

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

Short Report for the Interim period from 1 March 2011 to 31 August 2011

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)

28/02/2011

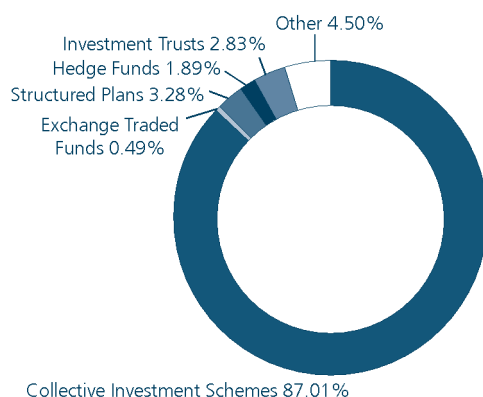
2.47%

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.

Dividend Distribution (in pence per share)

XD date	Paid on	Share Class	Distribution
31/05/2011	28/08/2011	Income	0.9678
		Accumulation	1.0469
31/08/2011	27/11/2011	Income	0.7689
		Accumulation	0.8412

Asset Allocation as at 31/08/2011



Top Ten Holdings as at 31/08/2011

Artemis Income 'I'	7.18%
Jo Hambro UK Equity	6.97%
Threadneedle UK Monthly Income	6.13%
Artemis Strategic Bond	5.78%
Invesco Perpetual Monthly Income Plus	5.73%
Legal & General Dynamic Bond 'I'	5.73%
Scottish Widows Strategic Bond	5.65%
Schroder Income Maximiser 'A'	5.17%
Neptune Income 'B'	4.79%
Absolute Insight	4.67%

Fund Facts

Launch date: 26 February 2008

Ex-dividend dates: 28 February, 31 May, 31 August, 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	Income	96.30	78.85
	Accumulation	100.96	81.05
2010	Income	102.09	92.29
	Accumulation	110.76	98.58
2011 ²	Income	103.81	93.11
	Accumulation	113.53	102.62

¹ From 26 February 2008 to 31 December 2008

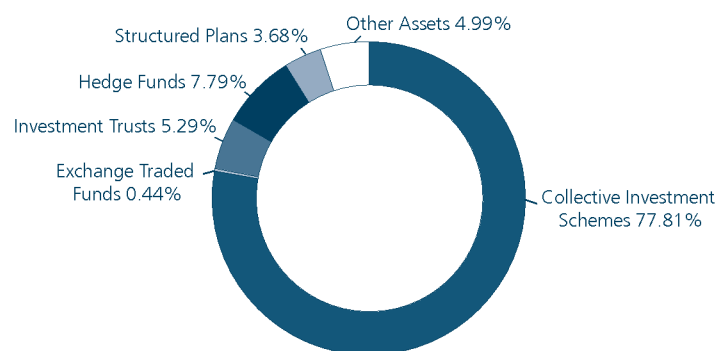
² To 31 August 2011

Past performance is not an indication of future returns.

Net Asset Values

As at	Share Class	Net Asset Value Per Share (p)
28/02/2010	Income	95.10
	Accumulation	100.72
28/02/2011	Income	101.30
	Accumulation	110.60
31/08/2011	Income	94.24
	Accumulation	104.71

Asset Allocation as at 28/02/2011



Top Ten Holdings as at 28/02/2011

JO Hambro UK Equity 'I'	8.05%
Artemis Income	7.95%
Threadneedle UK Monthly Income	6.60%
Schroder Income Maximiser 'A'	6.38%
Invesco Perpetual Monthly Income Plus	6.28%
Artemis Strategic Bond	6.19%
Legal & General Dynamic Bond	6.16%
JPMorgan Income Hedged 'C'	5.81%
BlackRock Gold & General 'A'	3.96%
Neptune Income 'B'	3.89%

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Investment Review

Performance

Over the six month period, the Nevis Conservative Fund fell by 5.3%.

Portfolio Activity

Fund selection within equities was a positive contributor to relative performance. A focus on high quality equities and in particular the bias toward UK Equity Income funds helped. Invesco Perpetual Income and Invesco Perpetual High Income were the standout performers, returning 0.39% and 0.84% respectively. This was considerably ahead of the -7.95% return generated by the FTSE All Share Index. Fixed Interest fund selection detracted from relative performance. Most of the fixed income managers in the portfolio held significant positions in corporate bonds at the expense of government debt. This proved very costly as government debt rallied sharply over the period on increased risk aversion.

Following strong performance, the entire holding in Investec Global Energy was sold during the first half of the period. The proceeds were not initially re-invested as we looked to build cash levels on the back of mounting macro headwinds. Following the extreme moves experienced in the first two weeks of August, some of this cash was used to increase the portfolio's exposure to credit. New purchases were made into Absolute Insight Credit, a fully flexible long/short credit fund that is able to invest right across the fixed income spectrum, and also the Muzinich Short Duration High Yield Fund which focuses on buying short dated high yield bonds. We see great value in the underlying portfolios of both funds. Finally, having held up well relative to other fixed income funds, the holding in the relatively defensive JPMorgan Income Opportunities fund was sold and the proceeds re-invested in the SWIP Strategic Bond fund.

Outlook

Although the odds of the global economy slipping back into recession have mounted in recent months, we do not subscribe to the double-dip scenario. Whilst growth in the developed world is likely to be anaemic, growth in the emerging nations is set to remain robust especially as inflation slows and governments can begin to loosen policy after a period of tightening. We also expect policy makers in the developed world to remain accommodative and believe there is a good chance we will see further quantitative easing in both the UK and US.

The recent slowdown in global manufacturing has undoubtedly been influenced by supply side issues arising from the tragic events in Japan, a sharp spike in the oil price and also political instability. A sharp fall back in commodities witnessed in recent weeks combined with Japanese production coming back on-line should help support growth in the second half of the year. With yields on the perceived 'safe-havens' of gilts and treasuries near record lows and offering negative real returns, we continue to see good quality equities and parts of the corporate bond market as offering far more attractive risk/reward characteristics than sovereign debt.

Source: North Investment Partners, September 2011. Performance figures are taken from Financial Express Analytics and are quoted on a bid to bid, total return, UK sterling basis.

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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.

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.

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.

Important Information

The Royal Bank of Scotland Group plc transferred its Trustee and Depositary Services to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as Depositary of the Fund on 30 September 2011.

On 31 July 2011, KPMG Audit Plc replaced Grant Thornton UK LLP as auditor to The Nevis.

On 1 July 2011, the composite benchmark was changed to include a global constituent, which more accurately reflects the international equities element within the Fund. Please note that there has been no change to the way in which the Fund is managed.

Other Information

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

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