

The Nevis Conservative Portfolio - a sub-fund of the Nevis Fund

Short Report for the Annual period from 1st March 2008 to 28th February 2009

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the year. Copies of the Long-Form Annual Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Nevis Fund website at www.thenevisfund.co.uk.

Investment Objective and Policy

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

The investment policy of the Fund is to invest in units and/or shares in collective investment schemes, including (but not limited to) units and/or shares of collective investment schemes which themselves may invest in immovable property and unregulated collective investment schemes such as hedge funds. The Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants. It is the intention to be near fully invested at all times, however, the fund has the facility to take tactical positions in cash or near cash. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Fund Facts

Launch date: 26th February 2008
Ex-dividend dates: 28th February, 31st May, 31st August, and 30th November
Income dates: 25th February, 28th May, 28th August and 27th November

Total Expense Ratio (TER)

28/02/2009

2.31%

The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2008 ¹	Income	103.52	81.92
	Accumulation	103.53	82.87
2009 ²	Income	86.31	81.64
	Accumulation	88.68	83.59

¹26th February 2008 to 31st December 2008

²28th February 2009

Past performance is not an indication of future returns

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Income	81.15
	Accumulation	83.40

Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31/05/2008	28/08/2008	Income	0.6007
		Accumulation	0.6007
31/08/2008	27/11/2008	Income	0.5071
		Accumulation	0.5085
30/11/2008	25/02/2009	Income	1.0138
		Accumulation	1.0245
28/02/2009	28/05/2009	Income	0.2653
		Accumulation	0.2725

Investment Risks

There is a market risk. This is the risk that the value of investments and any income from them, can fall as well as rise. Neither capital nor income is guaranteed.

This Fund may invest in derivatives for investment purposes. Although this may mean that the value of the Fund could be subject to volatility from time to time, investing in derivatives is not expected to alter the risk profile of the Fund.

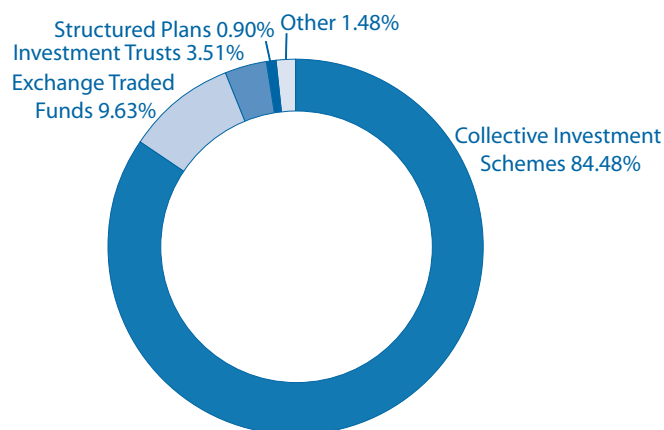
Where a Fund's objective is to provide income, charges and expenses will usually be deducted from capital. This may result in the income paid by the fund being higher than would otherwise have been the case and the growth in the capital may be constrained. With the exception of ISA holders, as a higher level of income is paid out, your tax liabilities may increase.

The Fund may invest in unregulated collective investment schemes (including hedge funds) which do not offer the same level of investor protection as FSA regulated schemes. These schemes may use leverage and have a higher liquidity risk as investments in them may not be readily realisable.

Since this Fund has been launched recently, or is small in size, there is a risk that the charges and expenses allocated to the Fund may be higher than expected if the Fund does not grow as much as planned. This would have an effect on the Fund's performance.

The Fund may have significant holdings in collective investment vehicles and these collective investment vehicles may also be subject to the other risks listed above.

Asset Allocation as at 28/02/2009



Top Ten Holdings as at 28/02/2009

M&G Securities Optimal Income	15.61%
Invesco IP Corporate Bond	14.87%
Goldman Sachs Sterling Liquid Reserves	12.83%
Insight Sterling Liquidity 5	10.96%
Invesco Income Fund	9.61%
Artemis Income	9.12%
iShares FTSE 100	9.02%
Neptune Income 'B'	4.30%
AXA Framlington UK Select Opportunities	4.16%
FRM Credit Alpha	3.15%

No prior year figures are available as this is the 1st Annual Short Report.

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Investment Review

Performance

The World's financial system faced almost a collapse in 2008. This one factor lies behind the negative portfolio returns over the period under review. We, like many others, did not anticipate nor predict the credit crisis which followed the bankruptcy of Lehman Brothers. The decision by the authorities to allow this failure caused credit quality to be immediately reassessed and all risk assets to plunge in the final quarter of last year. Against this backdrop, the Nevis Conservative Fund fell by 17.42% over the accounting period.

Portfolio Activity

The portfolio is diversified with the aim to offset equity exposure through investing in other asset classes such as bonds, property and cash. We raised cash from equities pre the Lehman Bankruptcy in early September and felt that the rest of the portfolio would be protected by the diversification in the portfolio. However in this perfect storm, all asset classes aside from sovereign debt plunged as investors deleveraged their portfolios at any price. We were not amongst those investors who were forced to sell quality assets at deeply discounted prices, but certainly suffered as a result. Much of the recent activity has been reviewing the portfolio to adjust for a recession and a period of falling inflation. In the absence of private capital, Governments have stepped in to significantly increase the money supply. This action, known as the reflation trade, supports bond prices and we have increased our corporate bond weighting through buying Invesco Perpetual Corporate Bond and M&G Optimal Income. F&C Progressive Growth Fund, which invests in zeros, was added to the portfolio at a low market valuation. We have also been rebuilding our exposure to risk assets, equities in particular. There is no haste here as we increase exposure via Exchange Traded Funds, iShares FTSE 100 being the investment vehicle of choice.

Outlook

The economic and corporate news continues to be bleak both here in the UK and around the World. Governments and central banks have been throwing liquidity at the financial markets in order to reflate the economy. Investors fear a depression rather than a severe recession and are desperate to see evidence of the stimulus beginning to work. However, it is well known that economic data is a lagging indicator and there is a tendency for equities to recover before such evidence is reported. Deleveraging has slowed and the credit markets are slowly beginning to function once more. It takes time to restore investor confidence but we believe that the portfolio is well positioned to capture a recovery in the financial markets.

Source: North Investment Partners, March 2009. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

The full Investment Review is available in the Long-form Annual Report & Accounts, which is available on request, or from the Nevis Fund website at www.thenevisfund.co.uk.

Noteable Changes

On 8th September 2008, shareholders approved an amendment to the Investment Policy to allow the use of derivatives for investment purposes.

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

Other Information

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

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

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You should remember that past performance is not a guide to future returns and the price of shares and the income from them may go down as well as up and you may get back less than you invested. Investment in these funds should be viewed as a long term investment. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Monthly cash withdrawals may lead to erosion of the capital value of your investment should you take a higher cash withdrawal than the growth or income generated. 2906095744