

| Fund Strategy |

- The Fund adopts a truly multi asset approach to investing, looking beyond the traditional portfolio asset classes of equities, bonds and cash to include alternatives such as absolute return strategies, structured products, private equity, commodities and property. Exposure to overseas markets will be zero or extremely limited.
- We believe equities are the key driver of long term performance for an investment portfolio. By utilising other asset classes that display low or no correlation to equities within an actively managed portfolio, we are able to offer investors a percentage of the upside that long term equity investing offers whilst significantly reducing the inevitable short term volatility associated with this asset class.
- We are aiming to protect the return from the Fund from obvious over valuation, in particular markets and will use high cash positions if appropriate. As a result, the Fund offers the potential for some downside protection during periods of volatility in global equity markets, ensuring a smoother ride in pursuit of long term growth.

| Fund Objectives |

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.

Performance Record


■ Nevis Cons Portfolio TR [5.4]

■ Composite Index Portfolio Benchmark TR [19.0]

26/02/2008 - 30/12/2011 Powered by data from FE

Composite benchmark: 35% MSCI UK, 15% MSCI World ex UK, 40% Merrill Lynch UK Gilts, 10% IPD UK All Property.

Discrete Annual Performance (%)

| Share Type | 2012(YTD) | 2011 | 2010 | 2009 | 2008 |
|--------------|-----------|------|------|------|------|
| Accumulation | - | -4.8 | 9.8 | 17.0 | - |

Discrete Annual Performance to Quarter End 31 December 2011 (%)

| Share Type | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 | 31/12/2006 |
|--------------|------------|------------|------------|------------|------------|
| | 31/12/2011 | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 |
| Accumulation | -4.8 | 9.8 | 17.0 | - | - |

Cumulative Performance to 31 December 2011 (%)

| Share Type | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|--------------|----------|----------|--------|---------|---------|
| Accumulation | 2.4 | -5.5 | -4.8 | 22.3 | - |
| Benchmark | 6.0 | 2.0 | 5.0 | 30.4 | 20.8 |

*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. Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested.

| Key Facts |

| | |
|------------------------|---------------------|
| Fund Size: | £28.2m |
| Launch Date: | 26 Feb 2008 |
| Sector: | IMA Unclassified |
| Historic Yield: | Acc: 3.5% Inc: 3.5% |

| Top 10 Holdings |

| | % |
|-------------------------------------|--------------|
| MUZINICH FUNDS SHT DUR HGH YLD HGD | 7.58 |
| INVESCO MGRS IP MTHLY INC PLS NO TR | 7.06 |
| JUPITER UT MNGRS GROWTH & INCOME I | 6.92 |
| Cash | 6.70 |
| THREADNEEDLE INV UK MONTHLY INCOME | 6.51 |
| ARTEMIS FD MNGRS STRATEGIC BOND M I | 5.50 |
| SWIP STRATEGIC BOND B INC | 5.47 |
| CATCO REINSURANCE ORD USD0.0001 C S | 5.25 |
| ARTEMIS FD MNGRS INCOME I INC | 5.01 |
| BLACKROCK AM UK UK INCOME D INC | 4.52 |
| TOTAL | 60.52 |

| Asset Allocation |

| | % |
|-----------------|------|
| UK Equities | 30.2 |
| Corporate Bonds | 30.1 |
| Global Equities | 14.3 |
| Cash | 6.7 |
| Specialist | 5.3 |
| Commodities | 4.6 |
| Property | 4.0 |
| Absolute Return | 3.5 |
| Private Equity | 1.4 |

| Global Equities |

| | % |
|-------------------------|-----|
| Asia | 4.1 |
| Global Other | 3.5 |
| US | 3.1 |
| Global Emerging Markets | 2.0 |
| Japan | 1.7 |

Fund developments and comments

**Nevis Conservative Fund Manager:
John Husselbee**

December saw the conclusion of yet another 'emergency summit' by Eurozone leaders. Despite repeated disappointments following previous summits, markets yet again gave politicians the benefit of the doubt, with risk assets moving higher in the lead up to the meeting. Somewhat predictably, it

turned out to be another case of 'buy the rumour', 'sell the fact'. Although the latest plan included a commitment by 26 European Union (EU) Nations (the UK opted out) toward a greater fiscal unity, once again limited detail was provided how the mechanics would work in practice.

Following the initial disappointment that greeted the results of the EU Summit, equity markets gradually moved higher toward month end, albeit on very thin volumes. While the UK, US and European markets all posted positive gains, Emerging Markets continued to lag.

Gilt yields continued to fall as the bond market remained on 'red alert' over the events unfolding in the Eurozone. Improved US economic data has not been enough to stop safe-haven buying in gilts, bunds and treasuries. Credit enjoyed a good month, with high yield the strongest performer.

Portfolio Commentary

Gilt yields remained anchored to near historical lows. It is possible a further deterioration in the global economy or in Europe could send yields lower. However, this does not equate to a sensible investment case. The 2% yield investors currently receive for buying 10 year government debt offers precious little protection against inflation and provides no cushion against the potential capital loss associated with a steep back up in yields. For us, they remain an unattractive asset class whose value is being driven by non-price sensitive buyers.

We continue to see good risk return characteristics in credit, in particular short duration high yield strategies where the default rate remaining low throughout 2012 and believe the currently yields of 5-6% more than compensate investors for default risk.

With the number of non-correlated asset classes continuing to dwindle, we have looked to alternative investment strategies in order to add further diversification to the portfolios. December saw the investment of CATco Reinsurance Fund across the fund. The vehicle provides reinsurance cover to reinsurers and has displayed a return profile completely uncorrelated to any other asset class.

Fund Information

| | |
|---------------------------------|--------------------------------|
| Annual Management Charge | 1.50% |
| Initial Charge | 3.1% |
| Accounting Dates | 30 Nov, 28 Feb, 31 May, 31 Aug |
| Payment Dates | 28 May, 28 Aug, 27 Nov, 25 Feb |
| Valuation Point | 12 noon, daily |
| Sedol Code | Acc: B23Z436, Inc: B23Z425 |
| Share Class | Accumulation & Income |
| Published Price | www.thenevisfund.co.uk |
| ISA eligible | Yes, stocks & shares |
| Min. Investment | £1,000 / £50pm |

Investment Team
I North Investment Partners I

North is an independent, specialist multi manager investment company created to work in partnership with clients, to help deliver bespoke investment solutions. North was launched in August 2005 and quickly established itself as a leading provider of innovative, top performing investment management expertise.

I John Husselbee, Chief Executive I

John Husselbee is Chief Executive of North, where he and his team have fund management responsibility for over £245 million of assets. John has over twenty years' investment experience. Before launching North, John was Director of Multi Manager Investment at Henderson Global Investors, where he was responsible for a full range of mutual fund portfolios and products totalling over £750m. He joined Henderson in 1996 from Rothschilds Asset Management where he was responsible for the launch and ongoing management of their portfolio management service. John is a well respected industry commentator and sits on the selection committee for the prestigious Investment Week Fund Manager of the Year Awards.

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