

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

Short Report for the year from 1st March 2009 to 28th February 2010

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 UK stockmarket 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.

Subject to the above, the 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 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:	26 February 2008
Ex-dividend dates:	28 February, 31 May, 31 August and 30 November
Income dates:	25 February, 28 May, 28 August and 27 November

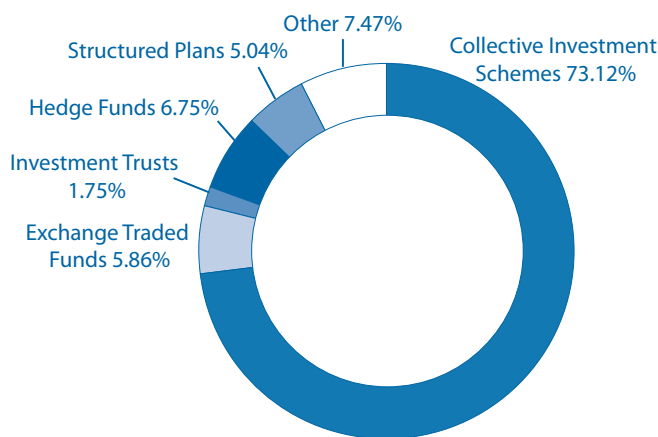
Total Expense Ratio (TER)

28/02/2010

2.56%

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.

Asset Allocation as at 28/02/2010



Top Ten Holdings as at 28/02/2010

Invesco IP Corporate Bond	9.31%
M&G Securities Optimal Income	8.81%
Schroder Income Maximiser 'A'	7.96%
Invesco Income Fund	7.95%
Artemis Income	7.93%
AXA Framlington UK Select Opportunities	5.90%
JPMorgan Income Hedged 'C'	4.97%
Neptune Income 'B'	3.98%
iShares FTSE 250	3.91%
Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	3.88%

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.

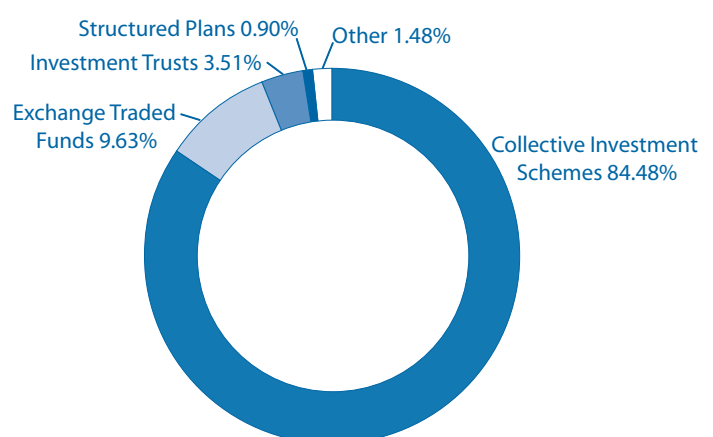
Portfolio Turnover Rate (PTR)

28/02/2010

71.6%

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

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 Liquidity 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%

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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.

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 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.

Important Note

Future income payments will be smoothed to provide a more consistent quarterly payment starting with the interim distribution payable at the end of August 2010.

Issued by:

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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. 2306106415

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2009	Income	81.15
	Accumulation	83.40
28/02/2010	Income	95.10
	Accumulation	100.72

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	96.30	78.85
	Accumulation	100.96	81.05
2010 ²	Income	97.35	93.22
	Accumulation	102.74	98.58

¹From 26 February 2008 to 31 December 2008

²To 28 February 2010

Past performance is not an indication of future returns

Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31/05/2009	28/08/2009	Income	1.1298
		Accumulation	1.1325
31/08/2009	27/11/2009	Income	0.0235
		Accumulation	0.0249
30/11/2009	26/02/2010	Income	1.1845
		Accumulation	1.2380
28/02/2010	28/05/2010	Income	0.1545
		Accumulation	0.2186

Other Information

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

Auditor: **Grant Thornton UK LLP**, Grant Thornton House, 22 Melton Street, London, NW1 2EP

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Administrators & Registrar: **Northern Trust Global Services Limited**, PO Box 55736, 50 Bank Street, Canary Wharf, London E14 1BT



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