

Architas MM Monthly High Income Fund

For the year ended 31 Dec 2013

Investment objective

The aim of the Fund is to generate a higher level of income in comparison to short-term UK interest rates.

Investment policy

The Fund pursues its aim by investing in other funds (underlying funds), debt instruments which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits. The Fund may use investment techniques including borrowing cash and making investments intended to offset potential losses that may be incurred by other investments (hedging).

The Fund may invest directly in debt instruments issued by companies, governments and other institutions. When investing in debt instruments, the Fund will generally favour those issued by companies considered to be less likely to default (investment grade) but may invest in issues which have relatively higher risk of default (non-investment grade).

When appropriate, the Fund may hold its assets in cash or deposits and financial instruments which are easily converted into cash (near cash). This is limited to circumstances where it is necessary in order to enable the redemption of shares in the Fund, or where their use may reduce risk or costs of the Fund.

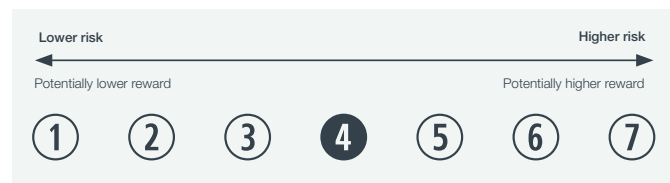
Ex-dividend

Last day of each month

Distribution date

15th of the following month

Risk and reward profile



This risk indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.

The lowest category does not mean risk free.

The risk and reward category may shift over time and is not guaranteed.

Your investment in the Fund is not guaranteed. The Fund is invested in financial assets and instruments and uses financial techniques that are subject to levels of variation, that may result in gains or losses.

Funds of category 4 have shown in the past a low to medium volatility. The volatility describes how much the value of the fund went up and down in the past. The shares of a fund of category 4 might be subject to low to medium price fluctuations based on the historical volatility observed.

More information in relation to risks in general may be found in the "Risk Factors" section of the prospectus and the current Key Investor Information Document (KIID).

Important event during the year

On 3 December 2013 the Independent Auditor changed from PricewaterhouseCoopers LLP to Ernst and Young LLP.

Report and accounts

The purpose of sending this Short Report for the Fund is to present you with a summary of how the Fund has performed during the accounting period in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook (COLL) rules. Copies of the latest long report for Architas Multi-Manager Investments ICVC II, which includes this Fund, are available free of charge on request to our customer services team who can be contacted on 0844 620 0152.

Other information

The Fund is a sub-fund of Architas Multi-Manager Investments ICVC II which is an open ended investment company authorised by the Financial Conduct Authority, and is a UCITS scheme.

Performance

In the year ended 31 December 2013, the Architas Monthly High Income Fund rose 3.04% (source: Morningstar Direct, January 2014).

Market review

2013 was a year of two almost equal halves. Between January and May, sentiment was universally strong and most major equity markets and higher-risk bonds delivered good returns. Following the US central bank's reminder in May that its recent supportive policy would come to an end at some point, investor sentiment fell. However, subsequent positive economic data from most developed countries allowed these stock markets to recover by the end of the year, and UK, US, European and Japanese equities ended the period in comfortably positive territory. Emerging markets, on the other hand, lagged as investors turned away from riskier equities. Fixed income assets also generally lagged, particularly global government bonds, though higher risk assets fared better.

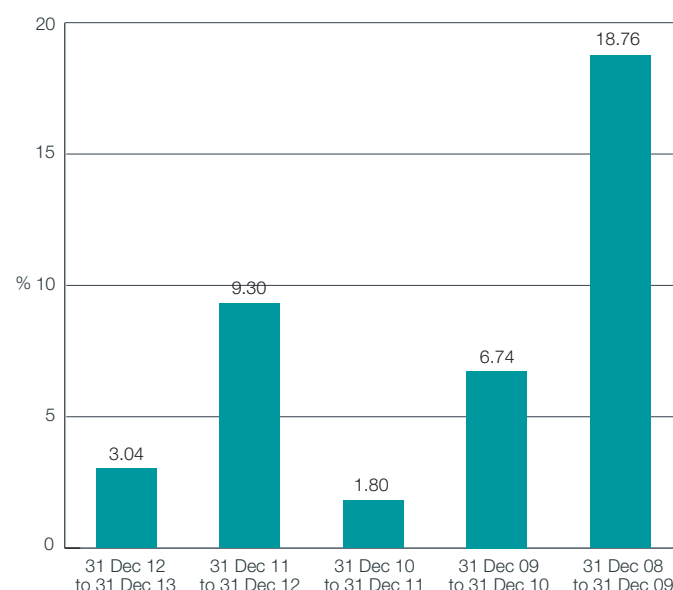
Fund review

From a capital appreciation perspective, the fund's holdings in the AXA Framlington Monthly Income Fund, the TwentyFour Dynamic Bond Fund (a position we initiated in January) and the BlackRock Gilts All Stocks Tracker were particularly beneficial as each one outperformed its peers. Less constructive was the Investec Monthly High Income Fund, which underperformed its peers.

However, the primary objective of this fund is to deliver a monthly income which, as at end December 2013, stands at 3.51%. Contributing to this above all were the Carador Income Fund, the MedicX Fund (a position we initiated in October) and the Threadneedle High Yield Bond Fund, all of which offer high 12-month yields.

Over the year, we made a number of further portfolio adjustments. In March, we initiated a position in the TwentyFour Income Trust and the Neuberger Berman Floating Rate Income Fund. In May, we sold out of our holding in the Barings Corporate Bond Fund. In June, we initiated a position in the PIMCO Income Fund, selling out of our position in the Aviva Global High Yield Bond Fund. In July, we sold out of the BlackRock UK Gilts Tracker Fund. In September, we initiated a position in the PIMCO Short-Term High Yield Corporate Bond Tracker Fund, in November we sold out of our position in the BlackRock Global Government Bond Tracker Fund, and in December we initiated a position in the JP Morgan Senior Secured Loan Fund.

Discrete annual performance



● Architas MM Monthly High Income Fund

Source: Morningstar, mid to mid, net revenue reinvested. Please note that past performance is not a guide to future performance. The net value of investments may go down as well as up, and you may receive less back than you invested. The above graph shows performance for the R accumulation (net) share class. Performance figures for the other share classes are available by contacting Architas.

Net asset value record*

Share class	Net asset value (pence per share) 31/12/2013	Net asset value (pence per share) 31/12/2012
A accumulation (gross)	105.20	100.57
A accumulation (net)	104.19	100.39
A income (gross)	99.64	99.48
A income (net)	99.56	99.47
R accumulation (net)	152.03	147.67
R income (net)	83.64	84.15

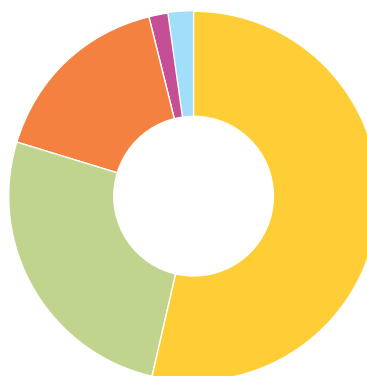
* Valued at bid market value

Top ten holdings

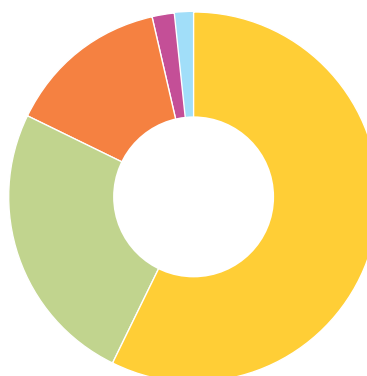
As at 31 Dec 2013		As at 31 Dec 2012	
BlackRock Corporate Bond Tracker Fund	19.34%	BlackRock Corporate Bond Tracker Fund	19.31%
AXA Fixed Interest Investment Global High Income Fund	12.13%	AXA Fixed Interest Investment Global High Income Fund	9.70%
AXA Framlington Monthly Income Fund	10.98%	AXA Global Strategic Bonds	9.57%
AXA Global Strategic Bonds	9.91%	BlackRock Overseas Corporate Bond Tracker Fund	9.01%
Threadneedle Investment UK Monthly Income Fund	5.21%	BlackRock Overseas Government Bond Tracker Fund	8.86%
Pimco Global Income Fund	5.20%	AXA Framlington Monthly Income Fund	8.55%
TwentyFour Income Fund	5.13%	BlackRock Fixed Income Tracker Fund	8.07%
iShares JP Morgan \$ Emerging Markets Bond Fund	4.92%	iShares JPMorgan \$ Emerging Markets Bond Fund	7.35%
Pimco Short Term High Yield Corporate Bond Index Fund	4.88%	Threadneedle Investment UK Monthly Income Fund	3.98%
NB Global Floating Rate Income Fund	3.97%	BAM Corporate Bond Fund	3.05%

Portfolio breakdown

As at 31 Dec 2013		
■	International fixed interest	53.84%
■	UK fixed interest	25.98%
■	UK equities	16.33%
■	International equities	1.88%
■	Property	1.97%



As at 31 Dec 2012		
■	International fixed interest	48.38%
■	UK fixed interest	34.91%
■	UK equities	12.63%
■	International equities	3.37%
■	Property	0.71%



Ongoing charges figure(s)

Share class	Administrative expenses	Underlying fund expenses*	Total OCF
31/12/2013			
A accumulation (gross)	0.71%	0.21%	0.92%
A accumulation (net)	0.72%	0.21%	0.93%
A income (gross)	0.71%	0.21%	0.92%
A income (net)	0.72%	0.21%	0.93%
R accumulation (net)	1.40%	0.21%	1.61%
R income (net)	1.40%	0.21%	1.61%

Share class	Administrative expenses	Underlying fund expenses*	Total OCF
31/12/2012			
A accumulation (gross)	0.79%	0.15%	0.94%
A accumulation (net)	0.79%	0.15%	0.94%
A income (gross)	0.79%	0.15%	0.94%
A income (net)	0.79%	0.15%	0.94%
R accumulation (net)	1.49%	0.15%	1.64%
R income (net)	1.49%	0.15%	1.64%

*Underlying fund expenses are in relation to your fund holding investments in other collective investment schemes but excludes holdings in investment trusts.

Performance record

A accumulation (gross)^				A accumulation (net)^		
Calendar year	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	100.90	99.59	-	100.70	99.47
2013	4.750	106.10	100.50	3.861	105.70	100.10
2014<	0.348	N/A	N/A	0.276	N/A	N/A
A income (gross)^				A income (net)^		
Calendar year	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	100.30	99.41	-	100.20	99.31
2013	4.636	103.40	97.78	3.697	103.30	97.64
2014<	0.331	N/A	N/A	0.265	N/A	N/A
R accumulation (net)				R income (net)		
Calendar year	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*	Net revenue (pence per share)	Highest share price (pence)*	Lowest share price (pence)*
2009	5.321	125.80	92.44	3.558	80.20	60.76
2010	4.523	136.90	124.80	2.840	84.68	79.25
2011	4.907	137.10	131.70	2.969	82.80	78.62
2012	5.100	148.10	135.40	2.985	84.92	80.07
2013	5.530	154.80	146.60	3.128	87.17	82.34
2014<	0.403	N/A	N/A	0.222	N/A	N/A

* Highest and lowest share prices are at mid-market values

^ Share class launched 23 Oct 2012

< Up to 15 Jan 2014 (the final distribution pay date)

● Contact us

Please contact customer services for all enquires:

Call 0844 620 0152*

*Monday to Friday 9.00am-5.30pm. As part of our commitment to quality service and security, telephone calls may be recorded.

You can write to us at:

Architas Multi-Manager Limited
PO Box 10939
Chelmsford
CM99 2XU
Fax: 0844 620 0153

For a written valuation, general enquiries, dealing or notifying us if your customer circumstances change.



If you would like to access more information about Architas, our Funds or to give feedback, you can do so via our website. To the left is a QR code* which you can scan on your smart-phone or tablet and it will take you directly to the website. Alternatively, please visit:

www.architas-mm.com

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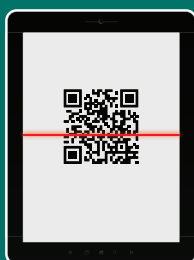
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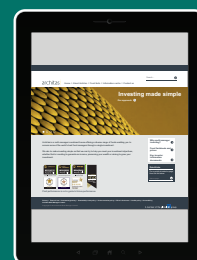
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1: Open the QR code app on your camera phone or tablet and line up the screen with the QR codes overleaf.



2: Wait for the app to scan and take a picture.



3: You will be taken directly to the website.