



LEE GARDHOUSE
INVESTMENT
DIRECTOR



ROGER CLARK
FUND MANAGER

We took a new position in the recently launched CF Woodford Equity Income fund, following the departure of Neil Woodford from Invesco Perpetual earlier in the year, and expect to continue to build up this position in the coming weeks.

We sold our stake in the Traditional Funds Plc Eastern European fund following the resignation of its manager Martin Taylor, who we rate highly and who has delivered strong returns for our fund since we first backed him.

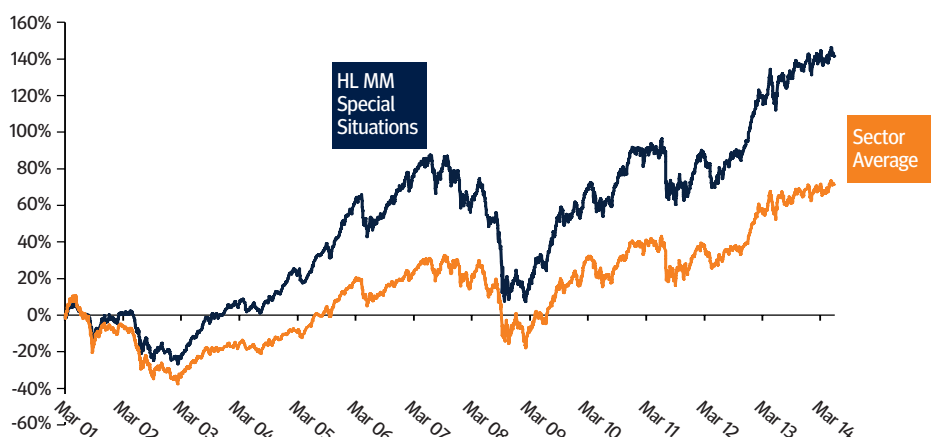
Outlook

Having benefited well from a relatively strong run from equities we have increased exposure to the more defensive Odey Allegra International fund, which we view as a 'total return' fund with the potential to provide some relative shelter if tougher times lie ahead. As UK mid and small-caps struggled we have taken the opportunity to add to our exposure a little.

Review

It was generally a good quarter for equities with the FTSE All Share index up by more than 2%. However, sterling's relative strength reduced the returns from overseas investments. Japan and emerging markets did particularly well while continental European and UK mid-cap and small-caps struggled somewhat.

PERFORMANCE SINCE LAUNCH



Past performance is not a guide to future returns. Source: Lipper, bid to bid, net income reinvested to 01/07/14.

CUMULATIVE PERFORMANCE

| | 1yr | 3yr | 5yr | 10yr | Since Launch |
|--------------------|------|------|------|-------|--------------|
| Fund (%) | 10.5 | 26.0 | 88.1 | 126.3 | 141.8 |
| Sector Average (%) | 8.2 | 21.4 | 74.7 | 103.0 | 71.2 |

YEAR-ON-YEAR PERFORMANCE

| | Jul 2009 - Jul 2010 | Jul 2010 - Jul 2011 | Jul 2011 - Jul 2012 | Jul 2012 - Jul 2013 | Jul 2013 - Jul 2014 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fund (%) | 21.3 | 23.0 | -8.6 | 24.7 | 10.5 |
| Sector Average (%) | 19.0 | 20.9 | -7.0 | 20.6 | 8.2 |

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WHO IS THIS FUND FOR?

The HL Multi-Manager Special Situations Trust provides a one-stop shop of our favourite fund managers from across the globe.

It could be considered by investors comfortable taking equity risk with the aim of achieving capital growth over the long term.

WHERE CAN THIS FUND INVEST?

- This fund invests on a global basis in a focused list of our favoured equity funds
- The fund will invest a minimum of 80% in equities and will be diversified by geographic region

FUND INFORMATION

| | |
|--|------------|
| Initial Charge | 5% |
| Initial Vantage Saving | 5% |
| Annual Management Charge | 0.75% |
| Other Expenses (including the underlying managers' fees) | 0.89% |
| Launch Price | 100p |
| Launch Date | 03/04/01 |
| Fund Size | £829.9m |
| Sector | IMA Global |
| Risks | BDIJM |

TOP 10 HOLDINGS - AS AT 30/06/14

| | |
|---|------|
| Findlay Park American | 9.4% |
| Majedie UK Equity | 9.0% |
| First State Asia Pacific Leaders | 8.9% |
| Odey Allegra International | 8.8% |
| Henderson European Special Situations | 8.5% |
| GLG Japan CoreAlpha | 8.1% |
| Invesco Perpetual High Income | 7.1% |
| Marlborough UK Micro Cap Growth | 6.3% |
| Old Mutual UK Smaller Companies Focus | 5.2% |
| Aberdeen Global Asian Smaller Companies | 4.9% |

NOTES - Hargreaves Lansdown Fund Managers can only provide information on their own range of funds to private clients. The Vantage Service is provided by our sister company Hargreaves Lansdown Asset Management Limited, who are also authorised and regulated by the Financial Conduct Authority.

HARGREAVES LANSDOWN

MULTI-MANAGER SPECIAL SITUATIONS TRUST - CONTINUED

INVESTMENT PROCESS

We believe our quantitative analysis is one of the major differentiating factors between ourselves and the rest of the industry. Using in-house generated statistical programs, our team create a forensic analysis of fund managers to understand what lies behind the raw performance numbers. Our fund managers and research analysts use this analysis when conducting face-to-face fund manager interviews. As the UK's leading fund supermarket we benefit from unrivalled access to fund managers meeting several hundred managers a year. The combination of quantitative and qualitative analysis allows us to identify funds we believe have the greatest potential for future outperformance.

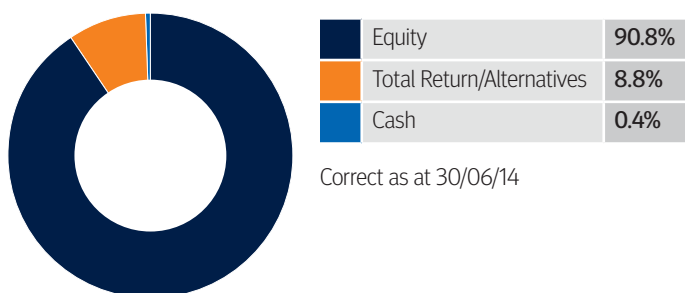
We are looking to invest in funds managed by experts with a passion for investment and we want these experienced fund managers to work in a culture that promotes and incentivises strong long-term performance.

WHY INVEST IN A HL MULTI-MANAGER FUND?

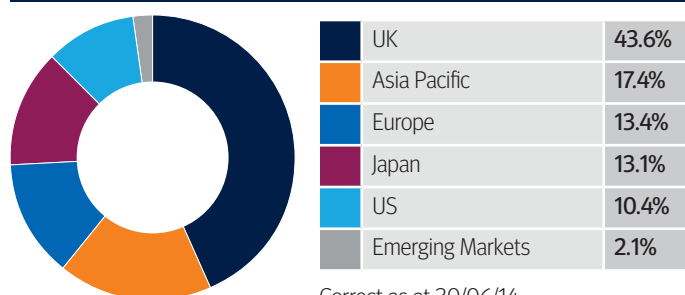
- Professional management from one of the largest and best resourced fund research teams in the UK
- Broad exposure to a range of investment styles in one, convenient fund
- A great choice for those who lack the time or expertise to manage their own investments and want to simplify their tax affairs*
- Access to managers not widely available to the retail market
- Our size and scale allows us to negotiate significant discounts from the underlying funds to reduce costs

*Any changes we make within our Multi-Manager funds are not subject to capital gains tax. As such capital gains are rolled up until money is removed from the Multi-Manager fund.

ASSET ALLOCATION (%)



GEOGRAPHICAL EQUITY ALLOCATION (%)



RISK SUMMARY

The value of investments and any income can fall, therefore you could get back less than you invested. Neither capital nor income is guaranteed. Investments should be regarded as long-term. Some of the charges and expenses are taken from capital and this increases the chances of your capital value falling.

Please note this factsheet is not advice and should not be viewed as a promotion of any of the individual underlying funds profiled. Before investing in these funds please read the Key Features. Our Multi-Manager funds are for investors who wish to choose their own investments. The selection of the underlying funds does not take into consideration your personal circumstances. If you are unsure about the suitability of any investment for your circumstances you should seek advice.

The fund's strategy, and therefore level of risk, can change over time. Economic factors such as interest rates, inflation and supply and demand can affect all investments.

FUND RISKS

B - Emerging markets are generally less well regulated than the UK and it can sometimes be difficult to buy and sell investments in these areas. There is also an increased chance of political and economic instability and so these funds carry higher risks than those investing in larger, more established markets.

D - This fund invests in smaller companies, which are more volatile and sometimes more difficult to trade than larger companies.

I - The value of investments and the income you receive from them can fall as well as rise.

J - Stock market investments should be regarded as long-term investments.

M - This fund is permitted to use investments such as warrants, options and derivatives for what is known as Efficient Portfolio Management (EPM). They can be used to effectively take a position (or reduce an existing position) in a share or index, allowing positions to be altered more quickly and cost effectively than dealing directly in the underlying investment. The use of these instruments can, under certain circumstances, increase volatility and risk beyond that expected of a fund that only invests in conventional equities.

Please note past performance is not a guide to future returns, and that your chosen investment could face additional risks if the manager moves into different investment areas. Please contact us if you would like a copy of the Key Features supplied by the investment provider which may expand further on the specific scenarios that could result in a fall in the value of your investment.