

The Nevis Fund

Interim (unaudited) Report & Financial Statements

For the period from 1st March 2010 to 31st August 2010

INDEX

Management and Administration

Registered Office and Directors	2
Company Information	2
Report of the ACD to the Shareholders	2
Directors' Statement	2

The Nevis Fund Aggregated Financial Statements

Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders & Balance Sheet	3
Note to the Aggregated Financial Statements	4

Nevis Conservative Portfolio

Comparative Tables	5
Total Expense Ratio	5
Portfolio Turnover Rate	5
Investment Objective and Policy	5
Investment Review	5-6
Portfolio of Investments	7
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders & Balance Sheet	8
Note to the Financial Statements	9
Distribution Tables	9

Nevis Growth Portfolio

Comparative Tables	10
Total Expense Ratio	10
Portfolio Turnover Rate	10
Investment Objective and Policy	10
Investment Review	10-11
Portfolio of Investments	12
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders & Balance Sheet	13
Note to the Financial Statements	14
Distribution Table	14

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 period 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.

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 1st March 2010 to 31st August 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 this page.

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 Mark Friend
Finance Director (of the ACD) Managing Director, Operations (of the ACD)
29th October 2010

NOTEABLE CHANGES

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.

THE NEVIS FUND AGGREGATED FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(149)		4,569
Revenue	594		378	
Expenses	(384)		(276)	
Finance costs: Interest	-		-	
Net revenue before taxation	210		102	
Taxation	(13)		(12)	
Net revenue after taxation		197		90
Total return before distributions		48		4,659
Finance costs: Distributions		(354)		(203)
Change in net assets attributable to shareholders from investment activities		<u>(306)</u>		<u>4,456</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		39,749		25,719
Amounts receivable on issue of shares	6,336		7,548	
Amounts payable on cancellation of shares	(2,160)		(2,535)	
		4,176		5,013
Dilution levy		1		2
Stamp duty reserve tax		(13)		(4)
Change in net assets attributable to shareholders from investment activities		(306)		4,456
Retained distributions on accumulation shares		318		171
Closing net assets attributable to shareholders		<u>43,925</u>		<u>35,357</u>

¹Opening net assets attributable to shareholders for current period differs from the comparative closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	<u>43,596</u>	<u>36,890</u>
Debtors	290	5,982
Cash and bank balances	<u>339</u>	<u>856</u>
Total other assets	<u>629</u>	<u>6,838</u>
Total assets	<u>44,225</u>	<u>43,728</u>
LIABILITIES		
Creditors	(261)	(3,823)
Bank overdrafts	(12)	(150)
Distributions payable on income shares	<u>(27)</u>	<u>(6)</u>
Total liabilities	<u>(300)</u>	<u>(3,979)</u>
Net assets attributable to shareholders	<u>43,925</u>	<u>39,749</u>

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

THE NEVIS FUND AGGREGATED FINANCIAL STATEMENTS

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

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	99.95	92.29
Accumulation Shares		
2008 ¹	103.53	82.87
2009	100.96	81.05
2010 ²	105.70	98.58

Income/Accumulation Record

Calendar Year	Net Income per Share (p)
Income Shares	
2008 ¹	2.1216
2009	2.4324
2010 ²	2.7390
Accumulation Shares	
2008 ¹	2.1337
2009	2.4544
2010 ²	2.9366

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
31/08/2010	3,901,844	81.36
Accumulation Shares		
28/02/2009	8,850,658	83.40
28/02/2010	16,938,046	100.72
31/08/2010	19,388,100	104.23
Total NAV		NAV of Sub-Fund (£)
28/02/2009		12,367,519
28/02/2010		20,695,806
31/08/2010		23,382,534

¹ From 26th February 2008 to 31st December 2008.

² To 31st August 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

2.56%

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

71.60%

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

In the period under review, the Nevis Conservative Fund rose by 1.16%.

MARKET REVIEW

The pendulum of investor sentiment has continued to swing back and forth from optimism to pessimism this year as leading economic indicators point to mixed outcomes. Compared to the West, Asia and Emerging Markets have stronger economic growth and continue to provide support to global growth. However, the threat of deflation in the West is causing investor anxiety in an environment where equities look cheap against low yielding government bonds and cash deposits.

This year started in a similar fashion to last, with global equities rising early on, driven by further evidence of a sustainable global economic recovery. However, it was not to be a smooth ride for equity markets. There was a sell off which ended mid February as anxiety increased over the Greek's sovereign debt, coupled with President Obama's proposals for tighter banking regulation and China draining liquidity to slowdown an overheated property market. Many of these issues remained unsolved as equities then rallied at an unstoppable pace for the next ten weeks.

NEVIS CONSERVATIVE PORTFOLIO

Then, mid April, the market was taken by surprise with the shock announcement that Securities & Exchange Commission (SEC) was investigating Goldman Sachs over allegations of fraud in the sale of sub prime products. Meanwhile, Greece came under increasing pressure to agree to a package of severe austerity measures to reduce their growing deficit in exchange for assistance from other European Union members and the International Monetary Fund (IMF). The reluctance of such an agreement caused uncertainty and pressure on the euro which weakened against the US dollar. A strong US dollar was not good news for an economy which had based a strong and sustainable recovery upon exports.

June was a tough month. After a relief rally from the late May lows, investors began to worry about the possibility of a "double dip" recession whilst bond markets feared that a Japanese style deflation was now in the offering. The decline in yields of both US and UK 10 year government bond debt was fairly dramatic - it caught many investors by surprise. The US authorities are determined to avoid deflation and, more recently, risk assets have risen on the prospects that policy makers will turn once again to further quantitative easing. The reflation trade was initially funded by enormous amounts of government debt which should have suggested much higher inflation in the future. However, the reaction of government bond yields today would suggest otherwise.

PORTFOLIO ACTIVITY

In our opinion, political, economic and market volatility is set to continue for the short to medium term. Our current approach is therefore to maintain an even spread between risk assets and defensive assets - we have made changes with this in mind. F&C Progressive Growth, a trust which invests wholly in zero dividend preference shares (zeros), was sold in late May. The sale was a result of uncertainty around the attractiveness of this sector as the UK embarks upon a series of austerity measures. At the same time, we increased our exposure to UK Equity Income funds. These funds offer a yield higher than both government bonds and cash deposits. In history, this is rare and creates a good buying opportunity. We sold our UK equity ETFs as well as AXA Framlington UK Select Opportunities to fund this switch.

Absolute Return funds remain an important ingredient in portfolio construction, funds which can profit in both falling and rising markets. In June we began to sell Cazenove ARF UK Dynamic after the fund manager departure and switched the proceeds into listed fund of hedge funds, BlueCrest AllBlue. This multi strategy fund is managed internally and has created an impressive track record which we believe is sustainable.

Turning to the bond markets, we have been surprised by the strength of UK Gilts, where yields have fallen further as the UK has been seen as a relative safe haven for international investors, when compared with many of the countries within the Eurozone. However, we believe this is unlikely to continue and our focus within this asset class is on those funds which can provide us with a satisfactory income but provide us with some protection against rising yields. Strategic Bond funds, such as our holding in Legal & General Dynamic Bond, JPM Income Opportunity and Artemis Strategic Bond are held on this basis.

Whilst the news on the global recovery remains mixed, we will continue to increase our equity on weakness. With the markets in a pessimistic mood in July, we bought into JPMorgan Consumer Trends, a global fund managed by Peter Kirkman, which looks to profit the changing appetite of the consumer in both the West and the Emerging Markets.

OUTLOOK

Following the reflation of the global economy, financial markets are now at a tipping point. The expansion of global governments' quantitative easing programmes has now ended, marked by the April peak in equity markets. Investors are trying to gauge whether the momentum is sufficient to carry vulnerable economies out of recession in a low growth environment, or whether they will slip back into a double dip recession. The global macro environment continues to be fraught with dangers but interest rates remain low, there is little sign of inflation, growth forecasts remain reasonable and many companies have strong balance sheets and continue to surprise on the upside.

Source: North Investment Partners, September 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 period were as follows:

Purchases	Costs		Sales		Proceeds £'000
	£'000		£'000		
JOHambro UK Equity 'I'	1,840		Invesco IP Corporate Bond		1,910
Threadneedle UK Monthly Income	1,546		M&G Optimal Income		1,798
Legal & General Dynamic Bond 'I'	1,520		AXA Framlington UK Select Opportunities		1,218
Artemis Strategic Bond	1,507		iShares FTSE 250		1,031
Invesco Perpetual Monthly Income Plus	1,367		Invesco Perpetual Income		658
Invesco Perpetual Income	662		iShares FTSE 100		490
F&C UK Property	510		F&C Progressive Growth		356
JPMorgan Global Consumer Trends 'C'	480		Cazenove Absolute UK		335
JPMorgan Income Hedged 'C'	464		Dynamic 'P2'		245
BlueCrest AllBlue	459		Allianz RCM BRIC Stars		245
			Fund 'C'		245
			Goldman Sachs FTSE APCIM		211
			Warrants 30/09/10		211
Total purchases during the period were	£12,585		Total sales during the period were		£8,542

NEVIS CONSERVATIVE PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 31st August 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 84.93% (73.13%)			
United Kingdom 83.12% (70.58%)			
391,933	Absolute Insight UK Equity Market Neutral 'B'	429	1.83
252,648	Allianz RCM BRIC Stars Fund 'C'	427	1.83
1,191,816	Artemis Income	1,876	8.02
680,693	Artemis Strategic Asset	395	1.69
3,122,081	Artemis Strategic Bond	1,544	6.60
1,636	Barclays Celsius Radar 'E'	192	0.82
222,000	Better Capital Ltd	245	1.05
68,053	BlackRock Gold & General 'A'	945	4.04
283,891	BlueCrest AllBlue	473	2.02
510,000	F&C UK Property	500	2.14
392,409	Gartmore UK Absolute Return 'I'	428	1.83
452,147	Henderson UK Property Trust	408	1.74
1,457,356	Invesco Perpetual Monthly Income Plus	1,425	6.09
866,378	Invesco Perpetual High Income	690	2.95
1,150,730	Invesco Perpetual Income	930	3.98
283,825	Investec Enhanced Natural Resources 'I'	331	1.42
143,128	Investec Global Energy 'A'	296	1.27
1,568,280	JOHambro UK Equity 'I'	1,856	7.94
471,195	JPMorgan Global Consumer Trends 'C'	466	1.99
2,372,361	Legal & General Dynamic Bond 'I'	1,564	6.69
583,153	Neptune Income 'B'	799	3.42
3,816,742	Schroder Income Maximiser 'A'	1,635	6.99
3,121,223	Threadneedle UK Monthly Income	1,583	6.77
		19,437	83.12
Money Market 1.81% (2.55%)			
423,813	Goldman Sachs Sterling Liquid Reserves	424	1.81
		424	1.81
EQUITIES 0.73% (0.00%)			
United Kingdom 0.73% (0.00%)			
34,000	Quorum Oil & Gas Technology	171	0.73
		171	0.73
EXCHANGE TRADED FUNDS 0.00% (5.86%)			
United Kingdom 0.00% (5.86%)			
INVESTMENT TRUSTS 1.33% (1.75%)			
Global 0.00% (0.11%)			
Pharmaceutical 0.15% (0.00%)			
50,000	MedicX	35	0.15
		35	0.15
Property 0.00% (0.17%)			
United Kingdom 1.18% (1.47%)			
408,024	FRM Credit Alpha	277	1.18
		277	1.18

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
HEDGE FUNDS 8.20% (6.75%)			
United Kingdom 8.20% (6.75%)			
372,000	BlackRock Hedge UK Emerging Red 'P'	407	1.74
14,586	JPMorgan Income Hedged 'C'	1,511	6.46
		1,918	8.20
STRUCTURED PLANS 3.86% (5.04%)			
United Kingdom 3.86% (5.04%)			
15,700,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 12/06/12	16	0.07
864,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	664	2.85
359,500	Harewood Structured Enhanced Property Recovery 'A'	219	0.94
		899	3.86
Total Value of Investments		23,161	99.05
Net Other Assets		222	0.95
Total Net Assets		23,383	100.00

Figures in brackets represent sector distribution at 28th February 2010.

NEVIS CONSERVATIVE PORTFOLIO

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		2		2,110
Revenue	373		220	
Expenses	(202)		(140)	
Finance costs: Interest	-		-	
Net revenue before taxation	171		80	
Taxation	(5)		(7)	
Net revenue after taxation		166		73
Total return before distributions		168		2,183
Finance costs: Distributions		(323)		(186)
Change in net assets attributable to shareholders from investment activities		(155)		1,997

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		20,696		12,368
Amounts receivable on issue of shares	4,004		5,866	
Amounts payable on cancellation of shares	(1,437)		(2,082)	
		2,567		3,784
Stamp duty reserve tax		(9)		(3)
Change in net assets attributable to shareholders from investment activities		(155)		1,997
Retained distributions on accumulation shares		284		152
Closing net assets attributable to shareholders		23,383		18,298

¹Opening net assets attributable to shareholders for current period differs from the comparative closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	23,161	19,149
Debtors	187	3,362
Cash and bank balances	277	400
Total other assets	464	3,762
Total assets	23,625	22,911
LIABILITIES		
Creditors	(215)	(2,059)
Bank overdrafts	-	(150)
Distributions payable on income shares	(27)	(6)
Total liabilities	(242)	(2,215)
Net assets attributable to shareholders	23,383	20,696

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

NEVIS CONSERVATIVE PORTFOLIO

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

DISTRIBUTION TABLES

For the period from 1st March 2010 to 31st May 2010

First Interim dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	28/08/10	Distribution Paid 28/08/09
Group 1	0.7000	-	0.7000	1.1298
Group 2	0.0896	0.6104	0.7000	1.1298

Accumulation Shares

	Net Income	Equalisation	28/08/10	Amount Accumulated 28/08/09
Group 1	0.7400	-	0.7400	1.1325
Group 2	0.2758	0.4642	0.7400	1.1325

For the period from 1st June 2010 to 31st August 2010

Second Interim dividend distribution in pence per share

Income Shares

	Net Income	Equalisation	27/11/10	Distribution Payable 27/11/09
Group 1	0.7000	-	0.7000	0.0235
Group 2	0.0763	0.6237	0.7000	0.0235

Accumulation Shares

	Net Income	Equalisation	27/11/10	Amount Accumulated 27/11/09
Group 1	0.7400	-	0.7400	0.0249
Group 2	-	0.7400	0.7400	0.0249

NEVIS GROWTH PORTFOLIO

COMPARATIVE TABLES

Performance Record

Calendar Year	High (p)	Low (p)
Accumulation Shares		
2008 ¹	104.50	78.75
2009	99.65	75.53
2010 ²	105.30	96.43

Accumulation Record

Calendar Year	Net Income per Share (p)
Accumulation Shares	
2008 ¹	0.4032
2009	0.4385
2010 ²	0.4314

Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p)
Accumulation Shares		
28/02/2009	16,966,835	78.69
28/02/2010	19,177,674	99.35
31/08/2010	20,759,916	98.95
Total NAV		NAV of Sub-Fund (£)
28/02/2009		13,351,425
28/02/2010		19,052,630
31/08/2010		20,542,279

¹ From 26th February 2008 to 31st December 2008.

² To 31st August 2010.

TOTAL EXPENSE RATIO (TER)

28/02/10
2.50%

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
105.67%

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

In the period under review, the Nevis Growth Fund returned -0.8%.

MARKET REVIEW

The pendulum of investor sentiment has continued to swing back and forth from optimism to pessimism this year as leading economic indicators point to mixed outcomes. Compared to the West, Asia and Emerging Markets have stronger economic growth and continue to provide support to global growth. However, the threat of deflation in the West is causing investor anxiety in an environment where equities look cheap against low yielding government bonds and cash deposits.

This year started in a similar fashion to last, with global equities rising early on, driven by further evidence of a sustainable global economic recovery. However, it was not to be a smooth ride for equity markets. There was a sell off which ended mid February as anxiety increased over the Greek's sovereign debt, coupled with President Obama's proposals for tighter banking regulation and China draining liquidity to slowdown an overheated property market. Many of these issues remained unsolved as equities then rallied at an unstoppable pace for the next ten weeks.

Then, mid April, the market was taken by surprise with the shock announcement that Securities & Exchange Commission (SEC) was investigating Goldman Sachs over allegations of fraud in the sale of sub prime products. Meanwhile, Greece came under increasing pressure to agree to a package of severe austerity measures to reduce their growing deficit in exchange for assistance from other European Union members and the International Monetary Fund (IMF). The reluctance of such an agreement caused uncertainty and pressure on the euro which weakened against the US dollar. A strong US dollar was not good news for an economy which had based a strong and sustainable recovery upon exports.

June was a tough month. After a relief rally from the late May lows, investors began to worry about the possibility of a "double dip" recession whilst bond markets feared that a Japanese style deflation was now in the offering. The decline in yields of both US and UK 10 year government bond debt was fairly dramatic - it caught many investors by surprise. The US authorities are determined to avoid deflation and, more recently, risk assets have risen on the prospects that policy makers will turn once again to further quantitative easing. The reflation trade was initially funded by enormous amounts of government debt which should have suggested much higher inflation in the future. However, the reaction of government bond yields today would suggest otherwise.

PORTFOLIO ACTIVITY

In our opinion, political, economic and market volatility is set to continue for the short to medium term. Our current approach is therefore to maintain an even spread between risk assets and defensive assets; any changes have been marginal. F&C Progressive Growth, a trust which invests wholly in zero dividend preference shares (zeros), was sold in late May. The sale was a result of uncertainty around the attractiveness of this sector, as the UK embarks upon a series of austerity measures.

Absolute Return funds remain an important ingredient in portfolio construction - funds which can profit in both falling and rising markets. In June we began to sell Cazenove ARF UK Dynamic after the fund manager's departure and switched the proceeds into listed fund of hedge funds, BlueCrest AllBlue. This multi strategy fund is managed internally and has created an impressive track record which we believe is sustainable.

Whilst the news on the global recovery remains mixed, we will continue to increase our equity on weakness. With the markets in pessimistic mood in July, we added to UK and Japanese equities. Our chosen Japanese fund is Martin Currie Japan Alpha, managed by the very experienced and well resourced team in Edinburgh. At the end of the period, we bought into JPMorgan Consumer Trends, a global fund managed by Peter Kirkman which looks to profit the changing appetite of the consumer in both the West and the Emerging Markets.

OUTLOOK

Following the reflation of the global economy, financial markets are now at a tipping point. The expansion of global governments' quantitative easing programmes has now ended, marked by the April peak in equity markets. Investors are trying to gauge whether the momentum is sufficient to carry vulnerable economies out of recession in a low growth environment, or whether they will slip back into a double dip recession. The global macro environment continues to be fraught with dangers but interest rates remain low, there is little sign of inflation, growth forecasts remain reasonable and many companies have strong balance sheets and continue to surprise on the upside.

Source: North Investment Partners, September 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 total sales during the period were as follows:

Purchases	Cost £'000	Sales	Proceeds £'000
Legal & General Dynamic		M&G Optimal Income	881
Bond 'I'	1,100	iShares S&P 500	620
JPMorgan Global Consumer Trends 'C'	840	F&C Progressive Growth	427
F&C UK Property	540	Cazenove Absolute UK	
BlueCrest AllBlue	411	Dynamic 'P2'	311
Martin Currie Japan		Goldman Sachs FTSE	
Alpha 'H'	410	APCIM Warrants 30/09/10	194
Henderson UK Property Trust	390		
iShares FTSE 100	331		
Investec Global Energy 'A'	307		
Quorum Oil & Gas Technology	207		
iShares FTSE 250	205		
Total purchases during the period were	£5,276	Total sales during the period were	£2,433

NEVIS GROWTH PORTFOLIO

PORTFOLIO OF INVESTMENTS

As at 31st August 2010

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
COLLECTIVE INVESTMENT SCHEMES 79.07% (70.28%)			
Asia 7.38% (0.00%)			
358,109	First State Asia Pacific 'B'	1,137	5.54
380,687	Martin Currie Japan Alpha 'H'	377	1.84
		1,514	7.38
Europe 3.37% (0.00%)			
228,105	Neptune European Opportunities 'B'	693	3.37
		693	3.37
Global 6.93% (0.00%)			
293,570	Investec Global Energy 'A'	608	2.96
824,592	JPMorgan Global Consumer Trends 'C'	816	3.97
		1,424	6.93
Money Market 1.05% (1.12%)			
114,249	Goldman Sachs Sterling Liquid Reserves	114	0.56
100,000	Insight Sterling Liquidity 5	100	0.49
		214	1.05
United Kingdom 55.83% (64.08%)			
473,859	Allianz RCM BRIC Stars 'C'	800	3.89
969,366	Artemis Income 'I'	1,526	7.43
658,434	Artemis Strategic Asset	382	1.86
119,417	AXA Framlington UK Select Opportunities	1,205	5.87
1,514	Barclays Celsius Radar 'E'	178	0.87
197,000	Better Capital Ltd	218	1.06
63,101	BlackRock Gold & General 'A'	876	4.26
254,203	BlueCrest AllBlue	423	2.06
540,000	F&C UK Property	529	2.58
363,018	Gartmore UK Absolute Return 'I'	396	1.93
419,144	Henderson UK Property Trust	378	1.84
362,975	Insight UK Equity Market Neutral 'B'	398	1.94
1,873,222	Invesco Perpetual Income	1,514	7.37
323,094	Investec Enhanced Natural Resources 'I'	377	1.84
1,714,998	Legal & General Dynamic Bond 'I'	1,130	5.50
2,653,729	Schroder Income Maximiser 'A'	1,137	5.53
		11,467	55.83
United States 4.51% (5.08%)			
93,730	Schroder US Smaller Companies 'A'	927	4.51
		927	4.51
EQUITIES 0.76% (0.00%)			
United Kingdom 0.76% (0.00%)			
31,000	Quorum Oil & Gas Technology	156	0.76
		156	0.76
EXCHANGE TRADED FUNDS 10.02% (12.05%)			
United Kingdom 4.22% (1.98%)			
131,550	iShares FTSE 100	677	3.30
19,735	iShares FTSE 250	189	0.92
		866	4.22

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
United States 5.80% (10.07%)			
177,000	iShares S&P 500	1,192	5.80
		1,192	5.80
INVESTMENT TRUSTS 2.12% (2.47%)			
Global 0.22% (0.23%)			
8,000	BlackRock World Mining	45	0.22
		45	0.22
Property 0.00% (0.19%)			
Pharmaceuticals 0.17% (0.00%)			
50,000	MedicX	35	0.17
		35	0.17
United Kingdom 1.73% (2.05%)			
523,709	FRM Credit Alpha	356	1.73
		356	1.73
HEDGE FUNDS 4.67% (4.78%)			
United Kingdom 4.67% (4.78%)			
343,000	BlackRock Hedge UK Emerging Red 'P'	376	1.83
5,635	JPMorgan Income Hedged 'C'	584	2.84
		960	4.67
STRUCTURED PLANS 2.84% (3.53%)			
United Kingdom 2.84% (3.53%)			
14,800,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 12/06/2012	15	0.07
371,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	285	1.38
469,500	Harewood Structured Enhanced Property Recovery 'A'	286	1.39
		586	2.84
Total Value of Investments		20,435	99.48
Net Other Assets		107	0.52
Total Net Assets		20,542	100.00

Figures in brackets represent sector distribution at 28th February 2010.

NEVIS GROWTH PORTFOLIO

STATEMENT OF TOTAL RETURN

For the period ended 31st August 2010

	31/08/10		31/08/09	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(151)		2,459
Revenue	221		158	
Expenses				
Finance costs: Interest	(182)		(136)	
	<u>-</u>		<u>-</u>	
Net revenue before taxation	39		22	
Taxation	(8)		(5)	
	<u>31</u>		<u>17</u>	
Net revenue after taxation		31		17
Total return before distributions		(120)		2,476
Finance costs: Distributions		(31)		(17)
Change in net assets attributable to shareholders from investment activities		<u>(151)</u>		<u>2,459</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31st August 2010

	31/08/10 ¹		31/08/09	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		19,053		13,351
Amounts receivable on issue of shares	2,332		1,682	
Amounts payable on cancellation of shares	(723)		(453)	
		1,609		1,229
Dilution levy		1		2
Stamp duty reserve tax		(4)		(1)
Change in net assets attributable to shareholders from investment activities		(151)		2,459
Retained distributions on accumulation shares		34		19
Closing net assets attributable to shareholders		<u>20,542</u>		<u>17,059</u>

¹Opening net assets attributable to shareholders for current period differs from the comparative closing balance as they are not consecutive periods.

BALANCE SHEET

As at 31st August 2010

	31/08/10	28/02/10
	£'000	£'000
ASSETS		
Investment assets	<u>20,435</u>	<u>17,741</u>
Debtors	103	2,620
Cash and bank balances	<u>62</u>	<u>456</u>
Total other assets	<u>165</u>	<u>3,076</u>
Total assets	<u>20,600</u>	<u>20,817</u>
LIABILITIES		
Creditors	(46)	(1,764)
Bank overdrafts	<u>(12)</u>	<u>-</u>
Total liabilities	<u>(58)</u>	<u>(1,764)</u>
Net assets attributable to shareholders	<u>20,542</u>	<u>19,053</u>

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson

Mark Friend

Finance Director (of the ACD)

Managing Director, Operations (of the ACD)

29th October 2010

NOTE TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 28th February 2010. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), in November 2008 (the IMA SORP 2008).

DISTRIBUTION TABLE

For the period from 1st March 2010 to 31st August 2010

Interim dividend distribution in pence per share

Accumulation Shares

	Net Income	Equalisation	Amount Accumulated	
			31/10/10	31/10/09
Group 1	0.1656	-	0.1656	0.1012
Group 2	0.0005	0.1651	0.1656	0.1012

Administration Queries

Premier Portfolio Managers Limited
PO BOX 55736,
50 Bank Street, Canary Wharf,
London E14 1BT
Tel: 0845 605 63 63

Further Information

Premier Portfolio Managers Limited
Eastgate Court, High Street,
Guildford, Surrey GU1 3DE
Tel: 01483 306 090
Fax: 01483 300 845
email: enquiries@premierfunds.co.uk
Web: www.premierassetmanagement.co.uk

This document is issued by:

Premier Portfolio Managers Limited
Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Limited is an ISA manager and markets a number of funds. Premier Fund Managers Limited manages these and other funds and provides discretionary portfolio management services. Premier Portfolio Managers Limited is also a member of the Investment Management Association.

You should remember that past performance is not a guide to the future. The price of shares and the income from them may go down as well as up and you may get back less than you invested. Exchange rates will also cause the value of underlying investments to fall or rise. Tax concessions are not guaranteed and may be changed at any time; their value will depend on your individual circumstances. For your protection when dealing, your call may be recorded and monitored. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Large print documents are available on request from the above Guildford address.