	28/02/09 £'000
Bank interest	-	89
Deposit interest	-	2
Franked UK dividends	3	2
Overseas dividends	2	2
Franked distributions	291	82
Unfranked distributions	611	488
Management fee rebates	11	-
	918	665

4. EXPENSES

	28/02/10 £'000	28/02/09 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	502	331
	502	331
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	27	21
Safe custody fees	2	-
	29	21
Other expenses:		
Administration fees	-	4
Auditor's remuneration	12	14
Registration fees	69	12
FSA and other regulatory fees	-	3
Legal fees	3	4
Printing fees	(3)	12
Price publication fees	4	5
PRS fees	10	4
	95	58
Total expenses	626	410

Irrecoverable VAT is included in the above expenses where relevant.

PREMIER NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

5. TAXATION

(a) The tax charge comprises:

	28/02/10 £'000	28/02/09 £'000
Current tax:		
Corporation tax	13	35
Irrecoverable income tax	14	-
Total current tax (note 5 (b))	27	35
Total taxation	27	35

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	28/02/10 £'000	28/02/09 £'000
Net revenue before taxation	292	250
	292	250
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)	58	51

Effects of:

Franked UK dividends and distributions not subject to taxation	(59)	(16)
Irrecoverable income tax	14	-
Offshore dividends non-taxable	(7)	-
Excess management expenses	11	-
Tax effect on capital management fee rebates	10	-
Current tax charge (note 5 (a))	27	35

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

6. FINANCE COSTS

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

	28/02/10 £'000	28/02/09 £'000
First interim distribution	55	34
First interim accumulation	148	32
Second interim distribution	1	29
Second interim accumulation	23	97
Third interim distribution	58	61
Third interim accumulation	192	82
Final distribution	6	16
Final accumulation	88	88
	571	439
Add: Revenue deducted on cancellation of shares	13	7
Deduct: Revenue received on issue of shares	(51)	(77)
Net distributions for the year	533	369
Interest	-	5
Total finance costs	533	374

The difference between the net revenue after taxation and the amounts distributed comprises

Net revenue after taxation	265	215
Expenses offset against capital	328	154
Tax effect on capital management fees	(60)	-
Finance costs: Distributions	533	369

7. DEBTORS

	28/02/10 £'000	28/02/09 £'000
Accrued revenue	39	67
Amounts receivable for issue of shares	230	75
Prepaid expenses	4	3
Recoverable income tax	80	11
Renewal commission receivable	40	-
Sales awaiting settlement	5,589	1,515
	5,982	1,671

8. CASH AND BANK BALANCES

	28/02/10 £'000	28/02/09 £'000
Sterling	856	1,220
Cash and bank balances	856	1,220

9. BANK OVERDRAFTS

	28/02/10 £'000	28/02/09 £'000
Sterling	150	-
	150	-

PREMIER NEVIS FUNDS AGGREGATED FINANCIAL STATEMENTS

10. CREDITORS

	28/02/10 £'000	28/02/09 £'000
Accrued expenses	69	32
Amounts payable for cancellation of shares	63	-
Corporation tax payable	2	25
Purchases awaiting settlement	3,689	2,454
	<u>3,823</u>	<u>2,511</u>

11. 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

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

13. 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.

15. 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)
Income Shares		
2008 ¹	103.52	81.92
2009	96.30	78.85
2010 ²	97.35	93.22
Accumulation Shares		
2008 ¹	103.53	82.87
2009	100.96	81.05
2010 ²	102.74	98.58

Income/Accumulation Record

Calendar Year	Net Income per Share (p)
Income Shares	
2008 ¹	2.1216
2009	2.4324
2010 ²	1.3390
Accumulation Shares	
2008 ¹	2.1337
2009	2.4544
2010 ²	1.4566

Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) ³
Income Shares		
28/02/2009	6,144,490	81.15
28/02/2010	3,823,295	95.10
Accumulation Shares		
28/02/2009	8,850,658	83.40
28/02/2010	16,938,046	100.72

Total NAV	NAV of Sub-Fund (£)
28/02/2009	12,367,519
28/02/2010	20,695,806

¹ From 26th February 2008.

² To 28th February 2010.

³ The net asset value per share is calculated on a bid basis and excludes any distribution payable.

TOTAL EXPENSE RATIO (TER)

28/02/10	28/02/09
2.56%	2.31%

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 of different schemes. The TER for income and accumulation shares is the same.

PORTFOLIO TURNOVER RATE (PTR)

28/02/10	28/02/09
71.6%	173.40%

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

INVESTMENT OBJECTIVE AND POLICY

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

The investment policy of the sub-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 and unregulated collective investment schemes such as hedge funds. The sub-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 sub-fund has the facility to take tactical positions in cash or near cash.

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

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 Nevis Conservative Fund rose by 20.46% over the period under review.

MARKET REVIEW

The global economy continued to recover throughout the period with the US and major parts of Europe amongst the latest economies to return to positive GDP growth. Record levels of monetary and fiscal stimulus, coupled with further quantitative easing, eventually returned the UK back to growth in the final quarter of 2009.

Equity markets rallied initially in anticipation of this changing economic environment and most markets continued to make good gains. Emerging markets have been the best performing, with Latin America clearly standing out. However, the performance path has proved to be uneven with equities taking a temporary dip towards the end of October and November as fears surrounding Dubai's mounting debts unsettled investors around the world. This was short lived as markets, led by the US, rebounded to recoup earlier losses. In contrast, the Japanese equity market has been the worst performing with the marked appreciation of Yen.

It has been a mixed bag for the government bond markets over the period. On the one hand, government bonds have rallied strongly due to key central banks restating their intentions to keep policy rates low for an extended period. However, the expected withdrawal of Quantitative Easing and the fiscal woes of some OECD (Organisation for Economic Co-operation and Development) economies, such as the UK, have also put pressure on government bond yields. With the markets now beginning to price in a recovery, government bond yields are beginning to rise. The beginning of this year has seen the focus switch to sovereign debt default. Greece takes centre stage here as members of the euro help them to battle against insolvency. A bailout of some nature is required by Greece but is challenging under the Maastricht Treaty. As a result, euro weakness has led to US dollar strength and a short term sell off in risk assets.

NEVIS CONSERVATIVE PORTFOLIO

Elsewhere, UK commercial property prices have improved rapidly as optimism about the economy has boosted investors' sentiment and property yields have started to decline. Commodity markets have performed with similar optimism surrounding the global economy. Industrial metal prices have continued to rise and the gold price hit a new high, in excess of \$1,200.

PORTFOLIO ACTIVITY

With evidence of the global economy 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 equity fund holdings. In a momentum driven market, there have been very few opportunities to buy at bargain prices and we have resisted any temptation to chase prices. The UK equity holdings were increased including Artemis Income and Invesco Perpetual Income. Commodity holdings were added in this improving environment through Investec Enhanced Natural Resources and an Oil ETF (Exchange Traded Fund). 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 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 top ten purchases and sales during the year were as follows:

Purchases	Costs	Sales	Proceeds
	£'000		£'000
Artemis Income	1,831	Insight Sterling Liquidity 5	2,320
Schroder Income		Goldman Sachs Sterling	
Maximiser 'A'	1,516	Liquid Reserves	2,000
Insight Sterling Liquidity 5	1,068	iShares FTSE 100	1,386
JPMorgan Income Hedged 'C'	1,028	Artemis Income	1,354
iShares FTSE 250	937	M&G Securities Optimal	
BlackRock Gold & General 'A'	844	Invesco IP Corporate Bond	1,029
Goldman Sachs Sterling		Gold Bullion Securities 0%	810
Liquid Reserves	839	ETFs WTI Oil	436
Goldman Sachs GBP 10 Year		Invesco Income Fund	424
Swap Rate Certified 20/11/2014	806	Artemis Income	333
iShares FTSE 100	656		274
Invesco Income Fund	510		
Total purchases during the year were	£11,252	Total sales during the year were	£15,332

NEVIS CONSERVATIVE PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 28th February 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 73.13% (84.48%)			
United Kingdom 70.58% (60.69%)			
303,392	Absolute Insight UK Equity Market Neutral 'B'	331	1.60
393,904	Allianz RCM BRIC Stars Fund 'C'	665	3.21
1,045,384	Artemis Income	1,642	7.93
680,693	Artemis Strategic Asset	397	1.92
128,598	AXA Framlington UK Select Opportunities	1,222	5.90
202,300	Better Capital	223	1.09
68,053	BlackRock Gold & General 'A'	806	3.89
360,503	Cazenove Absolute UK Dynamic 'P2'	350	1.69
278,552	F&C Progressive Growth	350	1.69
313,241	Gartmore UK Absolute Return 'I'	339	1.64
1,830,708	Invesco IP Corporate Bond	1,927	9.31
2,020,411	Invesco Income Fund	1,646	7.95
362,895	Investec Enhanced Natural Resources 'I'	417	2.01
1,550,851	M&G Securities Optimal Income	1,823	8.81
583,153	Neptune Income 'B'	823	3.98
3,816,742	Schroder Income Maximiser 'A'	1,648	7.96
		14,609	70.58
Money Market 2.55% (23.79%)			
423,813	Goldman Sachs Sterling Liquid Reserves	424	2.05
103,000	Insight Sterling Liquidity 5	103	0.50
		527	2.55
EXCHANGE TRADED FUNDS 5.86% (9.63%)			
United Kingdom 5.86% (9.02%)			
76,000	iShares FTSE 100	404	1.95
88,100	iShares FTSE 250	809	3.91
		1,213	5.86
United States 0.00% (0.61%)			
INVESTMENT TRUSTS 1.75% (3.51%)			
Global 0.11% (0.09%)			
4,000	BlackRock World Mining	22	0.11
		22	0.11
Property 0.17% (0.27%)			
50,000	MedicX	36	0.17
25,000	MedicX Warrants	-	-
		36	0.17
United Kingdom 1.47% (3.15%)			
408,024	FRM Credit Alpha	304	1.47
		304	1.47
HEDGE FUNDS 6.75% (0.00%)			
United Kingdom 6.75% (0.00%)			
372,000	BlackRock Hedge UK Emerging Red 'P'	368	1.78
10,050	JPMorgan Income Hedged 'C'	1,028	4.97
		1,396	6.75

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
STRUCTURED PLANS 5.04% (0.90%)			
United Kingdom 5.04% (0.90%)			
806,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	802	3.88
15,700,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 29/05/2012	31	0.15
359,500	Harewood Structured Enhanced Property Recovery 'A'	209	1.01
		1,042	5.04
Total Value of Investments		19,149	92.53
Net Other Assets		1,547	7.47
Total Net Assets		20,696	100.00

Figures in brackets represent sector distribution at 28th February 2009.

NEVIS CONSERVATIVE PORTFOLIO

STATEMENT OF TOTAL RETURN

For the year ended 28th February 2010

	Notes	28/02/10 £'000	28/02/09 ¹ £'000
Income			
Net capital gains/(losses)	2	2,982	(2,364)
Revenue	3	545	332
Expenses	4	(328)	(190)
Finance costs: Interest	6	-	(1)
Net revenue before taxation		217	141
Taxation	5	(13)	(19)
Net revenue after taxation		204	122
Total return before distributions		3,186	(2,242)
Finance costs: Distributions	6	(472)	(275)
Change in net assets attributable to shareholders from investment activities		2,714	(2,517)

¹Restated (see notes to the financial statements on page 13).

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28th February 2010

	Note	28/02/10 £'000	28/02/09 £'000
Opening net assets attributable to shareholders		12,368	-
Amounts receivable on issue of shares		9,623	15,707
Amounts payable on cancellation of shares		(4,382)	(991)
		5,241	14,716
Stamp duty reserve tax		(8)	(3)
Change in net assets attributable to shareholders from investment activities		2,714	(2,517)
Retained distributions on accumulation shares	6	381	172
Closing net assets attributable to shareholders		20,696	12,368

BALANCE SHEET

As at 28th February 2010

	Notes	28/02/10 £'000	28/02/09 £'000
ASSETS			
Investment assets		19,149	12,185
Debtors	7	3,362	942
Cash and bank balances	8	400	417
Total other assets		3,762	1,359
Total assets		22,911	13,544
LIABILITIES			
Creditors	10	(2,059)	(1,160)
Bank overdrafts	9	(150)	-
Distribution payable on income shares	6	(6)	(16)
Total liabilities		(2,215)	(1,176)
Net assets attributable to shareholders		20,696	12,368

The notes on pages 13 to 15 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson
Finance Director (of the ACD)
30th June 2010

Mark Friend
Managing Director, Operations (of the ACD)

NEVIS CONSERVATIVE PORTFOLIO

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on pages 6 to 8.

During the year, the sub-fund has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains or losses and transaction charges are now classified as capital. The effect of this is to increase 'Net capital gains/(losses)' by £28,000 (2009: a reduction of £1,000).

2. NET CAPITAL GAINS/(LOSSES)

	28/02/10 £'000	28/02/09 £'000
Non-derivative securities	2,954	(2,364)
Currency gains	5	-
Capital management fee rebates	23	1
Transaction charges	-	(1)
Net capital gains/(losses)	2,982	(2,364)

3. REVENUE

	28/02/10 £'000	28/02/09 £'000
Bank interest	-	41
Deposit interest	-	1
Franked UK dividends	3	2
Franked distributions	162	50
Unfranked distributions	377	238
Management fee rebates	3	-
	545	332

4. EXPENSES

	28/02/10 £'000	28/02/09 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	259	149
	259	149
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	14	10
Safe custody fees	1	-
	15	10

Other expenses:

Administration fees	-	4
Auditor's remuneration	6	7
Registration fees	39	6
FSA and other regulatory fees	-	2
Legal fees	3	2
Printing fees	(1)	7
Price publication fees	2	3
PRS fees	5	-
	54	31

Total expenses	328	190
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Irrecoverable VAT is included in the above expenses where relevant.

5. TAXATION

(a) The tax charge comprises:

	28/02/10 £'000	28/02/09 £'000
Current tax:		
Corporation tax	13	19
Total current tax (note 5 (b))	13	19
Total taxation	13	19

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	28/02/10 £'000	28/02/09 £'000
Net revenue before taxation	217	141
	217	141
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)	43	29
Effects of:		
Franked UK dividends and distributions not subject to taxation	(33)	(10)
Offshore dividends non-taxable	(2)	-
Tax effect of capital management fee rebate	5	-
Current tax charge (note 5 (a))	13	19

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

NEVIS CONSERVATIVE PORTFOLIO

6. FINANCE COSTS

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

	28/02/10 £'000	28/02/09 £'000
First interim distribution	55	34
First interim accumulation	148	32
Second interim distribution	1	29
Second interim accumulation	4	34
Third interim distribution	58	61
Third interim accumulation	192	82
Final distribution	6	16
Final accumulation	37	24
	501	312
Add: Revenue deducted on cancellation of shares	10	3
Deduct: Revenue received on issue of shares	(39)	(40)
Net distributions for the year	472	275
Interest	-	1
Total finance costs	472	276

The difference between the net revenue after taxation and the amounts distributed comprises

Net revenue after taxation	204	122
Expenses offset against capital	328	153
Tax effect on expenses offset against capital	(60)	-
Finance costs: Distributions	472	275

7. DEBTORS

	28/02/10 £'000	28/02/09 £'000
Accrued revenue	26	23
Amounts receivable for issue of shares	211	26
Prepaid expenses	2	1
Recoverable income tax	58	9
Renewal commission receivable	16	-
Sales awaiting settlement	3,049	883
	3,362	942

8. CASH AND BANK BALANCES

	28/02/10 £'000	28/02/09 £'000
Sterling	400	417
Cash and bank balances	400	417

9. BANK OVERDRAFTS

	28/02/10 £'000	28/02/09 £'000
Sterling	150	-
	150	-

10. CREDITORS

	28/02/10 £'000	28/02/09 £'000
Accrued expenses	36	15
Amounts payable for cancellation of shares	63	-
Corporation tax payable	2	15
Purchases awaiting settlement	1,958	1,130
	2,059	1,160

11. RELATED PARTIES

Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2009: £nil).

13. DERIVATIVES AND FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, the main risks arising from the sub-fund's 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 sub-fund holds positions in structured plans. The purpose of the plans is to provide a certain level of capital protection albeit with a limited potential return, dependent on the movement of underlying market indices. The use of structured plans is intended to reduce the volatility of the overall portfolio although in extreme market conditions this may not be the case. The portfolio statement on page 11, shows that 5.04% (2009: 0.9%) of the sub-fund's portfolio consists of investments in structured plans.

The investment adviser and sub-investment adviser do not use derivative instruments to hedge the investment portfolio against risks.

Currency Risk

Other than cash and bank balances and bank overdrafts, there was no material 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 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 sub-fund will be exposed to some interest rate risk as its financial assets includes swap rate certificates based on interest rate swaps.

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

NEVIS CONSERVATIVE PORTFOLIO

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 due 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 and sub-investment adviser as an acceptable counterparty and from recognised product providers.

The sub-fund is exposed to counterparty risk with the issuers of structured plans.

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 where applicable.

Derivatives and forward transactions

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

14. PORTFOLIO TRANSACTION COSTS

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

15. SHARE CLASSES

The sub-fund currently has two types of share, Class 1 (Income) and Class 2 (Accumulation). The AMC on each share class 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 9. The distribution per share class is given in the distribution tables opposite.

DISTRIBUTION TABLES

For the period from 1st March 2009 to 31st May 2009

First Interim dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	Distribution Paid	
			28/08/09	28/08/08
Group 1	1.1298	-	1.1298	0.6007
Group 2	0.5443	0.5855	1.1298	0.6007

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			28/08/09	28/08/08
Group 1	1.1325	-	1.1325	0.6007
Group 2	0.5470	0.5855	1.1325	0.6007

For the period from 1st June 2009 to 31st August 2009

Second Interim dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	Distribution Paid	
			27/11/09	27/11/08
Group 1	0.0235	-	0.0235	0.5071
Group 2	-	0.0235	0.0235	0.5071

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			27/11/09	27/11/08
Group 1	0.0249	-	0.0249	0.5085
Group 2	-	0.0249	0.0249	0.5085

For the period from 1st September 2009 to 30th November 2009

Third Interim dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	Distribution Paid	
			26/02/10	25/02/09
Group 1	1.1845	-	1.1845	1.0138
Group 2	0.3023	0.8822	1.1845	1.0138

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			26/02/10	25/02/09
Group 1	1.2380	-	1.2380	1.0245
Group 2	0.6737	0.5643	1.2380	1.0245

For the period from 1st December 2009 to 28th February 2010

Final dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	Distribution Paid	
			28/05/10	28/05/09
Group 1	0.1545	-	0.1545	0.2653
Group 2	0.1019	0.0526	0.1545	0.2653

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			28/05/10	28/05/09
Group 1	0.2186	-	0.2186	0.2725
Group 2	0.1743	0.0443	0.2186	0.2725

NEVIS GROWTH PORTFOLIO

COMPARATIVE TABLES

Performance Record

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

2008 ¹	104.50	78.75
2009	99.65	75.53
2010 ²	101.22	96.43

Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

Accumulation Shares

2008 ¹	0.4032
2009	0.4385
2010 ²	0.2658

Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) ³
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Accumulation Shares

28/02/2009	16,966,835	78.69
28/02/2010	19,177,674	99.35

NAV of Sub-Fund (£)

Total NAV

28/02/2009	13,351,425
28/02/2010	19,052,630

¹From 26th February 2008.

²To 28th February 2010.

TOTAL EXPENSE RATIO (TER)

28/02/10	28/02/09
2.50%	2.15%

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 of different schemes.

PORTFOLIO TURNOVER RATE (PTR)

28/02/10	28/02/09
105.67%	176.10%

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

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 sub-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 and unregulated collective investment schemes such as hedge funds.

The sub-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 sub-fund has the facility to take tactical positions in cash or near cash.

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

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 Nevis Growth Fund rose by 26.07% over the period under review.

MARKET REVIEW

The global economy continued to recover throughout the period with the US and major parts of Europe amongst the latest economies to return to positive GDP growth. Record levels of monetary and fiscal stimulus, coupled with further quantitative easing, eventually returned the UK back to growth in the final quarter of 2009.

Equity markets rallied initially in anticipation of this changing economic environment and most markets continued to make good gains. Emerging markets have been the best performing, with Latin America clearly standing out. However, the performance path has proved to be uneven with equities taking a temporary dip towards the end of October and November, as fears surrounding Dubai's mounting debts unsettled investors around the world. This was short lived as markets, led by the US, rebounded to recoup earlier losses. In contrast, the Japanese equity market has been the worst performing with the marked appreciation of Yen.

It has been a mixed bag for the government bonds markets over the period. On the one hand, government bonds have rallied strongly due to key central banks restating their intentions to keep policy rates low for an extended period. However, the expected withdrawal of Quantitative Easing and the fiscal woes of some OECD (Organisation for Economic Co-operation and Development) economies, such as the UK, have also put pressure on government bond yields. With the markets now beginning to price in a recovery, government bond yields are beginning to rise. The beginning of this year has seen the focus switch to sovereign debt default. Greece takes centre stage here as members of the euro help them to battle against insolvency. A bailout of some nature is required by Greece but is challenging under the Maastricht Treaty. As a result, euro weakness has led to US dollar strength and a short term sell off in risk assets.

Elsewhere, UK commercial property prices have improved rapidly as optimism about the economy has boosted investors' sentiment and property yields have started to decline. Commodity markets have performed with similar optimism surrounding the global economy. Industrial metal prices have continued to rise and the gold price hit a new high, in excess of \$1,200.

PORTFOLIO ACTIVITY

With evidence of the global economy 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 bargain prices and we have resisted any temptation to chase prices. Equity holdings were increased in both developed and developing markets including First State Asian Leaders and Allianz BRIC Stars. We have also continued to add to Absolute Return Funds (ARF) such as BlackRock Hedge Selector and Gartmore UK ARF which have a low correlation to traditional asset classes. 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 bond fund weightings.

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 top ten purchases and sales during the year were as follows:

Purchases	Costs	Sales	Proceeds
	£'000		£'000
Artemis Income	1,568	Goldman Sachs Sterling	
Schroder Income		Liquid Reserves	1,970
Maximiser 'A'	1,088	Insight UK Equity Market	
Insight UK Equity Market		Neutral	1,785
Neutral	900	Artemis Income	1,568
First State Asia Pacific Fund 'B'	883	iShares FTSE 100	1,381
BlackRock Gold & General 'A'	781	Martin Currie Japan	
JPMorgan Income Hedged 'C'	572	Alpha B 'A'	855
Goldman Sachs Sterling Liquid		Invesco IP Corporate Bond	847
Reserves	488	Gold Bullion Securities 0%	388
Investec Global Energy 'A'	381	ETFs Oil Securities	372
Goldman Sachs GBP 10 Year		F&C Private Equity	
Swap Rate Certificates		Preference Shares	362
20/11/2014	371	JPMorgan AM UK 'B' Acc	354
iShares FTSE 100	370		
Total purchases during the year were	£12,008	Total sales during the year were	£10,989

NEVIS GROWTH PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 28th February 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 70.28% (67.74%)			
United Kingdom 64.08% (41.73%)			
473,859	Allianz RCM BRIC Stars Fund 'C'	800	4.20
969,366	Artemis Income	1,523	7.99
618,811	Artemis Strategic Asset	361	1.89
119,417	AXA Framlington UK Select Opportunities	1,135	5.96
182,400	Better Capital	201	1.05
63,101	BlackRock Gold & General 'A'	747	3.92
334,752	Cazenove Absolute UK Dynamic 'P2'	325	1.71
334,262	F&C Progressive Growth	420	2.20
358,109	First State Asia Pacific Fund 'B'	1,053	5.53
284,765	Gartmore UK Absolute Return 'I'	309	1.62
275,811	Insight UK Equity Market Neutral	301	1.58
1,873,222	Invesco Income Fund	1,526	8.01
323,094	Investec Enhanced Natural Resources 'I'	371	1.95
167,025	Investec Global Energy 'A'	381	2.00
760,141	M&G Securities Optimal Income	894	4.69
228,105	Neptune Income 'B'	719	3.77
2,653,729	Schroder Income Maximiser 'A'	1,146	6.01
		12,212	64.08
Europe 0.00% (2.56%)			
Money Market 1.12% (19.34%)			
114,249	Goldman Sachs Sterling Liquid Reserves	114	0.60
100,000	Insight Sterling Liquidity 5	100	0.52
		214	1.12
United States 5.08% (4.11%)			
93,730	Schroder US Smaller Companies 'A'	967	5.08
		967	5.08
EXCHANGE TRADED FUNDS 12.05% (20.18%)			
United Kingdom 1.98% (9.69%)			
70,800	iShares FTSE 100	377	1.98
		377	1.98
United States 10.07% (10.49%)			
265,464	iShares S&P 500	1,919	10.07
		1,919	10.07
INVESTMENT TRUSTS 2.47% (4.16%)			
Global 0.23% (0.17%)			
8,000	BlackRock World Mining	43	0.23
		43	0.23
Property 0.19% (0.25%)			
50,000	MedicX	36	0.19
25,000	MedicX Warrants	-	-
		36	0.19
United Kingdom 2.05% (3.47%)			
523,709	FRM Credit Alpha	390	2.05
		390	2.05

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
HEDGE FUNDS 4.78% (5.48%)			
United Kingdom 4.78% (5.48%)			
343,000	BlackRock Hedge UK Emerging Red 'P'	340	1.78
5,592	JPMorgan Income Hedged 'C'	572	3.00
		912	4.78
STRUCTURED PLANS 3.53% (1.09%)			
United Kingdom 3.53% (1.09%)			
371,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	369	1.94
14,800,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 29/05/2012	30	0.16
469,500	Harewood Structured Enhanced Property Recovery 'A'	272	1.43
		671	3.53
Total Value of Investments		17,741	93.11
Net Other Assets		1,312	6.89
Total Net Assets		19,053	100.00

Figures in brackets represent sector distribution at 28th February 2009.

NEVIS GROWTH PORTFOLIO

STATEMENT OF TOTAL RETURN

For the year ended 28th February 2010

	Notes	28/02/10 £'000	28/02/09 ¹ £'000
Income			
Net capital gains/(losses)	2	3,590	(3,792)
Revenue	3	373	333
Expenses	4	(298)	(220)
Finance costs: Interest	6	-	(4)
Net revenue before taxation		75	109
Taxation	5	(14)	(16)
Net revenue after taxation		61	93
Total return before distributions		3,651	(3,699)
Finance costs: Distributions	6	(61)	(94)
Change in net assets attributable to shareholders from investment activities		3,590	(3,793)

¹Restated (see notes to the financial statements on page 20).

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28th February 2010

	Note	28/02/10 £'000	28/02/09 £'000
Opening net assets attributable to shareholders		13,351	-
Amounts receivable on issue of shares		3,877	18,030
Amounts payable on cancellation of shares		(1,836)	(1,011)
		2,041	17,019
Dilution levy		5	-
Stamp duty reserve tax		(4)	(2)
Change in net assets attributable to shareholders from investment activities		3,590	(3,793)
Retained distributions on accumulation shares	6	70	127
Closing net assets attributable to shareholders		19,053	13,351

BALANCE SHEET

As at 28th February 2010

	Notes	28/02/10 £'000	28/02/09 £'000
ASSETS			
Investment assets		17,741	13,170
Debtors	7	2,620	729
Cash and bank balances	8	456	803
Total other assets		3,076	1,532
Total assets		20,817	14,702
LIABILITIES			
Creditors	9	(1,764)	(1,351)
Total liabilities		(1,764)	(1,351)
Net assets attributable to shareholders		19,053	13,351

The notes on pages 20 to 22 are an integral part of these financial statements.
On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Finance Director (of the ACD)

30th June 2010

Mark Friend

Managing Director, Operations (of the ACD)

NEVIS GROWTH PORTFOLIO

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on pages 6 to 8.

During the year, the sub-fund has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains or losses, certain management fee rebates and transaction charges are now classified as capital. The effect of this is to increase 'Net capital gains/(losses)' by £29,000 (2009: an increase of £2,000).

2. NET CAPITAL GAINS/(LOSSES)

	28/02/10 £'000	28/02/09 £'000
Non-derivative securities	3,561	(3,794)
Currency gains	4	-
Capital management fee rebates	25	3
Transaction charges	-	(1)
Net capital gains/(losses)	3,590	(3,792)

3. REVENUE

	28/02/10 £'000	28/02/09 £'000
Bank interest	-	48
Deposit interest	-	1
Overseas dividends	2	2
Franked distributions	129	32
Unfranked distributions	234	250
Management fee rebates	8	-
	373	333

4. EXPENSES

	28/02/10 £'000	28/02/09 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	243	182
	243	182
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	13	11
Safe custody fees	1	-
	14	11

Other expenses:

Auditor's remuneration	6	7
Registration fees	30	6
FSA and other regulatory fees	-	1
Legal fees	-	2
Printing fees	(2)	5
Price publication fees	2	2
PRS fees	5	4
	41	27
Total expenses	298	220

Irrecoverable VAT is included in the above expenses where relevant.

5. TAXATION

(a) The tax charge comprises:

	28/02/10 £'000	28/02/09 £'000
Current tax:		
Corporation tax	-	16
Irrecoverable income tax	14	-
Total current tax (note 5 (b))	14	16

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	28/02/10 £'000	28/02/09 £'000
Net revenue before taxation	75	109
	75	109
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2009: 20%)	15	22
Effects of:		
Franked UK dividends and distributions not subject to taxation	(26)	(6)
Irrecoverable income tax	14	-
Offshore dividends non taxable	(5)	-
Tax effect of capital management fee rebate	5	-
Excess management expenses	11	-
Current tax charge (note 5 (a))	14	16

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

NEVIS GROWTH PORTFOLIO

6. FINANCE COSTS

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

	28/02/10 £'000	28/02/09 £'000
Interim accumulation	19	63
Final accumulation	51	64
	70	127
Add: Revenue deducted on cancellation of shares	3	4
Deduct: Revenue received on issue of shares	(12)	(37)
Net distributions for the year	61	94
Interest	-	4
Total finance costs	61	98
The difference between the net revenue after taxation and the amounts distributed comprises		
Net revenue after taxation	61	93
Deficit transferred to capital	-	1
Finance costs: Distributions	61	94

7. DEBTORS

	28/02/10 £'000	28/02/09 £'000
Accrued revenue	13	44
Amounts receivable for issue of shares	19	49
Prepaid expenses	2	2
Recoverable income tax	22	2
Renewal commission receivable	24	-
Sales awaiting settlement	2,540	632
	2,620	729

8. CASH AND BANK BALANCES

	28/02/10 £'000	28/02/09 £'000
Sterling	456	803
Cash and bank balances	456	803

9. CREDITORS

	28/02/10 £'000	28/02/09 £'000
Accrued expenses	33	17
Corporation tax payable	-	10
Purchases awaiting settlement	1,731	1,324
	1,764	1,351

10. RELATED PARTIES

Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2009: £nil).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, the main risks arising from the sub-fund's 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 considers 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 sub-fund holds positions in structured plans. The purpose of the plans are to provide a certain level of capital protection albeit with a limited potential return, dependent on the movement of underlying market indices. The use of structured plans is intended to reduce the volatility of the overall portfolio although in extreme market conditions this may not be the case. The portfolio statement on page 18, shows that 3.53% (2009:1.09%) of the sub-fund's portfolio consists of investments in structured plans.

The investment adviser does not use derivative instruments to hedge the investment portfolio against risks.

Currency Risk

Other than cash and bank balances and bank overdrafts, there was no material 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 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 sub-fund will be exposed to some interest rate risk as its financial assets includes swap rate certificates based on interest rate swaps.

The only interest-bearing financial assets of the sub-fund are 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 due 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.

The sub-fund is exposed to counterparty risk with the issuers of structured plans.

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 where applicable.

Derivatives and forward transactions

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

13. PORTFOLIO TRANSACTION COSTS

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

14. SHARE CLASSES

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

The sub-fund currently has one type of share. The AMC on the share class is as follows:

Class 1: 1.50%

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 16. The distribution per share class is given in the distribution tables below.

DISTRIBUTION TABLES

For the period from 1st March 2009 to 31st August 2009

Interim dividend distribution in pence per share

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			31/10/09	31/10/08
Group 1	0.1012	-	0.1012	0.4032
Group 2	-	0.1012	0.1012	0.4032

For the period from 1st September 2009 to 28th February 2010

Interim dividend distribution in pence per share

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			30/06/10	30/06/09
Group 1	0.2658	-	0.2658	0.3373
Group 2	-	0.2658	0.2658	0.3373

Administration Queries

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