

Close Discretionary Funds

Annual Short Report
for the year ended 31 March 2014

Contents

General information	1
Directory	2
Fund Manager Review and Financial Information for each sub-fund of Close Discretionary Funds:	
Close Bond Income Portfolio Fund	3
Close Diversified Income Portfolio Fund	10
Close Conservative Portfolio Fund	17
Close Balanced Portfolio Fund	24
Close Growth Portfolio Fund	31
Close Managed Diversified Income Fund	37
Close Managed Conservative Fund	44
Close Managed Balanced Fund	51
Close Managed Growth Fund	57
Close Select Fixed Income Fund	63
Close Tactical Select Passive Conservative Fund	69
Close Tactical Select Passive Balanced Fund	76
Close Tactical Select Passive Growth Fund	82
Risk Profile	88

General information

Close Discretionary Funds ("the Trust") is a unit trust scheme which is constituted by its Trust Deed entered into between the Manager, Close Asset Management (UK) Limited, and the then Trustee, Citibank International Plc.

The Trust was authorised by the Financial Conduct Authority (previously known as the Financial Services Authority) on 25 August 2010. The Trust is a UCITS (Undertakings for Collective Investments in Transferable Securities Directive) scheme.

The Trust is an umbrella unit trust comprising thirteen sub-funds as at 30 September 2013 ("the sub-funds"):

- Close Bond Income Portfolio Fund*
- Close Diversified Income Portfolio Fund*
- Close Conservative Portfolio Fund*
- Close Balanced Portfolio Fund*
- Close Growth Portfolio Fund*
- Close Managed Diversified Income Fund**
- Close Managed Conservative Fund**
- Close Managed Balanced Fund**
- Close Managed Growth Fund**
- Close Select Fixed Income Fund***
- Close Tactical Select Passive Conservative Fund**
- Close Tactical Select Passive Balanced Fund**
- Close Tactical Select Passive Growth Fund**

*Launched 3 September 2010

**Launched 17 October 2011

***Launched 15 October 2012

Objectives and Manager's Report

Individual investment objectives and a review of investment activities of each sub-fund during the year under review are included within the Fund Manager's Reviews.

Changes to the sub-funds

As of 6 September 2013, the Administration Charge of 0.15% was removed from the 'X' and 'Y' unit classes of the sub-funds. As of 1 May 2014, the Administration charge of 0.15% was removed from the 'I' unit class of the sub-funds. This change will be reflected in the Prospectus as soon as practicable.'

The Fund objective of the sub-funds have been updated 14 May 2014 as reflected in the current prospectus.

Unit Prices

Unit prices are calculated daily at 12.00 noon and all dealings are currently on a forward price basis. Deals for the 12.00 noon unit price must be placed with our dealers before 11.45 a.m. The Manager, to protect unitholders, reserves the right to revalue in times of currency or market volatility. Prices for all Close Asset Management (UK) Limited ("Close") range of authorised unit trusts and open-ended investment companies ("OEICS") are available on Close's website, **www.closebrothersam.com**, or the website of the IMA, **www.investmentuk.org**, or by contacting Close on **0870 606 6452***.

*Calls to this number may be recorded for monitoring and training purposes.

Directory

Manager

Close Asset Management (UK) Limited*
(Authorised and regulated by the
Financial Conduct Authority)

Registered office:

10 Crown Place, London EC2A 4FT

Business address:

10 Exchange Square, Primrose Street,
London EC2A 2BY

Telephone: Dealing only 0870 606 6402**

Directors

M. Andrew

G M. Clarke

R I. Curry

B. Davis

D. Muncaster (appointed 29 April 2013)

D. Naismith (resigned 12 April 2013)

A R. Thomas (appointed 29 April 2013)

Investment Advisor

Close Asset Management Limited
(Authorised and regulated by the
Financial Conduct Authority)
10 Crown Place
London EC2A 4FT

Trustee

BNY Mellon Trust & Depositary (UK) Limited
(Authorised and regulated by the
Financial Conduct Authority)
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Administrator & Registrar

The Bank of New York Mellon
(International) Limited
(Authorised and regulated by the
Financial Conduct Authority)
BNY Mellon House, Ingrave Road,
Brentwood, Essex CM15 8TG

Independent Auditor

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Useful information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Trust during the year and the results of those activities at the year end.

For more information about the activities and performance of the Trust during this and previous periods, please contact the Manager at the address above.

Copies of the corresponding long form report and accounts are available free of charge on request at **www.closebrothersam.com** or by calling **0800 269 824****.

*The Manager (Close Asset Management (UK) Limited) and the Investment Advisor (Close Asset Management Limited) are both subsidiaries of Close Brothers Group Plc. Authorised and regulated by the Financial Conduct Authority.

**Calls to these numbers may be recorded for monitoring and training purposes.

Close Bond Income Portfolio Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Bond Income Portfolio Fund ("the Bond Fund") is to generate income while maintaining its capital value over the medium term.

The Bond Fund will invest primarily in sterling denominated fixed income securities (including government and corporate bonds) and deposits (including money market instruments).

In order to gain indirect exposure to fixed income securities and deposits (including money market instruments) the Bond Fund may invest in collective investment schemes (which may include schemes managed by the Manager or an affiliate of the Manager) and closed-ended funds.

Fund facts

A units

Launch date

3 September 2010

Initial charge

5%

Periodic charge

0.75%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.60%

Administration charge

Nil

Minimum investment

£100,000

I units

Launch date

1 July 2012

Initial charge

Nil

Periodic charge

Nil

Administration charge

0.15%

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.35%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

At the onset 2013 was quite benign with mutterings permeating the market about the removal of Quantitative Easing (QE) by the US but government bond yields and credit spreads continued to fall.

May brought a change of fortune after a speech by Ben Bernanke alluded to the removal of QE. That coupled with improving economic data caused a massive widening of credit spreads and government bond yields soared by 100 basis points as of the end of June. Bond markets then staged a mini rally only for the gap to widen in September.

The latter part of 2013 was punctuated by a number of issues that looked to be detrimental to the Bond Markets.

Confusion reigned as the US Federal Reserve indicated that it would delay the taper, Bond markets rallied hard to the end of October only to reverse into the end of the year with 10 year yields back at 3%. QE was reinstated with a reduction of \$10 billion in December 2013. As of March 2014 the programme was down to purchases of \$55 billion per month. That said Bond yields have steadily tightened again from 3% in December 2013 to 2.16% in March 2014.

The 2014 budget was a major talking point with Gilt issuance reduced to £128 billion for 2014 and Pension reforms suggesting a reduction in the demand for long-dated gilts. According to HMRC the inflows into annuities are about £11 billion per year with the majority of that being into corporate bonds.

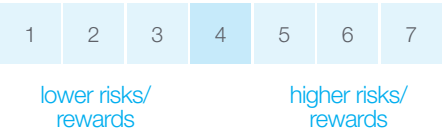
The Bond Fund has maintained its lower duration/risk positioning with a focus on maintaining some downside protection coupled with exited stale positions and maintaining cash level to a minimum. The Bond Fund has returned circa 2.68% over the last 6 months total return.

The primary focus for trades in the Bond Fund has been to maintain yield. We have tried to take advantage of upgrades by adding to Daily Mail and General Trust, impending upgrades by adding to the GKN 22's position, bond tenders by holding Westfield 22's and Interest rate hikes by initiating positions in New Zealand Dollar 10 year Bonds and the ANZ 19's. These trades have been funded by cash inflows and rolling out of low yielding, short-dated positions. The Bond Fund also initiated a holding in the Royal London Short Duration High Yield Bond Fund and a risk weighted position in the UK EAR Loan.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Bond Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Bond Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Bond Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests primarily in bonds – the value of which tends to be more stable than other types of investment.

Investing in the Bond Fund carries the following risks:

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Bond Fund will experience losses.

Liquidity: some of the underlying investments of the Bond Fund may be more difficult to buy and sell which may affect the Bond Fund’s value.

Default risk: the Bond Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Bond Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Year to 31/3/2012	Since launch 3/9/2010 to 31/3/2011
The Bond Fund A Accumulation	1.72%	8.68%	8.29%	(1.01)%
IMA £ Corporate Bond Sector	1.31%	11.22%	6.06%	(0.52)%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Bond Fund is not shown as the Bond Fund launched on 3 September 2010.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	1.6902
A Accumulation	1.8065
Y Income	2.2408
Y Accumulation	2.3690
I Income	1.9840
I Accumulation	2.0380
X Income	2.2295
X Accumulation	2.3064

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£209,372,783	108.88p	192,289,972
A Accumulation	£65,129,578	118.19p	55,105,484
Y Income	£743,169	133.97p	554,744
Y Accumulation	£1,764,085	143.89p	1,226,020
I Income	£1,035	103.50p	1,000
I Accumulation	£1,102	110.20p	1,000
X Income	£29,208,311	125.48p	23,277,935
X Accumulation	£24,382,641	132.05p	18,464,552
31/3/2013			
A Income	£246,031,025	110.28p	223,098,445
A Accumulation	£71,631,885	116.08p	61,711,585
Y Income	£1,068,841	135.68p	787,752
Y Accumulation	£2,206,663	141.04p	1,564,586
I Income	£1,048	104.80p	1,000
I Accumulation	£1,075	107.50p	1,000
X Income	£5,807,276	127.17p	4,566,641
X Accumulation	£3,116,134	129.27p	2,410,500
31/3/2012			
A Income	£234,204,808	104.29p	224,567,659
A Accumulation	£33,093,173	106.87p	30,965,481
Y Income	£1,027	128.37p	800
Y Accumulation	£166,691	129.77p	128,449

Performance record

continued

Capital record and net revenue

A accumulation and income units were first offered at 100.00p on 3 September 2010.

Y accumulation and income units were first offered at 125.00p on 17 October 2011.

I accumulation and income units were first offered at 100.00p on 1 July 2012.

X accumulation and income units were first offered at 125.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	111.2p	108.5p	1.6902
A Accumulation	118.9p	116.0p	1.8065
Y Income	137.0p	133.6p	2.2408
Y Accumulation	144.7p	141.2p	2.3690
I Income	106.0p	103.3p	1.9840
I Accumulation	110.8p	108.0p	2.0380
X Income	128.4p	125.2p	2.2295
X Accumulation	132.8p	129.5p	2.3064
2013			
A Income	113.4p	107.5p	3.2843
A Accumulation	119.4p	113.1p	3.4334
Y Income	139.6p	132.3p	4.2206
Y Accumulation	145.1p	137.5p	4.3565
I Income	107.8p	102.3p	3.8950
I Accumulation	110.6p	105.0p	3.9290
X Income	130.8p	124.0p	4.2358
X Accumulation	133.0p	126.1p	4.2879
2012			
A Income	110.2p	103.8p	2.5674
A Accumulation	114.4p	105.2p	2.6201
Y Income	135.7p	127.7p	3.2119
Y Accumulation	138.9p	127.7p	3.2365
I Income#	104.9p	100.0p	0.8151
I Accumulation#	105.7p	100.0p	0.8151
X Income†	127.4p	124.9p	—
X Accumulation†	127.4p	124.9p	—
2011			
A Income	104.0p	98.1p	1.4705
A Accumulation	105.3p	98.0p	1.4859
Y Income†	127.9p	124.9p	—
Y Accumulation†	127.9p	124.9p	—
2010**			
A Income	100.6p	98.7p	—
A Accumulation	100.5p	98.6p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 3 September 2010.

†from 17 October 2011.

#from 1 July 2012.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	0.94%	A Income	0.94%
A Accumulation	0.94%	A Accumulation	0.94%
Y Income	0.71%	Y Income	0.79%
Y Accumulation	0.71%	Y Accumulation	0.79%
I Income	0.19%	I Income†	0.19%
I Accumulation	0.19%	I Accumulation†	0.19%
X Income	0.43%	X Income*	0.54%
X Accumulation	0.43%	X Accumulation*	0.54%

The ongoing charges figure (OCF) represents the annual operating expenses of the Bond Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Bond Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

†As the I accumulation and income unit classes launched 1 July 2012, the comparative OCFs were annualised.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
GKN 5.375% Guaranteed Senior Bonds 19/9/2022	3.97	Telecom Italia 6.375% European Medium Term Notes 24/6/2019	2.88
National Grid 1.25% Senior European Medium Term Index Linked Bonds 6/10/2021	3.79	SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	2.82
Royal London Short Duration Global High Yield Bond Fund	3.78	Society Of Lloyd's 7.421% Guaranteed Perpetual Subordinated Floating Rate Bonds	2.80
Scottish & Southern Energy 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	3.74	National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.72
FirstGroup 5.25% Guaranteed Notes 29/11/2022	3.39	Morrison (Wm) Supermarkets 3.5% European Medium Term Notes 27/7/2026	2.68
Marks & Spencer 4.75% European Medium Term Bonds 12/6/2025	3.35	London Stock Exchange 4.75% Senior European Medium Term Notes 2/11/2021	2.36
Society Of Lloyd'S 7.421% Guaranteed Perpetual Subordinated Floating Rate Bonds	2.94	WPP Finance 6% Guaranteed Bonds 4/4/2017	2.27
Daily Mail & General Trust 6.375% Senior Bonds 21/6/2027	2.69	Next 5.375% Guaranteed Senior Bonds 26/10/2021	2.09
AP Moller-Maersk 4% Bonds 4/4/2025	2.65	Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	2.03
William Hill 4.25% Bonds 5/6/2020	2.64	SSE 4.25% Senior European Medium Term Bonds 14/9/2021	2.02

Close Diversified Income Portfolio Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Diversified Income Portfolio Fund (the 'Diversified Income Fund') is to achieve income with capital growth. The Diversified Income Fund aims to have a yield in excess of the FTSE All Share Index.

The Diversified Income Fund will invest primarily in equities and fixed interest securities. The equity component of the Diversified Income Fund may include shares in smaller companies and companies listed in emerging markets.

The fixed interest component of the Diversified Income Fund may include government and corporate bonds (which may include emerging market and high yield bonds).

The Diversified Income Fund may also invest in money market instruments and deposits, cash and near cash. Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds and exchange traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Diversified Income Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Diversified Income Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

3 September 2010

Initial charge

5%

Periodic charge

1.10%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.85%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.60%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

The Diversified Income Fund delivered another year of positive returns in the year to 31 March 2014. The Diversified Income Fund returned 3.54%, following 11.26% the year before, with relatively low volatility.

Two high yield bonds mentioned in last year's annual report, ITV and Daily Mail, have both gone on to be classified as investment grade following upgrades from the rating agencies.

The Diversified Income Fund continued to broaden out the range of investments used to diversify the income streams, adding renewable infrastructure funds to sit alongside the PFI infrastructure funds.

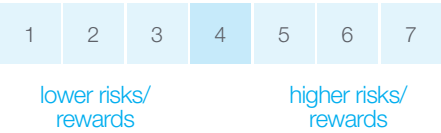
The renewable infrastructure funds invest predominantly in solar and wind projects, with their revenue streams driven by the government set green subsidies and the wholesale electricity price. These funds are aiming to deliver dividend yields of 6-7% which is attractive versus most equities and bonds. Diversified Income has built up a small weighting in a few of the renewable Initial Public Offerings (IPOs) that have listed in the past year, mindful of the political risk that surrounds the whole energy space at the moment. Looking from the outside it would seem that the more the government tries to "fix" energy prices, the less likely energy companies are to invest in the UK, which only increases the risk of price rises further down the line.

With valuations looking high across most asset classes, the Diversified Income Fund continues to use its bond and equity quantitative screens combined with fundamental research to focus in on those ideas with the best risk:reward, valuation and long-term prospects.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Diversified Income Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Diversified Income Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Diversified Income Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests in higher yielding stocks and shares and bonds.

Investing in the Diversified Income Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Diversified Income Fund will experience losses.

Liquidity: some of the underlying investments of the Diversified Income Fund may be more difficult to buy and sell which may affect the Diversified Income Fund’s value.

Default risk: the Diversified Income Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section ‘Risk Factors’ in the prospectus.

Manager's report

continued

Fund performance

Performance for the Diversified Income Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Year to 31/3/2012	Since launch 3/9/2010 to 31/3/2011
The Diversified Income Fund A Accumulation	3.54%	11.26%	5.34%	1.20%
IMA Mixed Investments 20-60% Sector*	3.64%	10.20%	1.58%	5.26%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Diversified Income Fund is not shown as the Diversified Income Fund launched on 3 September 2010.

*Prior Benchmark: IMA UK Equity & Bond Income Sector.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	1.9770
A Accumulation	2.1432
Y Income	2.5328
Y Accumulation	2.7126
X Income	2.5055
X Accumulation	2.5995

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£45,069,241	111.00p	40,602,478
A Accumulation	£176,697,407	122.53p	144,203,216
Y Income	£2,230,689	136.09p	1,639,145
Y Accumulation	£7,847,719	148.43p	5,287,066
X Income	£41,017,311	130.85p	31,346,587
X Accumulation	£125,557,681	138.31p	90,781,383
31/3/2013			
A Income	£41,786,196	110.91p	37,675,519
A Accumulation	£169,343,890	118.18p	143,295,466
Y Income	£2,428,507	135.78p	1,788,514
Y Accumulation	£8,315,852	142.76p	5,825,133
X Income	£3,176,071	130.53p	2,433,128
X Accumulation	£5,195,826	132.89p	3,909,975
31/3/2012			
A Income	£9,633,997	103.29p	9,327,027
A Accumulation	£74,016,407	106.40p	69,564,874
Y Income	£196,652	126.33p	155,671
Y Accumulation	£659,571	128.34p	513,921

Performance record

continued

Capital record and net revenue

A accumulation and income units were first offered at 100.00p on 3 September 2010.

Y accumulation and income units were first offered at 125.00p on 17 October 2011.

X accumulation and income units were first offered at 125.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	113.5p	110.6p	1.9770
A Accumulation	123.1p	119.6p	2.1432
Y Income	139.2p	135.6p	2.5328
Y Accumulation	149.1p	145.2p	2.7126
X Income	133.9p	130.4p	2.5055
X Accumulation	138.9p	135.3p	2.5995
2013			
A Income	114.3p	106.5p	3.8600
A Accumulation	121.7p	111.6p	4.0782
Y Income	139.9p	130.4p	4.8668
Y Accumulation	147.1p	134.7p	5.0743
X Income	134.6p	125.4p	4.8101
X Accumulation	137.0p	125.4p	4.8406
2012			
A Income	108.1p	102.1p	3.3482
A Accumulation	112.1p	105.2p	3.4199
Y Income	132.4p	124.8p	4.2057
Y Accumulation	135.3p	126.9p	4.2471
X Income [#]	126.0p	123.3p	—
X Accumulation [#]	126.0p	123.3p	—
2011			
A Income	104.9p	99.4p	1.4505
A Accumulation	106.4p	99.4p	1.4550
Y Income [†]	128.3p	123.7p	—
Y Accumulation [†]	128.3p	123.7p	—
2010**			
A Income	102.3p	99.8p	—
A Accumulation	102.3p	99.8p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 3 September 2010.

†from 17 October 2011.

#from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	1.33%	A Income	1.33%
A Accumulation	1.33%	A Accumulation	1.33%
Y Income	0.99%	Y Income	1.08%
Y Accumulation	0.99%	Y Accumulation	1.08%
X Income	0.70%	X Income*	0.83%
X Accumulation	0.70%	X Accumulation*	0.83%

The ongoing charges figure (OCF) represents the annual operating expenses of the Diversified Income Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Diversified Income Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Aberdeen Asset Management 7% Perpetual Subordinated Bonds	4.09	HICL Infrastructure	5.34
HICL Infrastructure	3.58	Aberdeen Asset Management 7% Perpetual Subordinated Bonds	4.41
Scottish & Southern Energy 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	3.49	Vodafone	4.00
John Laing Infrastructure Fund	3.35	Royal Dutch Shell 'B' Shares	3.60
Henderson UK Finance 7.25% Guaranteed Notes 24/3/2016	3.19	ETFS Physical Gold ETC	3.57
GCP Infrastructure 'C' Class	2.69	Centrica	3.53
Royal Dutch Shell 'B' Shares	2.35	Scottish & Southern Energy 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	3.41
Pennon 6.75% Perpetual Subordinated Floating Rate Bonds	2.24	John Laing Infrastructure Fund	3.13
Pearson 7% Bonds 27/10/2014	2.10	Severn Trent 1.3% Index Linked Medium Term Notes 11/7/2022	3.02
Royal London Short Duration Global High Yield Bond	2.04	GlaxoSmithKline	2.91

Close Conservative Portfolio Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Conservative Portfolio Fund ("the Conservative Fund") is to achieve income and moderate capital growth.

The Conservative Fund will invest primarily in equities and fixed interest securities.

The equity component of the Conservative Fund may include shares in smaller companies and companies listed in emerging markets.

The fixed interest component of the Conservative Fund may include government and corporate bonds (which may include emerging market and high yield bonds). The Conservative Fund may also invest in money market instruments and deposits, cash and near cash.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds and exchange traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Conservative Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Conservative Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

[A units](#)

Launch date

3 September 2010

Initial charge

5%

Periodic charge

1.35%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

[Y units](#)

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

1.00%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

[X units](#)

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.75%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

The Conservative Fund returned +4.14% during the full year to 31 March 2014, outperforming the peer group sector's +3.64% median return by +0.5%. This outperformance was attributable to partly asset allocation and partly stock selection while foreign currency weakness had a negative impact on the fund's non-Sterling investment returns.

The Conservative Fund's Equity asset allocation remained broadly in the range of 45-51% during the year while Fixed Interest was in the range of 40-45%. The balance of the assets was held in Alternative investments and Sterling cash. At the end of the review period, the Conservative Fund was positioned in: Equity 48.48%, Fixed interest 41.65%, Alternatives 3.34% and Cash 6.53%. The modified duration of the Conservative Fund's fixed interest portion was 3.1 years at the end of the review period.

The main decisions taken in the Conservative Fund during the year were to divest all gold equity investments and to replace direct equity holdings in Chinese equities with Exchange Traded Funds (ETFs) investing in Far East ex-Japan. Towards the end of the review period a new asset class, Alternative Investments, was also introduced in the form of Absolute Return funds.

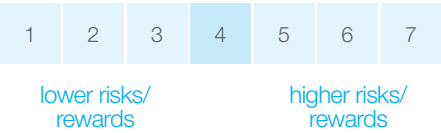
At the end of March 2014, the Conservative Fund size was £479.1 million*.

*Based on published price.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Conservative Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Conservative Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Conservative Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests in high yielding stocks and shares and bonds.

Investing in the Conservative Fund carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Conservative Fund will experience losses.

Liquidity: some of the underlying investments of the Conservative Fund may be more difficult to buy and sell which may affect the Conservative Fund’s value.

Default risk: the Conservative Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Conservative Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Year to 31/3/2012	Since launch 3/9/2010 to 31/3/2011
The Conservative Fund A Accumulation	4.14%	8.23%	3.90%	5.20%
IMA Mixed Investments 20-60% Sector	3.64%	10.20%	1.58%	5.26%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Conservative Fund is not shown as the Conservative Fund launched on 3 September 2010.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	0.6491
A Accumulation	0.6762
Y Income	1.0582
Y Accumulation	1.0947
X Income	1.1296
X Accumulation	1.1510

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£33,914,551	117.69p	28,817,173
A Accumulation	£314,970,014	123.20p	255,653,931
Y Income	£708,569	140.85p	503,062
Y Accumulation	£13,017,554	146.90p	8,861,805
X Income	£7,629,364	131.75p	5,790,846
X Accumulation	£108,817,671	135.42p	80,353,637
31/3/2013			
A Income	£32,045,221	114.33p	28,027,632
A Accumulation	£315,618,280	118.04p	267,379,917
Y Income	£767,470	136.82p	560,933
Y Accumulation	£13,351,929	140.25p	9,520,018
X Income	£1,015,719	128.08p	793,006
X Accumulation	£14,392,352	129.13p	11,145,632
31/3/2012			
A Income	£15,921,809	107.29p	14,839,592
A Accumulation	£173,219,793	109.08p	158,798,770
Y Income	£38,747	128.41p	30,174
Y Accumulation	£1,160,190	129.34p	897,033

Performance record

continued

Capital record and net revenue

A accumulation and income units were first offered at 100.00p on 3 September 2010.

Y accumulation and income units were first offered at 125.00p on 17 October 2011.

X accumulation and income units were first offered at 125.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	119.8p	116.1p	0.6491
A Accumulation	124.8p	120.9p	0.6762
Y Income	143.7p	139.2p	1.0582
Y Accumulation	148.7p	144.1p	1.0947
X Income	134.5p	130.3p	1.1296
X Accumulation	137.1p	132.8p	1.1510
2013			
A Income	117.3p	110.6p	1.6488
A Accumulation	122.1p	114.0p	1.6961
Y Income	140.6p	132.5p	2.3667
Y Accumulation	145.4p	135.4p	2.4195
X Income	131.6p	124.0p	2.5394
X Accumulation	134.0p	124.8p	2.5671
2012			
A Income	113.0p	103.3p	1.6782
A Accumulation	115.1p	105.0p	1.7008
Y Income	135.4p	123.7p	2.3922
Y Accumulation	136.5p	124.5p	2.3736
X Income [#]	125.7p	122.2p	—
X Accumulation [#]	125.7p	122.2p	—
2011			
A Income	107.6p	100.5p	1.0884
A Accumulation	107.8p	100.8p	1.0964
Y Income [†]	127.1p	121.9p	—
Y Accumulation [†]	127.1p	121.9p	—
2010**			
A Income	105.5p	100.0p	—
A Accumulation	105.5p	100.0p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 3 September 2010.

†from 17 October 2011.

#from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	1.54%	A Income	1.54%
A Accumulation	1.54%	A Accumulation	1.54%
Y Income	1.10%	Y Income	1.19%
Y Accumulation	1.10%	Y Accumulation	1.19%
X Income	0.83%	X Income*	0.94%
X Accumulation	0.83%	X Accumulation*	0.94%

The ongoing charges figure (OCF) represents the annual operating expenses of the Conservative Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Conservative Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Microsoft	2.00	National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.53
National Express 6.25% Guaranteed Senior Bonds 13/1/2017	1.95	Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	2.37
Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	1.83	G4S 7.75% Variable European Medium Term Notes 13/5/2019	2.20
Hargreaves Lansdown	1.83	Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Notes 18/3/2016	2.20
GKN 6.75% Guaranteed Senior Bonds 28/10/2019	1.82	Tesco 5.5% Guaranteed Senior European Medium Term Notes 13/12/2019	2.20
Actavis	1.81	Lloyds TSB Bank 5.875% Guaranteed European Medium Term Bonds 20/6/2014	2.03
Actelion	1.78	BT 8.5% Variable Notes 7/12/2016	1.97
Tesco 6.125% Guaranteed Senior European Medium Term Bonds 24/2/2022	1.78	ITV 7.375% Guaranteed European Medium Term Notes 5/1/2017	1.93
William Hill 7.125% European Medium Term Notes 11/11/2016	1.78	Inmarsat Finance 7.375% Guaranteed Notes 1/12/2017	1.84
Priceline.com	1.77	WPP Finance 6% Guaranteed Bonds 4/4/2017	1.83

Close Balanced Portfolio Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Balanced Portfolio Fund ("the Balanced Fund") is to generate capital growth with some income.

The Balanced Fund will invest primarily in equities and fixed interest securities.

The equity component of the Balanced Fund may include shares in smaller companies and companies listed in emerging markets.

The fixed interest component of the Balanced Fund may include government and corporate bonds (which may include emerging market and high yield bonds).

The Balanced Fund may also invest in money market instruments and deposits, cash and near cash. Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Balanced Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

3 September 2010

Initial charge

5%

Periodic charge

1.35%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

1.00%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

I units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

Nil

Administration charge

0.15%

Minimum investment

£100,000

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.75%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

The Balanced Fund returned + 8.79% during the full year to 31 March 2014, outperforming the peer group sector's +5.63% median return by +3.2%. This outperformance was attributable to partly asset allocation and partly stock selection while foreign currency weakness had a negative impact on the fund's non-Sterling investment returns.

The Balanced Fund's Equity asset allocation was broadly in the range of 70-78% during the year while Fixed Interest remained stable at around 20%. The balance of the assets were held in Alternative investments and Sterling cash. At the end of the review period the Balanced Fund was positioned in: Equity 69.06%, Fixed interest 17.69%, Alternatives 4.59%, Cash 8.66%. The modified duration of the Balanced Fund's fixed interest portion was 3.2 years at the end of the review period.

The main decisions taken in the Balanced Fund during the year were to divest all gold equity investments and to invest in Emerging Markets through Exchange Traded Funds (ETFs). Towards the end of the review period the fund also increased holdings in Alternative Investments in the form of Absolute Return funds.

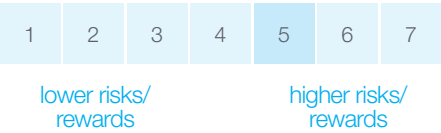
At the end of March 2014, the Balanced Fund size was £688.8 million*.

*Based on published price.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Balanced Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Balanced Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Balanced Fund is in category 5 (denoting medium risk, but with moderate potential for higher rewards) because it invests primarily in stocks and shares – the value of which can move up and down considerably.

Investing in the Balanced Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Balanced Fund will experience losses.

Liquidity: some of the underlying investments of the Balanced Fund may be more difficult to buy and sell which may affect the Balanced Fund’s value.

Default risk: the Balanced Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Balanced Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Year to 31/3/2012	Since launch 3/9/2010 to 31/3/2011
The Balanced Fund A Accumulation	8.79%	10.72%	3.26%	7.50%
IMA Mixed Investments 40-85% Sector	5.63%	12.67%	0.07%	9.32%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Balanced Fund is not shown as the Balanced Fund launched on 3 September 2010.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	0.6035
Y Accumulation	1.0944
I Accumulation	1.2368
X Accumulation	1.1911

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£496,459,162	133.70p	371,321,018
Y Accumulation	£34,931,457	157.14p	22,229,892
I Accumulation	£2,688,442	117.75p	2,283,083
X Accumulation	£155,555,947	145.66p	106,796,837
31/3/2013			
A Accumulation	£494,096,394	122.72p	402,635,647
Y Accumulation	£33,547,113	143.60p	23,361,378
I Accumulation	£3,261,588	106.77p	3,054,908
X Accumulation	£13,236,522	132.90p	9,960,056
31/3/2012			
A Accumulation	£434,882,069	110.89p	392,172,260
Y Accumulation	£2,469,282	129.44p	1,907,716

Performance record

continued

Capital record and net revenue

A accumulation units were first offered at 100.00p on 3 September 2010.

Y accumulation units were first offered at 125.00p on 17 October 2011.

I accumulation units were first offered at 100.00p on 1 October 2012.

X accumulation units were first offered at 125.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	135.9p	130.0p	0.6035
Y Accumulation	159.7p	152.7p	1.0944
I Accumulation	119.6p	114.3p	1.2368
X Accumulation	148.0p	141.5p	1.1911
2013			
A Accumulation	132.6p	115.6p	1.5221
Y Accumulation	155.6p	135.2p	2.3016
I Accumulation	116.4p	100.3p	2.6059
X Accumulation	144.1p	125.2p	2.5040
2012			
A Accumulation	117.0p	103.2p	1.6611
Y Accumulation	136.7p	120.4p	2.3683
I Accumulation [#]	100.8p	96.8p	—
X Accumulation [#]	125.9p	120.8p	—
2011			
A Accumulation	110.6p	99.5p	1.0309
Y Accumulation [†]	127.7p	119.4p	—
2010**			
A Accumulation	109.0p	100.0p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 3 September 2010.

[†]from 17 October 2011.

[#]from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	1.58%	A Accumulation	1.54%
Y Accumulation	1.14%	Y Accumulation	1.19%
I Accumulation	0.23%	I Accumulation*	0.19%
X Accumulation	0.86%	X Accumulation*	0.94%

The ongoing charges figure (OCF) represents the annual operating expenses of the Balanced Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Balanced Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

*As the I and X accumulation unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Microsoft	2.32	Tesco	2.34
Hargreaves Lansdown	2.31	Vodafone	2.30
Michelin	2.29	Yahoo! Japan	2.29
Rightmove	2.26	FamilyMart	2.23
Roche	2.24	McGraw-Hill	2.21
Actelion	2.24	Google	2.16
Oracle	2.22	Actelion	2.11
Google	2.18	Randgold Resources	2.10
Schroders	2.16	AstraZeneca	2.02
Shire	2.16	Citigroup	2.01

Close Growth Portfolio Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Growth Portfolio Fund ("the Growth Fund") is to generate capital growth.

The Growth Fund will invest primarily in equities and fixed interest securities. The equity component of the Fund may include shares in smaller companies and companies listed in emerging markets.

The fixed interest component of the Growth Fund may include government and corporate bonds (which may include emerging market and high yield bonds).

The Growth Fund may also invest in money market instruments and deposits, cash and near cash. Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds and exchange traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Growth Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through transferable securities.

The Growth Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

[A units](#)

Launch date

3 September 2010

Initial charge

5%

Periodic charge

1.35%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

[Y units](#)

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

1.00%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

[X units](#)

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.75%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

The Growth Fund returned +8.04% during the full year to 31 March 2014, outperforming the peer group sector's +4.61% median return by +3.4%. This outperformance was attributable to partly asset allocation and partly stock selection while foreign currency weakness had a negative impact on the Growth Fund's non-Sterling investment returns.

The Growth Fund's Equity asset allocation remained broadly in the range of 83-95% during the year while Fixed Interest was in the range of 0-6%. The balance of the assets were held in Alternative investments and Sterling cash. At the end of the review period the Growth Fund was positioned in: Equity 82.53%, Fixed interest 5.81%, Alternatives 5.04%, Cash 6.60%*. The modified duration of the Growth Fund's fixed interest portion was 3.0 years at the end of the review period.

The main decisions taken in the fund during the year were to divest all gold equity investments and to replace direct equity holdings in Chinese equities with Exchange Traded Funds (ETFs) investing in Far East ex-Japan. Towards the end of the review period the fund also increased holdings in Alternative Investments in the form of Absolute Return funds.

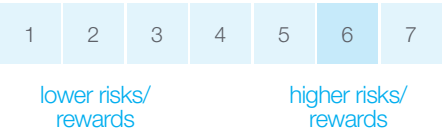
At the end of March 2014, the Growth Fund size was £288.9 million.

*The total may not equate to 100% due to rounding.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Growth Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Growth Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Growth Fund is in category 6 (denoting high risk, but with potential for higher rewards) because it invests mainly in stocks and shares – the value of which can move up and down considerably.

Investing in the Growth Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Growth Fund will experience losses.

Liquidity: some of the underlying investments of the Growth Fund may be more difficult to buy and sell which may affect the Growth Fund’s value.

Default risk: the Growth Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Growth Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Year to 31/3/2012	Since launch 3/9/2010 to 31/3/2011
The Growth Fund A Accumulation	8.04%	11.88%	4.00%	10.10%
IMA Flexible Investor Sector	4.61%	12.27%	(2.04)%	12.59%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Growth Fund is not shown as the Growth Fund launched on 3 September 2010.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	0.3737
Y Accumulation	0.8216
X Accumulation	0.9436

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£241,741,139	138.50p	174,542,976
Y Accumulation	£5,762,605	158.61p	3,633,294
X Accumulation	£41,685,873	146.78p	28,400,591
31/3/2013			
A Accumulation	£251,508,776	127.84p	196,741,716
Y Accumulation	£5,284,521	145.76p	3,625,423
X Accumulation	£4,376,758	134.67p	3,249,904
31/3/2012			
A Accumulation	£250,454,993	114.51p	218,728,396
Y Accumulation	£692,249	130.20p	531,664

Capital record and net revenue

A accumulation units were first offered at 100.00p on 3 September 2010.

Y accumulation units were first offered at 125.00p on 17 October 2011.

X accumulation units were first offered at 125.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	141.2p	133.8p	0.3737
Y Accumulation	161.7p	153.2p	0.8216
X Accumulation	149.6p	141.7p	0.9436
2013			
A Accumulation	137.1p	119.9p	0.8844
Y Accumulation	156.8p	136.6p	1.5363
X Accumulation	145.1p	126.2p	1.8261
2012			
A Accumulation	120.5p	103.5p	0.9710
Y Accumulation	137.2p	117.7p	1.6459
X Accumulation [#]	126.7p	121.3p	—
2011			
A Accumulation	113.8p	99.8p	0.6043
Y Accumulation [†]	127.9p	118.2p	—
2010**			
A Accumulation	109.9p	100.0p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 3 September 2010.

[†]from 17 October 2011.

[#]from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	1.60%	A Accumulation	1.55%
Y Accumulation	1.16%	Y Accumulation	1.20%
X Accumulation	0.88%	X Accumulation*	0.95%

The ongoing charges figure (OCF) represents the annual operating expenses of the Growth Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Growth Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

*As the X accumulation unit class launched 1 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Michelin	2.86	Google class 'A' shares	3.51
Hargreaves Lansdown	2.82	Randgold Resources	3.26
Checkpoint Software Technologies	2.81	Citigroup	3.07
Actelion	2.77	Aimia	3.05
Google class 'A' shares	2.77	McGraw-Hill	2.96
Microsoft	2.76	Actavis	2.94
Priceline.com	2.69	Xylem	2.85
Shire	2.66	Vivendi	2.70
Oracle	2.64	Pirelli	2.65
Rightmove	2.64	Metro	2.52

Close Managed Diversified Income Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Managed Diversified Income Fund ("the Managed Diversified Fund") is to achieve income with capital growth. The Managed Diversified Fund aims to have a yield in excess of the FTSE All Share Index.

The Managed Diversified Fund will invest primarily in third party managed collective investment schemes and exchange traded funds in order to gain exposure to a mixture of equities and fixed interest securities.

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits. The Managed Diversified Fund may also invest in other transferable securities (including closed ended funds) and collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Managed Diversified Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Managed Diversified Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

17 October 2011

Initial charge

5%

Periodic charge

1.10%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.70%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.45%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

In the 12 months to 31 March 2014, the Managed Diversified Fund was up 4.48%, outperforming the IMA Mixed Investment 20%-60% Sector, which was up 3.64%. There were no major asset allocation shifts over the year although following a year when equities significantly outperformed fixed interest, we have more recently added to our fixed interest exposure. At the end of the period under review, the Managed Diversified Fund was positioned slightly overweight equities, slightly underweight fixed interest and overweight alternatives relative to the sector. Broadly within equities our preference has been for developed markets over emerging markets; with a focus on managers in the US and Europe. Elsewhere given the challenging yield environment within government bonds we continue to have a preference for credit and strategic bond managers who are able to asset allocate across the fixed interest spectrum. Meanwhile a fairly consistent overweight in alternatives is largely due to our infrastructure holdings, whose funds combine both an attractive yield and capital protection in falling markets.

As well as managing the top level asset allocation we have made a number of manager changes over the year. Some of the changes include adding the PFS Chelverton UK Equity Income Fund and the Standard Life Global Absolute Return Fund to the portfolio. The Chelverton Fund, managed by David Horner and David Taylor combines an attractive yield along with a focus on smaller companies that we believe can outperform their larger peers over the long term and consequently makes a worthy addition to this portfolio. The Standard Life Fund on the other hand does not have a significant yield but has a return target of 5% over cash and given the low yield environment for both cash and sovereign bonds provides an attractive alternative from both a total return and risk perspective.

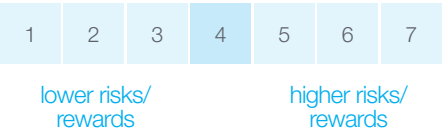
More recently, in the 1st quarter of 2014, the Managed Diversified Fund invested in the Twenty Four Select Monthly Income Fund, managed by Gary Kirk and Mark Holman. The prime focus of the investment process is income generation from bottom up security selection and the fund targets those less heavily traded bonds that are more attractively valued. Interest rate duration on the other hand is managed top down and will initially be kept low as central bank policy returns rates to more conventional levels. As these more attractive opportunities arose the Managed Diversified Fund exited other positions including the R&M UK Equity Income Fund, the Axa Framlington UK Equity Income Fund and the BlackRock Gold & General Fund.

As the Managed Diversified Fund looks ahead towards its third anniversary, we continue to look for different sources of yield from both a global and multi-asset class perspective.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Managed Diversified Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Managed Diversified Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Managed Diversified Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests (indirectly through collective investment schemes) in stocks and shares and bonds.

Investing in the Managed Diversified Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Managed Diversified Fund will experience losses.

Liquidity: some of the underlying investments of the Managed Diversified Fund may be more difficult to buy and sell which may affect the Managed Diversified Fund’s value.

Default risk: the Managed Diversified Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Managed Diversified Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Managed Diversified Fund Y Accumulation	4.48%	12.69%	5.60%
IMA Mixed Investments 20-60% Sector	3.64%	10.20%	5.16%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Managed Diversified Fund is not shown as the Managed Diversified Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	2.2291
A Accumulation	2.3692
Y Income	2.4315
Y Accumulation	2.5897
X Income	2.3722
X Accumulation	2.4460

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£189,961	173.20p	109,675
A Accumulation	£557,695	186.30p	299,355
Y Income	£553,635	174.05p	318,094
Y Accumulation	£8,123,309	187.96p	4,321,720
X Income	£2,291,444	164.44p	1,393,482
X Accumulation	£9,064,953	171.91p	5,273,186
31/3/2013			
A Income	£51,735	169.90p	30,451
A Accumulation	£198,066	177.58p	111,539
Y Income	£826,228	170.33p	485,069
Y Accumulation	£7,245,391	178.45p	4,060,205
X Income	£201,273	160.87p	125,116
X Accumulation	£366,858	163.00p	225,073
31/3/2012			
A Income	£1,039	155.77p	667
A Accumulation	£1,053	157.87p	667
Y Income	£303,544	155.77p	194,870
Y Accumulation	£102,338	158.13p	64,718

Performance record

continued

Capital record and net revenue

A and Y accumulation and income units were first offered at 150.00p on 17 October 2011.

X accumulation and income units were first offered at 150.00p on 1 October 2012

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	177.6p	171.9p	2.2291
A Accumulation	188.7p	182.6p	2.3692
Y Income	178.6p	172.9p	2.4315
Y Accumulation	190.3p	184.1p	2.5897
X Income	168.8p	163.3p	2.3722
X Accumulation	173.9p	168.3p	2.4460
2013			
A Income	175.6p	162.5p	4.7620
A Accumulation	185.7p	167.8p	4.9129
Y Income	176.1p	162.9p	5.0133
Y Accumulation	187.0p	168.5p	5.2236
X Income	166.3p	153.9p	4.8723
X Accumulation	170.9p	153.9p	4.8966
2012			
A Income	162.6p	151.5p	5.2105
A Accumulation	167.8p	151.5p	5.1752
Y Income	162.9p	151.6p	5.4585
Y Accumulation	168.5p	151.7p	5.5139
X Income†	153.9p	150.0p	—
X Accumulation†	153.9p	150.0p	—
2011**			
A Income	153.2p	147.0p	—
A Accumulation	153.2p	147.0p	—
Y Income	153.2p	147.1p	—
Y Accumulation	153.3p	147.1p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	1.87%	A Income	1.83%
A Accumulation	1.87%	A Accumulation	1.83%
Y Income	1.39%	Y Income	1.43%
Y Accumulation	1.39%	Y Accumulation	1.43%
X Income	1.11%	X Income*	1.18%
X Accumulation	1.11%	X Accumulation*	1.18%

The ongoing charges figure (OCF) represents the annual operating expenses of the Managed Diversified Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Managed Diversified Fund: General Administration charges, Trustee fee, Safe Custody fee and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Managed Diversified Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.12	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.41
Artemis Income Fund	4.02	iShares FTSE UK Dividend Plus Fund	3.52
Fidelity Strategic Bond Fund	4.00	Kames Investment Grade Bond Fund	3.50
Legal & General Dynamic Bond Trust	3.97	Veritas Global Equity Income Fund	3.28
Threadneedle UK Equity Alpha Income Fund	3.89	Schroder Income Maximiser Fund	3.23
Schroder Income Maximiser Fund	3.72	Baillie Gifford Corporate Bond Fund	3.19
Kames Capital Investment Grade Bond Fund	3.70	Schroder Asian Income Maximiser Fund	3.19
SPDR S&P US Dividend Aristocrats Fund	3.67	Threadneedle UK Equity Alpha Income Fund	3.10
S&W Church House Investment Grade Fixed Interest Fund	3.52	Artemis Income Fund	3.00
Mitton UK Multi Capital Income Fund	3.51	BNYMellon Newton Asian Income Fund	2.97

Close Managed Conservative Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Managed Conservative Fund (“the Managed Conservative Fund”) is to achieve income and moderate capital growth.

The Managed Conservative Fund will invest primarily in third party managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities.

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Managed Conservative Fund may also invest in other transferable securities (including closed ended funds) and collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Managed Conservative Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Managed Conservative Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

[A units](#)

Launch date

17 October 2011

Initial charge

5%

Periodic charge

1.10%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

[Y units](#)

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.70%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

[X units](#)

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.45%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

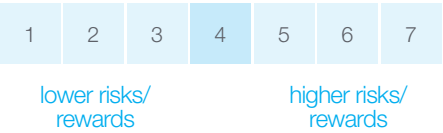
In the 12 months to 31 March 2014, the Managed Conservative Fund was up 5.03%, outperforming the IMA Mixed Investment 20%-60% Sector, which was up 3.64%. At the end of the period under review, the fund was positioned overweight equities, underweight fixed interest and overweight alternatives relative to the sector. Generally within equities our preference has been for developed markets over emerging markets; with a focus on managers in the US and Europe. Elsewhere given unattractive valuations within government bonds we continue to have a preference for credit and strategic bond managers who are able to asset allocate across the fixed interest spectrum. Where we do have sovereign exposure it is mainly to dampen volatility. Meanwhile a fairly consistent overweight in alternatives is largely due to our infrastructure holdings, whose funds combine both an attractive yield and capital protection in falling markets.

As well as managing the top level asset allocation we have made a number of manager changes over the year. Core changes include adding the PFS Chelverton UK Equity Income Fund and the Standard Life Global Absolute Return Strategies Fund to the portfolio. The Chelverton Fund, managed by David Horner and David Taylor combines an attractive yield along with a focus on smaller companies that we believe can outperform their larger peers over the long term and consequently makes a worthy addition to this portfolio. The Standard Life Fund on the other hand does not have a significant yield but has a return target of 5% over cash and given the low yield environment for both cash and sovereign bonds provides an attractive alternative from both a total return and risk perspective. As these more attractive opportunities arose the fund exited other positions including the BlackRock Gold & General fund, the Aberdeen Emerging Markets fund and the First State Asia Pacific Leaders fund.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Managed Conservative Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Managed Conservative Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Managed Conservative Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests (indirectly through collective investment schemes) in both equities and bonds.

Investing in the Managed Conservative Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Managed Conservative Fund will experience losses.

Liquidity: some of the underlying investments of the Managed Conservative Fund may be more difficult to buy and sell which may affect the Managed Conservative Fund’s value.

Default risk: the Managed Conservative Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Managed Conservative Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Managed Conservative Fund Y Accumulation	5.03%	11.05%	4.93%
IMA Mixed Investments 20-60% Sector	3.64%	10.20%	5.16%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Managed Conservative Fund is not shown as the Managed Conservative Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	0.7860
A Accumulation	0.7945
Y Income	1.1738
Y Accumulation	1.2035
X Income	1.2362
X Accumulation	1.2783

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£125,968	176.89p	71,212
A Accumulation	£255,979	181.11p	141,338
Y Income	£176,842	176.87p	99,983
Y Accumulation	£5,901,975	182.47p	3,234,422
X Income	£562,573	165.96p	338,971
X Accumulation	£13,126,465	169.81p	7,730,011
31/3/2013			
A Income	£1,146	171.81p	667
A Accumulation	£96,605	174.04p	55,507
Y Income	£372,743	171.73p	217,048
Y Accumulation	£5,473,382	174.62p	3,134,487
X Income	£1,075	161.17p	667
X Accumulation	£1,499,731	162.29p	924,124
31/3/2012			
A Income	£1,045	156.67p	667
A Accumulation	£1,048	157.12p	667
Y Income	£145,892	156.61p	93,155
Y Accumulation	£481,813	157.26p	306,385

Performance record

continued

Capital record and net revenue

A and Y accumulation and income units were first offered at 150.00p on 17 October 2011.

X accumulation and income units were first offered at 150.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	180.5p	174.4p	0.7860
A Accumulation	184.1p	177.8p	0.7945
Y Income	180.8p	174.6p	1.1738
Y Accumulation	185.2p	179.0p	1.2035
X Income	169.7p	163.9p	1.2362
X Accumulation	172.3p	166.5p	1.2783
2013			
A Income	177.9p	162.5p	2.0309
A Accumulation	181.0p	163.8p	1.9033
Y Income	177.9p	162.5p	2.3822
Y Accumulation	182.0p	164.2p	2.4197
X Income	167.0p	152.6p	2.6315
X Accumulation	169.3p	152.6p	2.6136
2012			
A Income	162.4p	150.7p	1.4941
A Accumulation	163.7p	151.1p	1.3428
Y Income	162.4p	150.8p	1.7736
Y Accumulation	164.1p	151.4p	1.7668
X Income†	152.5p	149.2p	—
X Accumulation†	152.5p	149.2p	—
2011**			
A Income	152.5p	146.6p	—
A Accumulation	152.4p	146.6p	—
Y Income	152.5p	146.6p	—
Y Accumulation	152.5p	146.7p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	1.90%	A Income	1.78%
A Accumulation	1.90%	A Accumulation	1.78%
Y Income	1.42%	Y Income	1.38%
Y Accumulation	1.42%	Y Accumulation	1.38%
X Income	1.14%	X Income*	1.13%
X Accumulation	1.14%	X Accumulation*	1.13%

The ongoing charges figure (OCF) represents the annual operating expenses of the Managed Conservative Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Managed Conservative Fund: General Administration charges, Trustee fee, Safe Custody fee, and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Managed Conservative Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
AXA Framlington UK Select Opportunities Fund	4.00	iShares FTSE UK All Stocks Gilt Fund	5.57
Threadneedle UK Equity Alpha Income Fund	3.91	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	5.33
Baillie Gifford UK Equity Alpha Fund	3.88	Ignis Corporate Bond Fund	4.33
Legal & General Dynamic Bond Trust	3.87	AXA Framlington UK Select Opportunities Fund	4.02
Kames Capital Strategic Bond Fund	3.85	Threadneedle UK Equity Alpha Income Fund	3.85
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.82	Kames Investment Grade Bond Fund	3.83
Fidelity Strategic Bond Fund	3.61	iShares FTSE UK Dividend Plus Fund	3.73
M&G Optimal Income Fund	3.61	Baillie Gifford UK Equity Alpha Fund	3.41
S&W Church House Investment Grade Fixed Interest Fund	3.34	S&W Church House Investment Grade Fixed Interest Fund	3.33
Kames Capital Investment Grade Bond Fund	3.33	Invesco Perpetual Income Fund	3.15

Close Managed Balanced Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Managed Balanced Fund ("the Managed Balanced Fund") is to generate capital growth with some income.

The Managed Balanced Fund will invest primarily in third party managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities. The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Managed Balanced Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Managed Balanced Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Managed Balanced Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

[A units](#)

Launch date

17 October 2011

Initial charge

5%

Periodic charge

1.10%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

[Y units](#)

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.70%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

[X units](#)

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.45%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

In the 12 months to 31 March 2014, the Managed Balanced Fund was up 6.09%, whilst the IMA Mixed Investment 40%-85% Sector, was up 5.63%. At the end of the period under review the Managed Balanced Fund was positioned slightly underweight equities, underweight fixed interest and overweight alternatives relative to the sector. There were no major asset allocation shifts over the year although in aggregate the Managed Balanced Fund had higher equity exposure during the current period under review, relative to the previous one. Generally within equities our preference has been for developed markets over emerging markets; with a focus on managers in the US and UK. Given unattractive valuations within government bonds we continue to have a preference for credit and strategic bond managers who are able to asset allocate across the fixed interest spectrum. Elsewhere our fairly consistent overweight in alternatives is largely due to our infrastructure and absolute return fund holdings.

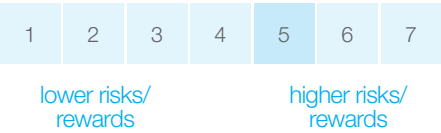
As well as managing the top level asset allocation we have made a number of manager changes over the year. Core changes include adding the PFS Chelverton UK Equity Income Fund and the Standard Life Global Absolute Return Fund to the portfolio. PFS Chelverton UK Equity Income Fund, managed by David Horner and David Taylor combines an attractive yield along with a focus on smaller companies that we believe can outperform their larger peers over the long term and consequently makes a worthy addition to this portfolio. The Standard Life Fund on the other hand does not have a significant yield but has a return target of 5% over cash and given the low yield environment for both cash and sovereign bonds provides an attractive alternative from both a total return and risk perspective.

As these more attractive opportunities arose the fund exited other positions including the iShares Gilt ETF, the First State Asia Pacific Leaders Fund and the CQS Diversified Investment Trust.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Managed Balanced Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Managed Balanced Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Managed Balanced Fund is in category 5 (denoting medium risk, but with moderate potential for higher rewards) because it invests primarily (indirectly through collective investment schemes) in stocks and shares - the value of which can move up and down considerably.

Investing in the Managed Balanced Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Managed Balanced Fund will experience losses.

Liquidity: some of the underlying investments of the Managed Balanced Fund may be more difficult to buy and sell which may affect the Managed Balanced Fund’s value.

Default risk: the Managed Balanced Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Managed Balanced Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Managed Balanced Fund Y Accumulation	6.09%	12.30%	6.20%
IMA Mixed Investments 40-85% Sector	5.63%	12.67%	6.83%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Managed Balanced Fund is not shown as the Managed Balanced Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	0.4175
Y Accumulation	0.9151
X Accumulation	1.0550

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£385,675	188.60p	204,496
Y Accumulation	£11,853,435	190.25p	6,230,368
X Accumulation	£30,333,542	176.18p	17,217,750
31/3/2013			
A Accumulation	£88,605	178.03p	49,769
Y Accumulation	£11,113,482	178.67p	6,220,071
X Accumulation	£4,294,868	165.14p	2,600,709
31/3/2012			
A Accumulation	£1,060	158.92p	667
Y Accumulation	£448,319	159.14p	281,719

Capital record and net revenue

A and Y accumulation units were first offered at 150.00p on 17 October 2011.

X accumulation units were first offered at 150.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	191.2p	183.1p	0.4175
Y Accumulation	192.8p	184.6p	0.9151
X Accumulation	178.5p	170.9p	1.0550
2013			
A Accumulation	188.6p	165.4p	1.0278
Y Accumulation	190.0p	165.9p	1.7898
X Accumulation	175.8p	153.3p	2.0698
2012			
A Accumulation	165.5p	150.2p	0.2547
Y Accumulation	165.9p	150.3p	0.6616
X Accumulation†	153.3p	148.7p	—
2011**			
A Accumulation	153.6p	143.7p	—
Y Accumulation	153.6p	143.8p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	2.06%	A Accumulation	1.89%
Y Accumulation	1.58%	Y Accumulation	1.63%
X Accumulation	1.28%	X Accumulation*	1.24%

The ongoing charges figure (OCF) represents the annual operating expenses of the Managed Balanced Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Managed Balanced Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

*As the X accumulation unit class launched 1 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Henderson European Special Situations Fund	3.69	HSBC S&P 500 Fund	5.38
Old Mutual UK Alpha Fund	3.54	iShares FTSE 100 Fund	5.04
iShares FTSE 100 Fund	3.49	SPDR S&P US Dividend Aristocrats Fund	4.37
AXA Framlington UK Select Opportunities Fund	3.34	iShares FTSE UK Dividend Plus Fund	3.85
SPDR S&P US Dividend Aristocrats Fund	3.29	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.56
Standard Life European Equity Income Fund	3.28	Baillie Gifford UK Equity Alpha Fund	3.08
Threadneedle American Select Fund	3.27	iShares FTSE UK All Stocks Gilt Fund	3.01
Findlay Park American Smaller Companies Fund	3.12	Threadneedle UK Equity Alpha Income Fund	2.88
Franklin Templeton UK Mid Cap Fund	3.08	AXA Framlington UK Select Opportunities Fund	2.69
J O Hambro Japan Fund	3.04	Morgan Stanley Global Brands Fund	2.68

Close Managed Growth Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Managed Growth Fund (“the Managed Growth Fund”) is to generate capital growth.

The Managed Growth Fund will invest primarily in third party managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities.

The underlying equity component may include shares in smaller companies and companies listed in emerging markets. The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Managed Growth Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Managed Growth Fund may also gain exposure to alternative asset classes such as commodities, hedge funds, infrastructure, property and convertibles through transferable securities.

The Managed GrowthFund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

17 October 2011

Initial charge

5%

Periodic charge

1.10%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.70%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.45%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

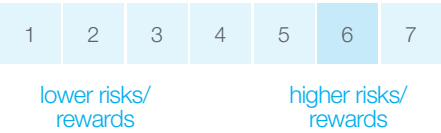
In the 12 months to 31 March 2014, the Managed Growth Fund was up 6.21%, whilst the IMA Flexible Investment, was up 4.61%. At the end of the period under review, the Managed Growth Fund was positioned slightly overweight equities, in line with fixed interest and overweight alternatives relative to the sector. There were no major asset allocation shifts over the year although in aggregate the fund had higher equity exposure during the current period under review, relative to the previous one. Generally within equities our preference has been for developed markets over emerging markets; with a focus on managers in the US and Europe. Given unattractive valuations within government bonds we continue to have a preference for credit and strategic bond managers who are able to asset allocate across the fixed interest spectrum. Elsewhere our fairly consistent overweight in alternatives is largely due to our absolute return fund holdings.

As well as managing the top level asset allocation we have made a number of manager changes over the year. Noteworthy changes include adding the Miton UK Smaller Companies Fund and the Standard Life Global Absolute Return Strategies Fund to the portfolio. The Miton Fund, managed by Gervais Williams, focuses on the smaller end of the UK market and is well placed, in our view, to benefit from the nascent economic recovery in the UK. The Standard Life Fund, managed by Guy Stern and his multi asset team, has a return target of 5% over cash and given the low yield environment for both cash and sovereign bonds provides an attractive alternative from both a total return and risk perspective. As these more attractive opportunities arose the Managed Growth Fund exited other positions including the ishares FTSE All Stocks Gilt Fund, the BlackRock Gold & General Fund and the CQS Diversified Fund.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Managed Growth Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Managed Growth Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Managed Growth Fund is in category 6 (denoting high risk, but with potential for higher rewards) because it invests mainly (indirectly through collective investment schemes) in stocks and shares - the value of which can move up and down considerably.

Investing in the Managed Growth Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Managed Growth Fund will experience losses.

Liquidity: some of the underlying investments of the Managed Growth Fund may be more difficult to buy and sell which may affect the Managed Growth Fund’s value.

Default risk: the Managed Growth Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section ‘Risk Factors’ in the prospectus.

Manager's report

continued

Fund performance

Performance for the Managed Growth Fund for the year to 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Managed Growth Fund Y Accumulation	6.21%	13.25%	7.20%
IMA FlexibleInvestment 40-85% Sector	4.61%	12.27%	6.95%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Managed Growth Fund is not shown as the Managed Growth Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	0.0000
Y Accumulation	0.3966
X Accumulation	0.5751

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£884,272	192.14p	460,228
Y Accumulation	£2,932,725	194.00p	1,511,718
X Accumulation	£5,576,811	178.68p	3,121,120
31/3/2013			
A Accumulation	£261,056	180.95p	144,269
Y Accumulation	£2,729,637	181.78p	1,501,625
X Accumulation	£667,521	167.06p	399,560
31/3/2012			
A Accumulation	£8,914	160.32p	5,560
Y Accumulation	£71,485	160.51p	44,537

Capital record and net revenue

A and Y accumulation units were first offered at 150.00p on 17 October 2011.

X accumulation units were first offered at 150.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	195.10p	185.90p	0.0000
Y Accumulation	196.90p	187.50p	0.3966
X Accumulation	181.30p	172.70p	0.5751
2013			
A Accumulation	191.70p	166.10p	0.1024
Y Accumulation	193.20p	166.60p	0.7388
X Accumulation	177.90p	153.10p	1.1088
2012			
A Accumulation	166.1p	149.2p	0.0863
Y Accumulation	166.6p	149.4p	0.4087
X Accumulation†	153.1p	147.5p	—
2011**			
A Accumulation	153.9p	142.5p	—
Y Accumulation	154.0p	142.5p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	1.95%	A Accumulation	1.77%
Y Accumulation	1.47%	Y Accumulation	1.37%
X Accumulation	1.19%	X Accumulation*	1.12%

The ongoing charges figure (OCF) represents the annual operating expenses of the Managed Growth Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Managed Growth Fund: General Administration charges, Trustee fee, Safe Custody fee, and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Managed Growth Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation unit class launched 1 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Findlay Park American Smaller Companies Fund	3.86	HSBC S&P 500 Fund	4.79
J O Hambro Japan Fund	3.85	iShares FTSE 100 Fund	4.15
Franklin UK Mid Cap Fund	3.79	db x-trackers EURO STOXX 50 Fund	4.04
Old Mutual UK Alpha Fund	3.73	FTSE 250 Source ETF	3.99
AXA Framlington UK Select Opportunities Fund	3.56	iShares FTSE UK Dividend Plus Fund	3.87
Baillie Gifford American Fund	3.54	Findlay Park American Smaller Companies Fund	3.66
Baring Europe Select Trust	3.44	AXA Framlington UK Select Opportunities Fund	3.47
Legg Mason Global Royce US Small Cap Opportunity Fund	3.44	Baillie Gifford UK Equity Alpha Fund	3.36
Baillie Gifford Japanese Fund	3.36	Threadneedle American Select Fund	3.36
Henderson European Special Situations Fund	3.35	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.28

Close Select Fixed Income Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Select Fixed Income Fund ("the Select Fund") is to generate income while maintaining its capital value over the medium term.

The Select Fund will invest mainly in Sterling denominated fixed interest securities (including government bonds and corporate bonds) and deposits (including money market instruments), and may also invest in international fixed income securities.

In order to gain indirect exposure to fixed interest securities and deposits (including money market instruments), the Select Fund may also invest in collective investment schemes (which may include schemes managed by the Manager or an affiliate of the Manager) and closed-ended funds.

Fund facts

A units
Launch date
15 October 2012
Initial charge
10%
Periodic charge
Nil
Administration charge
0.15%
Minimum investment
£1,000,000

Manager's report

Market commentary

The latter part of 2013 was punctuated by a number of issues that looked to be detrimental to the Bond Markets.

At the onset 2013 was quite benign with mutterings permeating the market about the removal of Quantitative Easing (QE) by the US but government bond yields and credit spreads continued to fall.

May brought a change of fortune after a speech by Ben Bernanke alluded to the removal of QE. That coupled with improving economic data caused a massive widening of credit spreads and government bond yields soared by 100 basis points as of the end of June. Bond markets then staged a mini rally only for the gap to widen into September.

Confusion reigned as the US Federal Reserve indicated that it would delay the taper, Bond markets rallied hard to the end of October only to reverse into the end of the year with 10yr yields back at 3%. QE was reinstated with a reduction of \$10 billion in December 2013. As of March 2014 the programme was down to purchases of \$55 billion per month. That said Bond yields have steadily tightened again from 3% in December 2013 to 2.16% in March 2014.

The 2014 budget was a major talking point with Gilt issuance reduced to £128bn for 2014 and Pension reforms suggesting a reduction in the demand for Long dated Gilts. According to HMRC the inflows into annuities are about £11 billion per year with the majority of that being into corporate bonds.

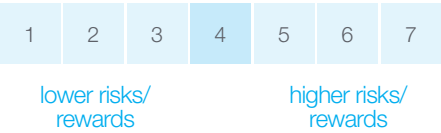
As for fund flows, liquidity has been a significant issue in credit markets. The Select Fund has been brought inline to remove excessive risk, reducing duration and stagnant positions. As such performance has been consistent with a low risk portfolio, returning circa 3.02% over the last 6 months total return.

The primary focus for trades in the Select Fund has been to maintain yield. We have tried to take advantage of upgrades by adding to Daily Mail, impending upgrades by adding to the GKN 22's position, bond tenders by holding Westfield 22's and Interest rate hikes by initiating positions in New Zealand Dollar 10yr Bonds and the ANZ 19's. These trades have been funded by cash inflows and rolling out of low yielding, short dated positions. The Select Fund also initiated a holding in the Royal London Short Duration Global High Yield Fund and a risk weighted position in the UK EAR Loan.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Select Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Select Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Select Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests primarily in bonds – the value of which tends to be more stable than other types of investment.

Investing in the Select Fund carries the following risks:

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Select Fund will experience losses.

Default risk: the Select Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

Liquidity: some of the underlying investments of the Select Fund may be more difficult to buy and sell which may affect the Select Fund’s value.

For more information on risk, please see the section ‘Risk Factors’ in the prospectus.

Manager's report

continued

Fund performance

Performance for the Select Fund for the year ended 31 March 2014.

	Year to 31/3/2014	Since launch 15/10/2012 to 31/3/2013
The Select Income Fund A Income	-4.61%	3.00%
IMA unclassified Sector	3.74%	9.28%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the A unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Select Fund is not shown as the Select Fund launched on 15 October 2012.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	1.5922

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014 A Income	£63,210,510	96.39p	65,580,381
31/3/2013 A Income	£50,183,222	101.44p	49,469,052

Capital record and net revenue

A income units were first offered at 100.00p on 15 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014* A Income	98.6p	95.8p	1.5922
2013 A Income	104.3p	95.5p	2.4463
2012** A Income	101.3p	98.4p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 15 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Period to 31/3/2013	
A Income	0.22%	A Income*	0.21%

The ongoing charges figure (OCF) represents the annual operating expenses of the Select Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Select Fund: General Administration charges, Trustee fee, Safe Custody fee, Audit fee, FCA fee, Professional Service charges and Safe Custody Transaction charges. The OCF is expressed as an annual percentage rate.

*As the Select Fund launched 15 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Daily Mail & General Trust 6.375% Senior Bonds 21/6/2027	4.14	US Treasury 3.5% Notes 15/5/2020	7.15
National Grid 1.25% Senior European Medium Term Index Linked Bonds 6/10/2021	3.58	US Treasury 3.5% Notes 15/2/2039	7.15
FirstGroup 5.25% Guaranteed Notes 29/11/2022	3.35	US Treasury 3.625% Notes 15/2/2021	7.15
Nationwide Building Society 6% Guaranteed Perpetual Subordinated Floating Rate Notes	3.29	US Treasury 4.25% Notes 15/11/2040	7.15
Telefonica Emisiones SAU 5.375% Guaranteed European Medium Term Bonds 2/2/2018	3.22	John Lewis 6.125% Guaranteed Senior Bonds 21/1/2025	3.84
Lloyds TSB 6.625% Guaranteed Subordinated European Medium Term Bonds 30/3/2015	3.20	GKN 6.75% Guaranteed Senior Bonds 28/10/2019	3.82
Bupa Finance 5% Subordinated Notes 25/4/2023	3.17	Ladbrokes Finance 7.625% Guaranteed Senior Bonds 5/3/2017	3.81
A.P. Moller- Maersk 4% European Medium Term Notes 4/4/2025	3.11	Telefonica Emisiones SAU 5.375% Guaranteed European Medium Term Bonds 2/2/2018	3.79
Anheuser-Busch InBev 9.75% Guaranteed European Medium Term Bonds 30/7/2024	3.08	Standard Chartered 8.103% Perpetual Step-up Subordinated Bonds	3.78
Marks & Spencer 4.75% European Medium Term Bonds 12/6/2025	3.07	Daily Mail & General Trust 6.375% Senior Bonds 21/6/2027	3.74

Close Tactical Select Passive Conservative Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Tactical Select Passive Conservative Fund (“the Tactical Conservative Fund”) is to achieve income and moderate capital growth.

The Tactical Conservative Fund will invest primarily in passively managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities. Allocation between the schemes and funds in which the Tactical Conservative Fund invests will be actively managed.

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Tactical Conservative Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Tactical Conservative Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Tactical Conservative Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

17 October 2011

Initial charge

5%

Periodic charge

0.60%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.40%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.30%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

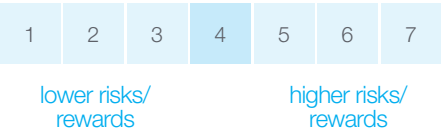
Since the Tactical Conservative Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily 'beta' investments, designed to reflect moves in the relevant index or asset class, we have sized them accordingly with underweight or overweight compared to the Close Strategic Policy Committee Global Asset Allocation view. Over the reporting period, we have steadily switched to less costly investments that have grown in number due to intensified competition. The availability of more instruments has also enhanced the level of granularity with which we are able to pursue asset allocation including alternative betas that provides us with more tools to navigate the uncertain market environment. Overall, the Tactical Conservative Fund is well diversified while still maintaining economic exposures in line with Close Brothers' overall asset allocation views for conservative strategies.

Within equities our preference has been for developed markets over emerging markets; with a focus in Europe and US. Although we are reviewing the investment opportunities in emerging markets. Given unattractive valuations within government bonds we have a preference for corporate exposure with shorter duration. Where we do have sovereign exposure it is mainly to dampen volatility or inflation protection. Elsewhere in alternatives we have maintained our hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the year a number of macroeconomic indicators improved and US Federal Reserve has slowed down quantitative easing by \$10billion a month and targets to end QE3 by December. This will be causing more volatility in the market, but will be necessary for markets to normalise.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Tactical Conservative Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Tactical Conservative Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Tactical Conservative Fund is in category 4 (denoting medium risk, but with moderate potential for higher rewards) because it invests (indirectly through collective investment schemes) in both equities and bonds.

Investing in the Tactical Conservative Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Tactical Conservative Fund will experience losses.

Liquidity: some of the underlying investments of the Tactical Conservative Fund may be more difficult to buy and sell which may affect the Tactical Conservative Fund’s value.

Default risk: the Tactical Conservative Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section ‘Risk Factors’ in the prospectus.

Manager's report

continued

Fund performance

Performance for the Tactical Conservative Fund for the year ended 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Tactical Conservative Fund Y Accumulation	1.90%	9.10%	4.91%
IMA Mixed Investments 20-60% Sector	3.64%	10.20%	5.16%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Tactical Conservative Fund is not shown as the Tactical Conservative Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Income	1.5898
A Accumulation	1.6370
Y Income	1.8551
Y Accumulation	1.9254
X Income	1.8425
X Accumulation	1.8859

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Income	£10,824	194.92p	5,553
A Accumulation	£209,899	203.20p	103,295
Y Income	£148,203	194.90p	76,040
Y Accumulation	£1,626,833	204.05p	797,271
X Income	£52,432	186.26p	28,150
X Accumulation	£1,898,531	191.68p	990,490
31/3/2013			
A Income	£1,183	194.89p	607
A Accumulation	£38,649	199.40p	19,383
Y Income	£148,028	194.97p	75,923
Y Accumulation	£1,708,062	199.77p	855,006
X Income	£1,066	186.36p	572
X Accumulation	£195,472	187.59p	104,199
31/3/2012			
A Income	£1,078	182.09p	592
A Accumulation	£33,904	183.43p	18,483
Y Income	£1,040	182.14p	571
Y Accumulation	£136,226	183.53p	74,226

Performance record

continued

Capital record and net revenue

A and Y accumulation and income units were first offered at 175.00p on 17 October 2011.

X accumulation and income units were first offered at 175.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Income	198.9p	192.7p	1.5898
A Accumulation	205.8p	199.2p	1.6370
Y Income	199.1p	192.8p	1.8551
Y Accumulation	206.6p	200.0p	1.9254
X Income	190.4p	184.3p	1.8425
X Accumulation	194.0p	187.8p	1.8859
2013			
A Income	201.3p	185.6p	3.3912
A Accumulation	205.8p	188.5p	3.4029
Y Income	201.3p	185.5p	3.6873
Y Accumulation	206.2p	188.7p	3.7461
X Income	192.4p	177.2p	3.6352
X Accumulation	193.7p	177.2p	3.6254
2012			
A Income	186.6p	175.4p	3.0153
A Accumulation	188.4p	176.8p	2.9551
Y Income	186.7p	175.4p	3.3566
Y Accumulation	188.6p	176.9p	3.2263
X Income†	177.1p	173.6p	—
X Accumulation†	177.1p	173.6p	—
2011**			
A Income	178.8p	171.0p	—
A Accumulation	178.8p	171.0p	—
Y Income	178.8p	171.0p	—
Y Accumulation	178.8p	171.0p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Income	0.99%	A Income	0.98%
A Accumulation	0.99%	A Accumulation	0.98%
Y Income	0.70%	Y Income	0.78%
Y Accumulation	0.70%	Y Accumulation	0.78%
X Income	0.56%	X Income*	0.68%
X Accumulation	0.56%	X Accumulation*	0.68%

The ongoing charges figure (OCF) represents the annual operating expenses of the Tactical Conservative Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Tactical Conservative Fund: General Administration charges, Trustee fee, Safe Custody fee and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Tactical Conservative Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation and income unit classes launched 1 October 2012, the comparative OCFs were annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
iShares Markit iBoxx \$ Corporate Bond Fund	6.72	Vanguard UK Investment Grade Bond Index Fund	7.74
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	6.64	HSBC FTSE 100 Index Fund	6.38
iShares £ Corporate Bond Fund	6.53	HSBC FTSE 250 Index Fund	6.04
iShares Markit iBOXX £ Corporate Bond ex-financials Fund	5.98	Vanguard UK Government Bond Index Fund	5.99
HSBC FTSE 100 Index Fund	5.32	Lyxor ETF iBoxx \$ Liquid Emerging Markets Sovereigns	5.18
NATIXIS Loomis Sayles Strategic Income Fund	5.15	iShares Markit iBoxx £ Corporate Bond	4.98
HSBC S&P 500 ETF	5.06	iShares Physical Gold ETC	4.63
PIMCO Short-Term High Yield Corporate Bond Index Source ETF	5.03	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.32
HSBC FTSE 250 Index Fund	5.00	Vanguard FTSE 100 ETF	4.04
Vanguard FTSE 100 ETF	4.84	iShares Barclays Capital £ Index-Linked Gilts Fund	3.61

Close Tactical Select Passive Balanced Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Tactical Select Passive Balanced Fund ("the Tactical Balanced Fund") is to generate capital growth with some income.

The Tactical Balanced Fund will invest primarily in passively managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities

Allocation between the schemes and funds in which the Tactical Balanced Fund invests will be actively managed.

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Tactical Balanced Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Tactical Balanced Fund may also gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Tactical Balanced Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

17 October 2011

Initial charge

5%

Periodic charge

0.60%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.40%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.30%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

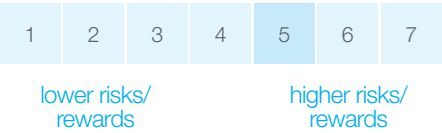
Since the Tactical Balanced Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily 'beta' investments, designed to reflect moves in the relevant index or asset class, we have sized them accordingly with underweight or overweight compared to the Close Strategic Policy Committee Global Asset Allocation view. Over the reporting period, we have steadily switched to less costly investments that have grown in number due to intensified competition. The availability of more instruments has also enhanced the level of granularity with which we are able to pursue asset allocation including alternative betas that provides us with more tools to navigate the uncertain market environment. Overall, the Tactical Balanced Fund is well diversified while still maintaining economic exposures in line with Close Brothers' overall asset allocation views for balanced strategies.

Within equities our preference has been for developed markets over emerging markets; with a focus in Europe and US, although we are reviewing the investment opportunities in emerging markets. Given unattractive valuations within government bonds we have a preference for corporate exposure with shorter duration. Where we do have sovereign exposure it is mainly to dampen volatility or inflation protection. Elsewhere in alternatives we have maintained our hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the year a number of macroeconomic indicators improved and US Federal Reserve has slowed down quantitative easing by \$10billion a month and targets to end QE3 by December. This will be causing more volatility in the market, but will be necessary for markets to normalise.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Tactical Balanced Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Tactical Balanced Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Tactical Balanced Fund is in category 5 (denoting medium risk, but with moderate potential for higher rewards) because it invests mainly (indirectly through collective investment schemes) in stocks and shares - the value of which can move up and down considerably.

Investing in the Tactical Balanced Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Tactical Balanced Fund will experience losses.

Liquidity: some of the underlying investments of the Tactical Balanced Fund may be more difficult to buy and sell which may affect the Tactical Balanced Fund's value.

Default risk: the Tactical Balanced Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Tactical Balanced Fund for the year ended 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Tactical Balanced Fund Y Accumulation	3.51%	11.46%	6.69%
IMA Mixed Investments 40-85% Sector	5.63%	12.67%	6.83%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Tactical Balanced Fund is not shown as the Tactical Balanced Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	1.2612
Y Accumulation	1.5596
X Accumulation	1.5264

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£117,722	214.80p	54,806
Y Accumulation	£1,196,663	215.53p	555,223
X Accumulation	£4,941,901	198.94p	2,484,081
31/3/2013			
A Accumulation	£14,554	207.47p	7,015
Y Accumulation	£1,195,140	207.70p	575,415
X Accumulation	£417,583	191.69p	217,839
31/3/2012			
A Accumulation	£1,105	186.66p	592
Y Accumulation	£142,319	186.69p	76,234

Capital record and net revenue

A and Y accumulation units were first offered at 175.00p on 17 October 2011.

X accumulation units were first offered at 175.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	217.6p	207.9p	1.2612
Y Accumulation	218.3p	208.5p	1.5596
X Accumulation	201.5p	192.5p	1.5264
2013			
A Accumulation	216.6p	193.3p	2.9288
Y Accumulation	216.9p	193.4p	3.2128
X Accumulation	200.2p	178.5p	3.1051
2012			
A Accumulation	192.5p	176.4p	2.2672
Y Accumulation	192.6p	176.5p	2.4955
X Accumulation†	177.8p	172.4p	—
2011**			
A Accumulation	180.6p	168.2p	—
Y Accumulation	180.6p	168.2p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	0.98%	A Accumulation	0.95%
Y Accumulation	0.70%	Y Accumulation	0.75%
X Accumulation	0.57%	X Accumulation*	0.65%

The ongoing charges figure (OCF) represents the annual operating expenses of the Tactical Balanced Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Tactical Balanced Fund: General Administration charges, Trustee fee, Safe Custody fee, and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Tactical Balanced Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation unit class launched 1 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
HSBC FTSE 250 Index Fund	7.06	HSBC S&P 500 ETF	6.25
HSBC FTSE 100 Index Fund	6.24	HSBC FTSE 100 Index Fund	5.71
HSBC S&P 500 Fund	5.82	Vanguard FTSE 100 ETF	5.61
Vanguard FTSE 100 ETF	5.51	HSBC FTSE 250 Index Fund	5.21
iShares S&P Small Cap 600 Fund	5.47	SPDR S&P US Dividend Aristocrats Fund	4.31
Vanguard S&P 500 ETF	5.12	Fundlogic Emerging Markets Equity Fund	4.27
SPDR S&P UK Dividend Aristocrats Fund	4.50	db x-trackers EURO STOXX 50 Fund	4.26
iShares Markit iBoxx £ Corporate Bond Fund	4.32	Lyxor ETF iBoxx \$ Liquid Emerging Markets Sovereigns	3.59
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.32	iShares Physical Gold ETC	3.54
db x-trackers EURO STOXX 50 Fund	3.97	HSBC Pacific Index Retail Fund	3.39

Close Tactical Select Passive Growth Fund

Annual short report for the year ended 31 March 2014

Fund objective and policy

The investment objective of the Close Tactical Select Passive Growth Fund ("the Tactical Growth Fund") is to generate capital growth.

The Tactical Growth Fund will invest primarily in passively managed collective investment schemes and exchange traded funds in order to gain exposure to equities and fixed interest securities

Allocation between the schemes and funds in which the Tactical Growth Fund invests will be actively managed. The underlying equity component may include shares in smaller companies and companies listed in emerging markets. The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

The Tactical Growth Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash.

The Tactical Growth Fund may also gain exposure to alternative asset classes such as commodities, hedge funds, infrastructure, property and convertibles through transferable securities.

The Tactical Growth Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund facts

A units

Launch date

17 October 2011

Initial charge

5%

Periodic charge

0.60%

Administration charge

0.15%

Minimum investment

£1,000 or £250 monthly

Y units

Launch date

17 October 2011

Initial charge

Nil

Periodic charge

0.40%

Administration charge

Nil

Minimum investment

£100,000 or £250 monthly

X units

Launch date

1 October 2012

Initial charge

Nil

Periodic charge

0.30%

Administration charge

Nil

Minimum investment

£1,000 or £250 monthly

Manager's report

Market commentary

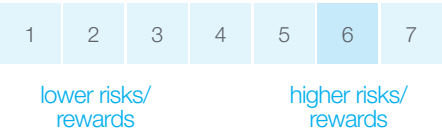
Since the Tactical Growth Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily 'beta' investments, designed to reflect moves in the relevant index or asset class, we have sized them accordingly with underweight or overweight compared to the Close Strategic Policy Committee Global Asset Allocation view. Over the reporting period, we have steadily switched to less costly investments that have grown in number due to intensified competition. The availability of more instruments has also enhanced the level of granularity with which we are able to pursue asset allocation including alternative betas that provides us with more tools to navigate the uncertain market environment. Overall, the Tactical Growth Fund is well diversified while maintaining economic exposures in line with Close Brothers' overall asset allocation views for growth strategies.

Within equities our preference has been for developed markets over emerging markets; with a focus in Europe and US. Although we are reviewing the investment opportunities in emerging markets. Given unattractive valuations within government bonds we have a preference for corporate exposure with shorter duration. Where we do have sovereign exposure it is mainly to dampen volatility or inflation protection. Elsewhere in alternatives we have maintained our hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the year a number of macroeconomic indicators improved and US Federal Reserve has slowed down quantitative easing by \$10billion a month and targets to end QE3 by December. This will be causing more volatility in the market, but will be necessary for markets to normalise.

Manager’s report

continued

Risk and Reward Indicator (SRRI)



The indicator above illustrates the position of the Tactical Growth Fund on a standard Risk/Reward category scale. The category is chosen based on the volatility of returns, actual or simulated depending on the launch date of the Tactical Growth Fund, over the past five years.

Please note that:

- Past performance is not a reliable indicator of future results.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean ‘risk free’.

This measurement can change and the Key Investor Information Document will contain the most up-to-date version.

The Tactical Growth Fund is in category 6 (denoting high risk, but with potential for higher rewards) because it invests mainly (indirectly through collective investment schemes) in stocks and shares - the value of which can move up and down considerably.

Investing in the Tactical Growth Fund also carries the following risks:

Emerging markets: investing in emerging markets can involve a higher element of risk due to less well regulated markets and potential political and economic instability.

Counterparty risk: investments may be made through third parties. If these third parties fail to meet their obligations, the Tactical Growth Fund will experience losses.

Liquidity: some of the underlying investments of the Tactical Growth Fund may be more difficult to buy and sell which may affect the Tactical Growth Fund’s value.

Default risk: the Tactical Growth Fund may invest in higher risk bonds which have a greater risk of default than lower risk bonds.

For more information on risk, please see the section 'Risk Factors' in the prospectus.

Manager's report

continued

Fund performance

Performance for the Tactical Growth Fund for the year ended 31 March 2014.

	Year to 31/3/2014	Year to 31/3/2013	Since launch 17/10/2011 to 31/3/2012
The Tactical Growth Fund Y Accumulation	4.46%	12.11%	8.51%
IMA Flexible Investments Sector	4.61%	12.27%	6.95%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the Y unit class (which may include a dilution adjustment to the mid-market value) in Sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Information regarding the 12 months to the end of March over the last five years for the Tactical Growth Fund is not shown as the Tactical Growth Fund launched on 17 October 2011.

Distribution information

Net revenue pence per unit XD 1 April 2014.

	Distribution per Unit Payable on 31/7/2014
A Accumulation	0.8053
Y Accumulation	1.2165
X Accumulation	1.1987

Performance record

Net asset value per unit and comparative tables

Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
31/3/2014			
A Accumulation	£83,837	221.48p	37,853
Y Accumulation	£144,905	222.55p	65,111
X Accumulation	£1,255,798	204.70p	613,480
31/3/2013			
A Accumulation	£71,711	211.89p	33,844
Y Accumulation	£99,716	212.36p	46,956
X Accumulation	£147,245	195.25p	75,415
31/3/2012			
A Accumulation	£1,172	189.64p	618
Y Accumulation	£63,263	189.85p	33,323

Capital record and net revenue

A and Y accumulation units were first offered at 175.00p on 17 October 2011.

X accumulation units were first offered at 175.00p on 1 October 2012.

Year	Highest Unit Price	Lowest Unit Price	Net Revenue Paid Pence per Unit in Calendar Year
2014*			
A Accumulation	224.7p	212.5p	0.8053
Y Accumulation	225.8p	213.4p	1.2165
X Accumulation	207.7p	196.3p	1.1987
2013			
A Accumulation	223.3p	194.4p	2.1681
Y Accumulation	224.0p	194.7p	2.5411
X Accumulation	206.0p	179.0p	2.5212
2012			
A Accumulation	193.6p	175.2p	1.6704
Y Accumulation	193.8p	175.3p	1.9564
X Accumulation†	178.2p	171.4p	—
2011**			
A Accumulation	182.3p	167.5p	—
Y Accumulation	182.3p	167.5p	—

*Highest and lowest price to 31 March 2014 and net revenue to 31 July 2014.

**from 17 October 2011.

†from 1 October 2012.

The above performance information and that which is contained in the Manager's report relates to past performance.

Past performance is not a reliable indicator of future results.

The price of units and revenue from them may go down as well as up.

Performance record

continued

Ongoing charges figure

Year to 31/3/2014		Year to 31/3/2013	
A Accumulation	0.99%	A Accumulation	0.96%
Y Accumulation	0.70%	Y Accumulation	0.76%
X Accumulation	0.56%	X Accumulation*	0.66%

The ongoing charges figure (OCF) represents the annual operating expenses of the Tactical Growth Fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the Tactical Growth Fund: General Administration charges, Trustee fee, Safe Custody fee, and Safe Custody Transaction charges. The administration charges were stopped from 5 September 2013 on X and Y share classes. The OCF is expressed as an annual percentage rate.

A proportion of the Tactical Growth Fund's ongoing charges are currently being subsidised by the Manager. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

*As the X accumulation unit class launched 1 October 2012, the comparative OCF was annualised.

Top 10 Holdings

Holdings as at 31/3/2014	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
HSBC FTSE 250 Index Fund	7.18	Vanguard FTSE 100 ETF	9.94
Vanguard S&P 500 ETF	7.15	Fundlogic Emerging Markets Equity Fund	6.51
HSBC S&P 500 ETF	7.14	HSBC FTSE 250 Index Fund	6.34
iShares S&P Small Cap 600 Fund	6.39	Vanguard US Equity Index Fund	5.99
HSBC FTSE 100 Index Fund	6.32	HSBC FTSE 100 Index Fund	5.78
SPDR S&P UK Dividend Aristocrats Fund	5.51	SPDR S&P US Dividend Aristocrats Fund	5.67
Vanguard FTSE 100 ETF	5.38	HSBC Pacific Index Retail Fund	5.35
HSBC Japan Index Fund	5.19	HSBC S&P 500 ETF	5.21
MSCI EMU SF ETF 'A' Accumulation	5.12	Vanguard S&P 500 ETF	4.75
db x-trackers EURO STOXX 50 Fund	4.36	db x-trackers EURO STOXX 50 Fund	4.62

Risk profile

Fund risk profile

In pursuing the Trust's objective, the Manager manages the assets and liabilities of the sub-funds through a range of investments and derivative instruments. Any such commitments entered into are through counterparties approved by the Manager's Board of Directors, and the majority are transacted through recognised exchanges and clearing houses.

Risk profile

The risks to which each sub-fund is exposed, and the approach taken to manage them, are as follows:

Market risk

Unitholders are reminded that, notwithstanding the investment objectives of the sub-funds, the price of units in the sub-funds and the revenue from them may go down as well as up and is not guaranteed. Investment in the sub-funds should be regarded as long term investment and unitholders should be willing to accept some risk to their capital. Unitholders should therefore not invest money in units in the sub-funds that they may require in the short-term.

Counterparty and credit risk

This is the risk of suffering loss due to another party not meeting its financial obligations. One source of this risk for the sub-fund is where counterparties to any trade fail to meet their transaction commitments. Each sub-fund only buys and sells investments with brokers which have been approved by the Manager or Investment Advisor as an acceptable counterparty. In addition, limits are set on the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly. It is possible for a problem to arise both on exchange traded and over the counter transactions.

Counterparty and credit risk continued

In addition, if any of the issuers of the securities held within a sub-fund become less financially secure, this could reduce the value of the security and hence the value of units in the sub-fund.

If a sub-fund's cash is deposited with any financial institution which becomes insolvent or suffers other financial difficulties, the full deposit may not be returned. This would mean that unitholders would not get back the full value of their investment. A sub-fund is not currently eligible to claim under the UK's Financial Services Compensation Scheme for monies on deposit with defaulting deposit takers.

Interest rate risk

This is the risk of changes (negative as well as positive) in the value of investments and cash and deposit balances as a result of fluctuations in interest rates. For example, a reduction in interest rates will mean that a sub-fund receives less credit interest on cash placed on deposit. Alternatively, an increase in interest rates means that a sub-fund will be charged higher debit interest on any overdrawn accounts.

The interest rate risk profile of financial assets and liabilities at the year end for each sub-fund is shown in the relevant notes within the full report and accounts.

Risk profile

continued

Risk profile continued

Liquidity risk

This is the risk that a sub-fund may not have sufficient cash, or the ability to raise additional cash through the sale of underlying investments, in order to meet redemption requests. Each of the sub-funds has limited temporary borrowing powers.

Each sub-fund holds cash and readily realisable securities. The Manager monitors the cash position and the level of redemption requests so as to minimise the liquidity risk which may arise.

Furthermore, the underlying investments of the sub-funds may be subject to liquidity constraints, therefore affecting the ability of the sub-funds to realise the investments. This, in turn, may affect the ability of each sub-fund to raise cash to meet requests for the redemption of units.

Currency risk

Where an underlying investment of each sub-fund is not denominated in Sterling, the effect of the fluctuations of exchange rates between Sterling and the currency of its denomination may adversely affect the value of that investment, and this will be reflected in the value of units.

The foreign currency risk profile of financial assets and liabilities at the year end for each of the sub-funds is shown in the relevant notes within the full report and accounts.

Use of derivatives

Investments in derivatives are used in two different ways. The majority of transactions are used to protect unitholders' capital and the remainder to create an exposure to the relevant investments. The Investment Advisor controls the credit risk of these transactions by arranging them with highly rated institutions. Each sub-fund uses brokers for exchange traded derivatives and counterparties for over the counter derivatives with a short-term credit rating of A1/P1 according to S&P, Moodys or IBCA (the highest rating available).

Derivatives, in the form of options, forward foreign exchange and futures, can be used to hedge (i.e. reduce) the risk of reduction in the value of the portfolio due to fluctuations in value.

Valuation risk

Each sub-fund offers a pooled vehicle whereby unitholders through a holding of units in a sub-fund, gain exposure to the return from the underlying portfolio of each sub-fund. The value of units is calculated on a forward pricing basis (i.e. reference to the next valuation after dealing instructions are agreed). With a view to achieving fair unit pricing, for each sub-fund, the value is ascertained at the valuation point on each dealing day, in Sterling. Unitholders should note however that unit pricing is not an exact science. For certain fund property, the Manager's best estimate of a fair and reasonable market value may prove to be incorrect. For other investments, use of a market price may prove to be generally appropriate. If there is a high risk of divergence of unit prices from a fair value of the underlying assets, the Manager would monitor this and would seek to take appropriate action to minimise dilution to each sub-fund, with a view to balancing the interests of incoming, outgoing and remaining unitholders.

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Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of Close Brothers Group plc, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT.

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