

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

Short Report for the interim period from 1st March 2010 to 31st August 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 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).

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.

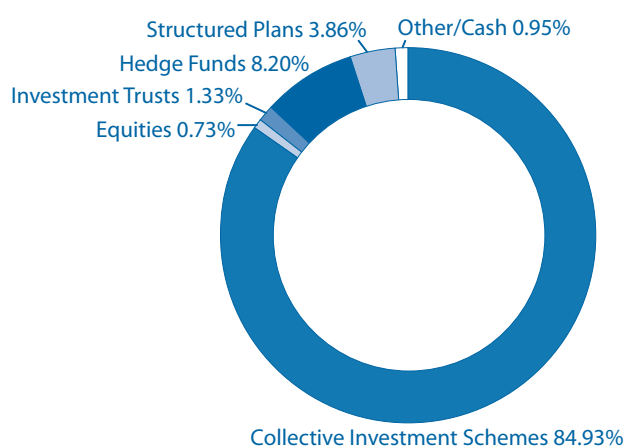
Portfolio Turnover Rate (PTR)

28/02/2010

71.60%

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 31/08/2010



Top Ten Holdings as at 31/08/2010

Artemis Income	8.02%
JOHambro UK Equity 'I'	7.94%
Schroder Income Maximiser 'A'	6.99%
Threadneedle UK Monthly Income	6.77%
Legal & General Dynamic Bond 'I'	6.69%
Artemis Strategic Bond	6.60%
JPMorgan Income Hedged 'C'	6.46%
Invesco Perpetual Monthly Income Plus	6.09%
BlackRock Gold & General 'A'	4.04%
Invesco Perpetual Income	3.98%

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

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	99.95	92.29
	Accumulation	105.70	98.58

¹From 26 February 2008 to 31 December 2008

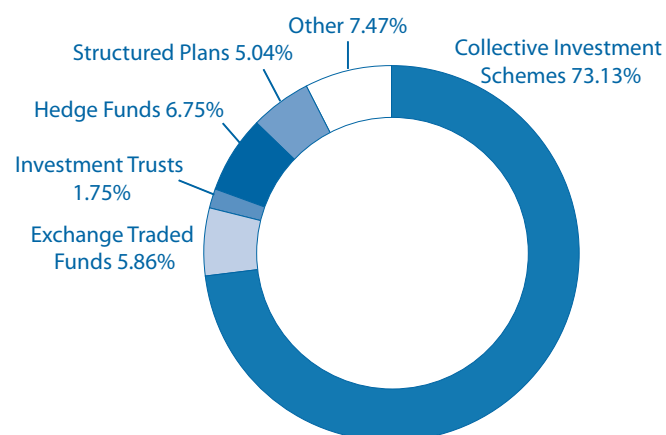
²To 31 August 2010

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
28/02/2010	Income	95.10
	Accumulation	100.72
31/08/2010	Income	81.36
	Accumulation	104.23

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%

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Investment Review

Performance

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

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

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.

Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31/05/2010	28/08/2010	Income	0.7000
		Accumulation	0.7400
31/08/2010	27/11/2010	Income	0.7000
		Accumulation	0.7400

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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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. 2610106652

