

# Close Discretionary Funds

Interim Short Report  
for the period ended 30 September 2013 (unaudited)

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# General information

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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 period 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. This change will be reflected in the Prospectus as soon as practicable.

## 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](http://www.closebrothersam.com)**, or the website of the IMA, **[www.investmentuk.org](http://www.investmentuk.org)**, or by contacting Close on **0870 606 6452\***.

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

# Directory

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## 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. Clarke

R. Curry

B. Davis

D. Muncaster (appointed 29 April 2013)

D. Naismith (resigned 12 April 2013)

A. 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  
Hill House, 1 Little New Street  
London EC4A 3TR

## 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 period and the results of those activities at the period 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](http://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

Interim short report for the period ended 30 September 2013

## 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%

**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%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

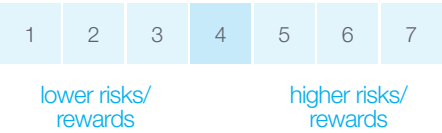
Over the last 6 months as Gilt yields have started to edge higher, the Bond Fund began to reduce its overall duration (risk) by taking profits on low yielding, high cash price names. We closed out less favourable credit names such as Telecom Italia and added shorter dated UK credit such as Marks & Spencer 2014's, Lloyds 2014's, ANZ callable 2018's, increasing the overall cash weighting.

From the end of June onwards the Bond Fund increased its overall duration (risk) again as credit spreads began to tighten by taking advantage of specific bonds that we felt had been oversold in the previous spread widening. The Bond Fund increased its holdings in names such as Marks & Spencer 2025's, Morrison (Wm) 2026's, FirstGroup 2022's and Bupa 2023's to name a few. The Bond Fund has also been active in the new issue market, specifically adding names such as William Hill 2020's and Bupa 2023's.

# 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 5 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 period to 30 September.

	Year to 30/9/2013	Year to 30/9/2012	Since launch 3/9/2010 to 30/9/2011
The Bond Fund A Accumulation	2.93%	9.12%	3.10%
IMA £ Corporate Bond Sector	2.88%	13.16%	(0.27)%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	1.6856
A Accumulation	1.7740
Y Income	2.1697
Y Accumulation	2.2544
I Income	1.9820
I Accumulation	2.0130
X Income	2.1649
X Accumulation	2.2004



# 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
30/9/2013			
A Income	£229,349,135	107.86p	212,630,837
A Accumulation	£73,424,232	115.29p	63,683,859
Y Income	£1,061,489	132.71p	799,880
Y Accumulation	£1,885,234	140.20p	1,344,693
I Income	£1,025	102.50p	1,000
I Accumulation	£1,072	107.20p	1,000
X Income	£22,471,567	124.32p	18,076,080
X Accumulation	£14,261,841	128.56p	11,093,290
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
31/3/2011			
A Income	£252,348,760	98.30p	256,723,959
A Accumulation	£13,680,595	98.77p	13,850,445

# 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
2013*			
A Income	114.2p	107.5p	3.2843
A Accumulation	120.1p	113.1p	3.4334
Y Income	140.5p	132.3p	4.2206
Y Accumulation	146.0p	137.5p	4.3565
I Income	108.6p	102.3p	3.8950
I Accumulation	111.4p	105.0p	3.9290
X Income	131.6p	124.0p	4.2358
X Accumulation	133.8p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	0.94%	A Income	0.94%
A Accumulation	0.94%	A Accumulation	0.94%
Y Income	0.77%	Y Income	0.79%
Y Accumulation	0.77%	Y Accumulation	0.79%
I Income	0.06%	I Income†	0.19%
I Accumulation	0.06%	I Accumulation†	0.19%
X Income	0.51%	X Income*	0.54%
X Accumulation	0.51%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	3.60	Telecom Italia 6.375% European Medium Term Notes 24/6/2019	2.88
Society Of Lloyd's 7.421% Guaranteed Perpetual Subordinated Floating Rate Bonds	2.78	SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	2.82
Marks & Spencer 4.75% European Medium Term Bonds 12/6/2025	2.64	Society Of Lloyd's 7.421% Guaranteed Perpetual Subordinated Floating Rate Bonds	2.80
National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.58	National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.72
Aberdeen Asset Management 7% Guaranteed Perpetual Bonds	2.43	Morrison (Wm) Supermarkets 3.5% European Medium Term Notes 27/7/2026	2.68
Morrison (Wm) Supermarkets 3.5% European Medium Term Notes 27/7/2026	2.43	London Stock Exchange 4.75% Senior European Medium Term Notes 2/11/2021	2.36
Scottish Widows 5.5% Bonds 16/6/2023	2.29	WPP Finance 6% Guaranteed Bonds 4/4/2017	2.27
London Stock Exchange 4.75% Guaranteed European Medium Term Notes 2/11/2021	2.22	Next 5.375% Guaranteed Senior Bonds 26/10/2021	2.09
National Grid 1.25% Senior European Medium Term Index Linked Bonds 6/10/2021	2.20	Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	2.03
GKN 5.375% Guaranteed Senior Bonds 19/9/2022	2.09	SSE 4.25% Senior European Medium Term Bonds 14/9/2021	2.02

# Close Diversified Income Portfolio Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in higher yielding equities and fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)). Such equities and securities will primarily be in the UK. In doing so, the equity component of the Diversified Income Fund may include shares in smaller companies and companies listed in emerging markets.

The Diversified Income Fund may also invest in money market instruments and deposits.

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, infrastructure, property, and convertibles through 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%

**Minimum investment**

£100,000 or £250 monthly

### [X units](#)

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.60%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

The Diversified Income Fund remains broadly invested with exposure to equities, bonds, infrastructure, gold, property and cash.

The ongoing uncertainties around rising interest rates, the ending of quantitative easing, emerging markets slowdown and the US budget/debt ceiling, have dominated market sentiment, and in this environment the Diversified Income Fund returned 0.25%.

The rising NAV of the Diversified Income Fund and increasing cash position, finishing at just over 10%, has taken the gross prospective yield before charges to 4.1% at the period end.

In the past 6 months the Diversified Income Fund has broadened out the infrastructure exposure into the renewable space, with purchases of Renewables Infrastructure and Bluefield Solar Income Fund. These funds achieve their revenues from two sources, the government imposed green subsidies as well as the wholesale electricity price, which is interesting given that a number of power stations are due to close in the years ahead, potentially lowering spare capacity in the generating system.

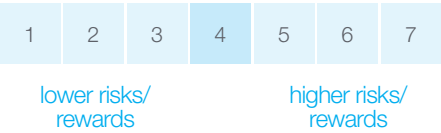
The research efforts on the fixed income side were rewarded with ITV being made investment grade once again by all three major rating agencies. We have made strong returns from the ITV 2015 and 2017 bonds since purchase back in 2011, demonstrating the benefit from taking a longer term view on investments.

The Diversified Income Fund continues to target an attractive risk: reward for investors through carefully selected investments across a number of asset classes.

# 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 5 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

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## Fund performance

Performance for the Diversified Income Fund for the period to 30 September.

	Year to 30/9/2013	Year to 30/9/2012	Since launch 3/9/2010 to 30/9/2011
The Diversified Income Fund A Accumulation	6.83%	9.22%	1.90%
IMA Mixed Investments 20-60% Sector*	8.57%	9.20%	(0.08)%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	1.9700
A Accumulation	2.0989
Y Income	2.4880
Y Accumulation	2.6153
X Income	2.4606
X Accumulation	2.5050

# 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
30/9/2013			
A Income	£48,156,867	109.32p	44,050,014
A Accumulation	£210,294,172	118.57p	177,357,939
Y Income	£2,579,974	133.92p	1,926,507
Y Accumulation	£8,238,842	143.40p	5,745,229
X Income	£13,916,552	128.75p	10,808,933
X Accumulation	£31,767,831	133.54p	23,789,721
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
31/3/2011			
A Income	£1,029,521	100.30p	1,026,507
A Accumulation	£22,478,557	100.80p	22,296,259



# 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
2013*			
A Income	115.1p	106.5p	3.8600
A Accumulation	122.6p	111.6p	4.0782
Y Income	140.9p	130.4p	4.8668
Y Accumulation	148.2p	134.7p	5.0743
X Income	135.6p	125.4p	4.8101
X Accumulation	138.0p	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 <sup>#</sup>	126.0p	123.3p	—
X Accumulation <sup>#</sup>	126.0p	123.3p	—
2011			
A Income	104.9p	99.4p	1.4505
A Accumulation	106.4p	99.4p	1.4550
Y Income <sup>†</sup>	128.3p	123.7p	—
Y Accumulation <sup>†</sup>	128.3p	123.7p	—
2010**			
A Income	102.3p	99.8p	—
A Accumulation	102.3p	99.8p	—

\*Highest and lowest price to 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	1.31%	A Income	1.33%
A Accumulation	1.31%	A Accumulation	1.33%
Y Income	1.03%	Y Income	1.08%
Y Accumulation	1.03%	Y Accumulation	1.08%
X Income	0.77%	X Income*	0.83%
X Accumulation	0.77%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Aberdeen Asset Management 7% Guaranteed Perpetual Bonds	4.58	HIICL Infrastructure	5.34
HIICL Infrastructure	4.31	Aberdeen Asset Management 7% Guaranteed Perpetual Bonds	4.41
Vodafone	3.43	Vodafone	4.00
Royal Dutch Shell 'B' Shares	2.85	Royal Dutch Shell 'B' Shares	3.60
SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	2.74	ETFS Physical Gold ETC	3.57
Centrica	2.68	Centrica	3.53
Renewables Infrastructure	2.57	SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	3.41
Henderson UK Finance 7.25% Guaranteed Notes 24/3/2016	2.47	John Laing Infrastructure Fund	3.13
Philip Morris International	2.31	Severn Trent 1.3% Index Linked Medium Term Notes 11/7/2022	3.02
John Laing Infrastructure Fund	2.25	GlaxoSmithKline	2.91

# Close Conservative Portfolio Fund

Interim short report for the period ended 30 September 2013

## 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 (including government and corporate bonds (which may include emerging market and high yield bonds)). Such equities and securities will mainly be in the UK. The equity component of the Conservative Fund may comprise shares in smaller companies and companies listed in emerging markets.

The Conservative Fund may also invest in money market instruments and deposits.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds), 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, infrastructure, property, and convertibles through 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%

**Minimum investment**

£100,000 or £250 monthly

### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.75%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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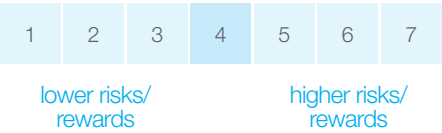
## Market commentary

During the period the management of the Conservative Fund was transferred from Chris Bailey to Riitta Hujanen on 24 April 2013. A few key changes were made in the portfolio. All the holdings in gold mining equities – Newmont mining, Polymetal International, African Barrick Gold, Newcrest mining and Randgold Resources – were sold. All the direct equity investments in Hong Kong listed companies – Samsonite International, China Telecom, and Bosideng were divested, and a new position in MSCI Emerging Markets ETF was instead initiated. The weighting in the US financials was reduced by selling shares in McGraw Hill Financial and Citigroup. New equity holdings were added in pharmaceutical companies Novartis, Pfizer, GlaxoSmithKline and Actelion. Other major new equity holdings added to the Conservative Fund during the period included Schroders, Hargreaves Lansdown, Rio Tinto, Rightmove, Premier Oil and Priceline. Trading activity in the fixed income portion of the Conservative Fund was more subdued.

# 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 5 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 period to 30 September.

	Year to 30/9/2013	Year to 30/9/2012	Since launch 3/9/2010 to 30/9/2011
The Conservative Fund A Accumulation	3.94%	11.51%	2.50%
IMA Mixed Investments 20-60% Sector	8.57%	9.20%	(0.08)%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	0.9550
A Accumulation	0.9855
Y Income	1.3484
Y Accumulation	1.3831
X Income	1.3948
X Accumulation	1.4066

# 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
30/9/2013			
A Income	£37,563,413	113.84p	32,995,389
A Accumulation	£328,819,706	118.53p	277,420,056
Y Income	£710,229	136.25p	521,252
Y Accumulation	£13,806,898	141.04p	9,789,143
X Income	£3,418,870	127.48p	2,681,859
X Accumulation	£53,001,066	129.92p	40,794,484
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
31/3/2011			
A Income	£5,861,016	104.34p	5,617,334
A Accumulation	£44,502,900	104.63p	42,534,759

# 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
2013*			
A Income	118.1p	110.6p	1.6488
A Accumulation	122.0p	114.0p	1.6961
Y Income	141.4p	132.5p	2.3667
Y Accumulation	144.9p	135.4p	2.4195
X Income	132.4p	124.0p	2.5394
X Accumulation	133.4p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	1.54%	A Income	1.54%
A Accumulation	1.54%	A Accumulation	1.54%
Y Income	1.17%	Y Income	1.19%
Y Accumulation	1.17%	Y Accumulation	1.19%
X Income	0.91%	X Income*	0.94%
X Accumulation	0.91%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.14	National Express 6.25% Guaranteed Senior Bonds 13/1/2017	2.53
Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	2.01	Compagnie de St Gobain 5.625% Guaranteed Senior European Medium Term Bonds 15/12/2016	2.37
Actavis	1.93	G4S 7.75% Variable European Medium Term Notes 13/5/2019	2.20
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Notes 18/3/2016	1.87	Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Notes 18/3/2016	2.20
Priceline.com	1.86	Tesco 5.5% Guaranteed Senior European Medium Term Notes 13/12/2019	2.20
Tesco 5.5% Guaranteed Senior European Medium Term Notes 13/12/2019	1.82	Lloyds TSB Bank 5.875% Subordinated European Medium Term Bonds 20/6/2014	2.03
Lloyds TSB Bank 5.875% Subordinated European Medium Term Bonds 20/6/2014	1.73	BT 8.5% Variable Notes 7/12/2016	1.97
Rightmove	1.68	ITV 7.375% Guaranteed European Medium Term Notes 5/1/2017	1.93
ITV 6.125% European Medium Term Notes 5/1/2017	1.67	Inmarsat Finance 7.375% Guaranteed Notes 1/12/2017	1.84
Michelin	1.65	WPP Finance 6% Guaranteed Bonds 4/4/2017	1.83

# Close Balanced Portfolio Fund

Interim short report for the period ended 30 September 2013

## 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 mainly in equities, which may include shares in smaller companies and companies listed in emerging markets.

The remaining part of the portfolio will be invested in a combination of alternative asset classes and fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)). The Balanced Fund will be invested mainly in UK assets.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed ended funds), 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, infrastructure, property, and convertibles through transferable securities.

The 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**

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%

**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%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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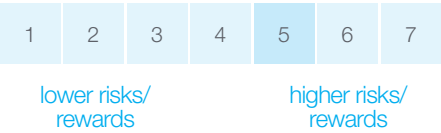
## Market commentary

During the period the management of the Balanced Fund was transferred from Chris Bailey to Riitta Hujanen on 1 April 2013 who was co-manager of the Balanced Fund from 1 January 2013. A few key changes were made in the portfolio. The two remaining holdings in gold mining equities – Newcrest mining and Randgold Resources – were sold. A new position in MSCI Emerging Markets ETF was initiated during the period. The weighting in the US financials was reduced by selling shares in McGraw Hill Financial and Citigroup. New equity holdings were added in pharmaceutical companies Novartis and Pfizer. Other major new equity holdings to the Balanced Fund during the period included Volkswagen, Hargreaves Lansdown, Rio Tinto, Premier Oil and Priceline. Trading activity in the fixed income portion of the Balanced Fund was more subdued.

# 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 5 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

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## Fund performance

Performance for the Balanced Fund for the period to 30 September.

	Year to 30/9/2013	Year to 30/9/2012	Since launch 3/9/2010 to 30/9/2011
The Balanced Fund A Accumulation	10.40%	12.37%	2.70%
IMA Mixed Investments 40-85% Sector	13.40%	11.57%	(0.80)%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	0.9627
Y Accumulation	1.4046
I Accumulation	1.5043
X Accumulation	1.4760

# 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
30/9/2013			
A Accumulation	£498,290,778	127.07p	392,148,815
Y Accumulation	£34,037,607	148.97p	22,848,553
I Accumulation	£2,761,755	111.23p	2,482,894
X Accumulation	£64,267,264	137.96p	46,584,983
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
31/3/2011			
A Accumulation	£391,714,965	107.50p	364,370,272

### 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
2013*			
A Accumulation	130.8p	115.6p	1.5221
Y Accumulation	153.2p	135.2p	2.3016
I Accumulation	114.2p	100.3p	2.6059
X Accumulation	141.9p	125.2p	2.5040
2012			
A Accumulation	117.0p	103.2p	1.6611
Y Accumulation	136.7p	120.4p	2.3683
I Accumulation <sup>#</sup>	100.8p	96.8p	—
X Accumulation <sup>#</sup>	125.9p	120.8p	—
2011			
A Accumulation	110.6p	99.5p	1.0309
Y Accumulation <sup>†</sup>	127.7p	119.4p	—
2010**			
A Accumulation	109.0p	100.0p	—

\*Highest and lowest price to 30 September 2013 and net revenue to 30 November 2013.

\*\*from 3 September 2010.

<sup>†</sup>from 17 October 2011.

<sup>#</sup>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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	1.53%	A Accumulation	1.54%
Y Accumulation	1.16%	Y Accumulation	1.19%
I Accumulation	0.18%	I Accumulation*	0.19%
X Accumulation	0.90%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Actavis	2.49	Tesco	2.34
Yahoo! Japan	2.40	Vodafone	2.30
Shire	2.38	Yahoo! Japan	2.29
Rightmove	2.36	FamilyMart	2.23
BAE Systems	2.35	McGraw-Hill	2.21
Actelion	2.34	Google	2.16
Schroders	2.33	Actelion	2.11
Rio Tinto	2.17	Randgold Resources	2.10
Hargreaves Lansdown	2.16	AstraZeneca	2.02
Checkpoint Software Technologies	2.10	Citigroup	2.01

# Close Growth Portfolio Fund

Interim short report for the period ended 30 September 2013

## 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, which may include shares in smaller companies and companies listed in emerging markets.

The balance of the underlying assets will be a mixture of fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)) and money market instruments.

Exposure to these asset classes may be gained directly or through indirect investment in other transferable securities (including closed ended funds), 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, 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 href="#">A units</a>
<b>Launch date</b>
3 September 2010
<b>Initial charge</b>
5%
<b>Periodic charge</b>
1.35%
<b>Administration charge</b>
0.15%
<b>Minimum investment</b>
£1,000 or £250 monthly
<a href="#">Y units</a>
<b>Launch date</b>
17 October 2011
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
1.00%
<b>Minimum investment</b>
£100,000 or £250 monthly
<a href="#">X units</a>
<b>Launch date</b>
1 October 2012
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
0.75%
<b>Minimum investment</b>
£1,000 or £250 monthly



# Manager's report

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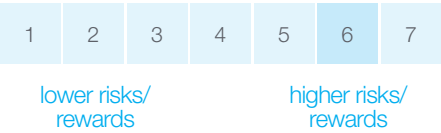
## Market commentary

During the period the management of the Growth Fund was transferred from Chris Bailey to Riitta Hujanen on 24 April 2013. A few key changes were made in the portfolio. All the holdings in gold mining equities – Newmont Mining, Polymetal International, African Barrick Gold, Newcrest Mining and Randgold Resources – were sold. All the direct equity investments in Hong Kong listed companies – Samsonite International, China Telecom, Rexlot, and KWG Property were divested; a new position in iShares MSCI Emerging Markets ETF was instead initiated. The weighting in the US financials was reduced by selling shares in McGraw Hill Financial and Citigroup. New equity holdings were added in pharmaceutical companies Novartis, Pfizer, GlaxoSmithKline and Actelion. Other major new equity holdings added to the Growth Fund during the period included Schroders, Hargreaves Lansdown, Rio Tinto, Rightmove, Premier Oil and Priceline.com.

# 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 5 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

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## Fund performance

Performance for the Growth Fund for the period to 30 September.

	Year to 30/9/2013	Year to 30/9/2012	Since launch 3/9/2010 to 30/9/2011
The Growth Fund A Accumulation	10.89%	13.18%	4.70%
IMA Flexible Investment Sector	13.40%	10.87%	(0.27)%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	0.8259
Y Accumulation	1.2215
X Accumulation	1.3075

# 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
30/9/2013			
A Accumulation	£247,046,799	131.07p	188,478,215
Y Accumulation	£5,562,054	149.73p	3,714,685
X Accumulation	£17,936,765	138.43p	12,957,615
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
31/3/2011			
A Accumulation	£253,348,180	110.03p	230,259,253

### 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
2013*			
A Accumulation	135.7p	119.9p	0.8844
Y Accumulation	154.9p	136.6p	1.5363
X Accumulation	143.2p	126.2p	1.8261
2012			
A Accumulation	120.5p	103.5p	0.9710
Y Accumulation	137.2p	117.7p	1.6459
X Accumulation <sup>#</sup>	126.7p	121.3p	—
2011			
A Accumulation	113.8p	99.8p	0.6043
Y Accumulation <sup>†</sup>	127.9p	118.2p	—
2010**			
A Accumulation	109.9p	100.0p	—

\*Highest and lowest price to 30 September 2013 and net revenue to 30 November 2013.

\*\*from 3 September 2010.

<sup>†</sup>from 17 October 2011.

<sup>#</sup>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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	1.54%	A Accumulation	1.55%
Y Accumulation	1.17%	Y Accumulation	1.20%
X Accumulation	0.91%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Actavis	3.06	Google class 'A' shares	3.51
Priceline.com	3.00	Randgold Resources	3.26
Pirelli	2.80	Citigroup	3.07
Michelin	2.79	Aimia	3.05
Google class 'A' shares	2.70	McGraw-Hill	2.96
Actelion	2.67	Actavis	2.94
Checkpoint Software Technologies	2.58	Xylem	2.85
Schroders	2.57	Vivendi	2.70
NetApp	2.53	Pirelli	2.65
iShares MSCI Emerging Markets ETF	2.53	Metro	2.52

# Close Managed Diversified Income Fund

Interim short report for the period ended 30 September 2013

## 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 primarily to a mixture of higher yielding equities and fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)), and money market instruments, mainly in the UK.

The underlying equity component of the collective investment schemes and exchange traded funds that the Managed Diversified Fund invests in, may comprise shares in smaller companies and companies listed in emerging markets.

The Managed Diversified Fund may also invest in other transferable securities (including closed ended funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Managed Diversified Fund may also gain exposure to alternative asset classes, such as commodities, infrastructure, property and convertibles through 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%

**Minimum investment**

£100,000 or £250 monthly

### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.45%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

In the 6 months to 30 September 2013 the Managed Diversified Fund was up 1.79%, outperforming the IMA Mixed Investment (20%-60% Shares) sector, which was up 0.54%. At the end of September the Managed Diversified Fund was positioned overweight equities, underweight fixed interest and overweight alternatives relative to the IMA sector.

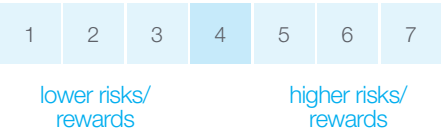
During the period under review we added the Jupiter Japan Income Fund, managed by Simon Somerville, an experienced fund manager, with a proven and consistent investment process and an attractive long term record of investing in Japan. We have been watching the developments in Japan closely and feel that his fund is well placed to benefit from the extraordinary measures being undertaken to drive growth and inflation in what has long been a depressed market. Elsewhere we removed the R&M UK Equity Income Fund after the manager left the business and the AXA Framlington UK Equity Income Fund as we have higher conviction with our other UK managers.

Within fixed interest our preference for investment grade corporate bonds over both high yield corporate exposure and sovereign bonds continues and our preferred funds are the S&W Church House Investment Grade Fixed Interest Fund and the Kames Investment Grade Bond Fund. 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. Year to date performance has been solid with the Managed Diversified Fund up 7.8% versus the sector up 6.4% and we are continuing to find interesting income producing opportunities from a global, 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 5 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 period to 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Managed Diversified Fund Y Accumulation	10.66%	9.47%
IMA Mixed Investments 20-60% Sector	8.57%	7.30%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	2.6796
A Accumulation	2.7968
Y Income	2.8309
Y Accumulation	2.9651
X Income	2.7579
X Accumulation	2.7946

# 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
30/9/2013			
A Income	£181,896	169.29p	107,447
A Accumulation	£421,729	179.78p	234,578
Y Income	£864,929	169.93p	509,002
Y Accumulation	£7,952,033	180.99p	4,393,736
X Income	£1,595,894	160.48p	994,437
X Accumulation	£5,382,852	165.38p	3,254,776
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
2013*			
A Income	175.5p	162.5p	4.7620
A Accumulation	183.5p	167.8p	4.9129
Y Income	176.0p	162.9p	5.0133
Y Accumulation	184.5p	168.5p	5.2236
X Income	166.2p	153.9p	4.8723
X Accumulation	168.5p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	1.82%	A Income	1.83%
A Accumulation	1.82%	A Accumulation	1.83%
Y Income	1.40%	Y Income	1.43%
Y Accumulation	1.40%	Y Accumulation	1.43%
X Income	1.13%	X Income*	1.18%
X Accumulation	1.13%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Threadneedle UK Equity Alpha Income Fund	4.21	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.41
Schroder Income Maximiser Fund	4.09	iShares FTSE UK Dividend Plus Fund	3.52
Miton UK Multi Capital Income Fund	3.93	Kames Investment Grade Bond Fund	3.50
Artemis Income Fund	3.87	Veritas Global Equity Income Fund	3.28
Invesco Perpetual Income Fund	3.81	Schroder Income Maximiser Fund	3.23
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.74	Baillie Gifford Corporate Bond Fund	3.19
Standard Life Investments European Equity Income Fund	3.74	Schroder Asian Income Maximiser Fund	3.19
Kames Investment Grade Bond Fund	3.55	Threadneedle UK Equity Alpha Income Fund	3.10
Fidelity Strategic Bond Fund	3.51	Artemis Income Fund	3.00
Legal & General Dynamic Bond Trust	3.43	BNYMellon Newton Asian Income Fund	2.97

# Close Managed Conservative Fund

## Interim short report for the period ended 30 September 2013

### 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 primarily invest in third party managed collective investment schemes and exchange traded funds which in turn invest primarily in a mixture of equities, fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)), and money market instruments, mainly in the UK.

The Managed Conservative Fund may invest in collective investment schemes and exchange traded funds which in turn invest in shares in smaller companies and companies listed in emerging markets.

The Managed Conservative Fund may also invest in other transferable securities (including closed ended funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Managed Conservative Fund may also gain exposure to alternative asset classes, such as commodities, infrastructure, property, and convertibles through 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%

**Minimum investment**

£100,000 or £250 monthly

#### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.45%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

In the 6 months to 30 September 2013 the Managed Conservative Fund was up 1.32%, outperforming the IMA Mixed Investment (20%-60% Shares) sector, which was up 0.54%. At the end of September the Managed Conservative Fund was positioned overweight equities, underweight fixed interest and overweight alternatives relative to the IMA sector.

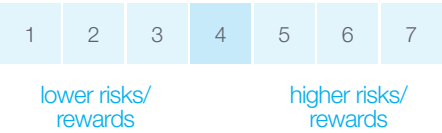
Generally within equities our preference has been for developed markets over emerging markets and we increased our Japanese equity exposure during the period under review. We have been watching the developments in Japan closely and feel that companies will benefit from the extraordinary measures being undertaken to drive growth and inflation in what has long been a depressed market. Our preferred Japanese managers, J O Hambro Japan and Baillie Gifford Japanese, have served the portfolio well year to date with their funds up 37% and 38% respectively. Recently we have become more constructive on European equities and have begun to increase our exposure to the Henderson European Special Situations Fund and the Standard Life Investments European Equity Income Fund.

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. Year to date performance has been solid with the Managed Conservative Fund up 7.9% versus the sector up 6.4% and we are continuing to find interesting opportunities from a global, multi asset class perspective.

# 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 5 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 period to 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Managed Conservative Fund Y Accumulation	10.00%	7.33%
IMA Mixed Investments 20-60% Sector	8.57%	7.30%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	1.0189
A Accumulation	1.0166
Y Income	1.2937
Y Accumulation	1.3204
X Income	1.4021
X Accumulation	1.3997



# 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
30/9/2013			
A Income	£110,710	171.89p	64,407
A Accumulation	£137,233	175.29p	78,291
Y Income	£175,186	171.90p	101,910
Y Accumulation	£5,808,674	176.18p	3,297,085
X Income	£315,693	161.32p	195,697
X Accumulation	£7,284,797	163.82p	4,446,866
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
2013*			
A Income	177.9p	162.5p	2.0309
A Accumulation	180.3p	163.8p	1.9033
Y Income	177.9p	162.5p	2.3822
Y Accumulation	181.0p	164.2p	2.4197
X Income	167.0p	152.6p	2.6315
X Accumulation	168.2p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	1.79%	A Income	1.78%
A Accumulation	1.79%	A Accumulation	1.78%
Y Income	1.37%	Y Income	1.38%
Y Accumulation	1.37%	Y Accumulation	1.38%
X Income	1.11%	X Income*	1.13%
X Accumulation	1.11%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Invesco Perpetual Income Fund	4.44	iShares FTSE UK All Stocks Gilt Fund	5.57
S&W Church House Investment Grade Fixed Interest Fund	4.23	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	5.33
Threadneedle UK Equity Alpha Income Fund	4.22	Ignis Corporate Bond Fund	4.33
AXA Framlington UK Select Opportunities Fund	4.20	AXA Framlington UK Select Opportunities Fund	4.02
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.19	Threadneedle UK Equity Alpha Income Fund	3.85
Kames Investment Grade Bond Fund	4.04	Kames Investment Grade Bond Fund	3.83
Fidelity Strategic Bond Fund	4.03	iShares FTSE UK Dividend Plus Fund	3.73
Ignis Corporate Bond Fund	3.99	Baillie Gifford UK Equity Alpha Fund	3.41
Baillie Gifford UK Equity Alpha Fund	3.75	S&W Church House Investment Grade Fixed Interest Fund	3.33
M&G Optimal Income Fund	3.70	Invesco Perpetual Income Fund	3.15

# Close Managed Balanced Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in third party managed collective investment schemes, and exchange traded funds which in turn invest mainly in equities, with the remaining part of the underlying portfolios invested in a combination of fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)), money market instruments, and an exposure to alternative asset classes such as commodities, infrastructure, property, convertibles and hedge funds. The underlying assets invested in by the collective investment schemes and exchange traded funds will be mainly UK assets.

The underlying equity component of the collective investment schemes and exchange traded funds that the Managed Balanced Fund invests in may comprise shares in smaller companies and companies listed in emerging markets.

The Managed Balanced Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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%

**Minimum investment**

£100,000 or £250 monthly

### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.45%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

In the 6 months to 30 September 2013 the Managed Balanced Fund was up 2.01%, outperforming the IMA Mixed Investment (40%-85% Shares) sector, which was up 1.83%. At the end of September the Managed Balanced Fund was positioned overweight equities, in line fixed interest and overweight alternatives relative to the IMA sector.

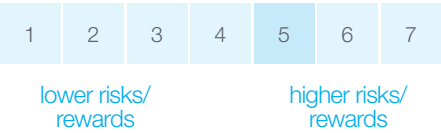
Generally within equities our preference has been for developed markets over emerging markets and we increased our Japanese equity exposure during the period under review. We have been watching the developments in Japan closely and feel that companies will benefit from the extraordinary measures being undertaken to drive growth and inflation in what has long been a depressed market. Our preferred Japanese managers, J O Hambro Japan and Baillie Gifford Japanese, have served the portfolio well year to date with their funds up 37% and 38% respectively. Recently we have become more constructive on European equities and have begun to increase our exposure to the Henderson European Special Situations Fund and the Standard Life Investments European Equity Income Fund.

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. Elsewhere, elements of our alternatives holdings were disappointing with BlueCrest BlueTrend down -13.9% and gold down -21.2% during the period. Year to date performance has been solid with the Managed Balanced Fund up 10.0%, not far behind the sector which is up 10.7% and we are continuing to find interesting opportunities from a global, multi asset class perspective.

# 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 5 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 period to 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Managed Balanced Fund Y Accumulation	12.79%	7.87%
IMA Mixed Investments 40-85% Sector	13.40%	8.08%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	0.6355
Y Accumulation	1.0088
X Accumulation	1.1394

# 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
30/9/2013			
A Accumulation	£213,796	180.38p	118,524
Y Accumulation	£11,320,151	181.42p	6,239,729
X Accumulation	£17,013,173	167.82p	10,137,726
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
2013*			
A Accumulation	185.8p	167.4p	1.0278
Y Accumulation	186.6p	167.8p	1.7898
X Accumulation	172.5p	155.1p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	2.03%	A Accumulation	1.89%
Y Accumulation	1.60%	Y Accumulation	1.63%
X Accumulation	1.33%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
HSBC S&P 500 Fund	4.19	HSBC S&P 500 Fund	5.38
Invesco Perpetual Income Fund	4.01	iShares FTSE 100 Fund	5.04
Baillie Gifford Japanese Fund	4.00	SPDR S&P US Dividend Aristocrats Fund	4.37
J O Hambro Japan Fund	3.97	iShares FTSE UK Dividend Plus Fund	3.85
iShares FTSE 100 Fund	3.83	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.56
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.81	Baillie Gifford UK Equity Alpha Fund	3.08
Threadneedle UK Equity Alpha Income Fund	3.79	iShares FTSE UK All Stocks Gilt Fund	3.01
Franklin Templeton UK Mid Cap Fund	3.63	Threadneedle UK Equity Alpha Income Fund	2.88
AXA Framlington UK Select Opportunities Fund	3.56	AXA Framlington UK Select Opportunities Fund	2.69
Standard Life Investments European Equity Income Fund	3.54	Morgan Stanley Global Brands Fund	2.68

# Close Managed Growth Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in third party managed collective investment schemes and exchange traded funds which in turn invest primarily in equities. The balance of the underlying assets will comprise fixed interest securities (including government and corporate bonds (which may include emerging market and high yield bonds)), money market instruments and exposure to alternative asset classes such as commodities, infrastructure, property, convertibles and hedge funds.

The underlying equity component of the collective investment schemes and exchange traded funds that the Managed Growth Fund invests in may comprise shares in smaller companies and companies listed in emerging markets.

The Managed Growth Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

The Managed 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 href="#">A units</a>
<b>Launch date</b>
17 October 2011
<b>Initial charge</b>
5%
<b>Periodic charge</b>
1.10%
<b>Administration charge</b>
0.15%
<b>Minimum investment</b>
£1,000 or £250 monthly
<a href="#">Y units</a>
<b>Launch date</b>
17 October 2011
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
0.70%
<b>Minimum investment</b>
£100,000 or £250 monthly
<a href="#">X units</a>
<b>Launch date</b>
1 October 2012
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
0.45%
<b>Minimum investment</b>
£1,000 or £250 monthly

# Manager's report

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## Market commentary

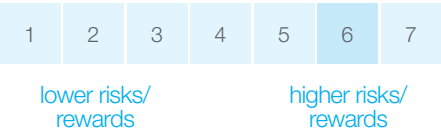
In the 6 months to 30 September 2013 the Managed Growth Fund was up 2.25%, whilst the IMA Flexible Investment sector, was up 1.26%. At month end the Managed Growth Fund was positioned overweight equities, in line fixed interest and underweight alternatives relative to the IMA sector. Generally within equities our preference has been for developed markets over emerging markets and we increased our Japanese equity exposure during the period under review. We have been watching the developments in Japan closely and feel that companies will benefit from the extraordinary measures being undertaken to drive growth and inflation in what has long been a depressed market. Our preferred Japanese managers, J O Hambro Japan and Baillie Gifford Japanese, have served the portfolio well year to date with their funds up 37% and 38% respectively. Recently we have become more constructive on European equities and have initiated a new holding in the Standard Life European Equity Income Fund. Elsewhere, elements of our alternatives holdings were disappointing with BlueCrest BlueTrend down -13.9% and gold down -21.2% during the period.

Year to date performance has been solid with the Managed Growth Fund up 11.8% versus the sector up 10.8% and we are continuing to find interesting opportunities from a global, multi asset class perspective.

# 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 5 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 period to 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Managed Growth Fund Y Accumulation	14.58%	8.33%
IMA Flexible Investments Sector	13.40%	7.22%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	0.1024
Y Accumulation	0.4990
X Accumulation	0.6579

# 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
30/9/2013			
A Accumulation	£492,028	183.55p	268,055
Y Accumulation	£2,865,436	184.80p	1,550,588
X Accumulation	£3,203,613	170.02p	1,884,216
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
2013*			
A Accumulation	189.7p	166.1p	0.1024
Y Accumulation	190.7p	166.6p	0.7388
X Accumulation	175.3p	153.1p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	1.92%	A Accumulation	1.77%
Y Accumulation	1.49%	Y Accumulation	1.37%
X Accumulation	1.23%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Baillie Gifford Japanese Fund	5.02	HSBC S&P 500 Fund	4.79
Findlay Park American Smaller Companies Fund	4.48	iShares FTSE 100 Fund	4.15
Henderson European Special Situations Fund	4.45	db x-trackers EURO STOXX 50 Fund	4.04
J O Hambro Japan Fund	4.30	FTSE 250 Source ETF	3.99
Franklin Templeton UK Mid Cap Fund	4.22	iShares FTSE UK Dividend Plus Fund	3.87
Baillie Gifford UK Equity Alpha Fund	4.21	Findlay Park American Smaller Companies Fund	3.66
Invesco Perpetual Income Fund	4.13	AXA Framlington UK Select Opportunities Fund	3.47
HSBC S&P 500 Fund	3.75	Baillie Gifford UK Equity Alpha Fund	3.36
Liontrust Special Situations Fund	3.68	Threadneedle American Select Fund	3.36
AXA Framlington UK Select Opportunities Fund	3.56	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.28

# Close Select Fixed Income Fund

Interim short report for the period ended 30 September 2013

## 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

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## Market commentary

The Close Select Fixed Income Fund was established in order to enable the fund manager to invest in a much broader range of fixed income securities than would ordinarily be available to TPS clients with separately managed portfolios. This is because a large number of corporate bond issues are only available to trade in unit sizes of £50,000 or more. No annual management fee is charged by the Select Fund.

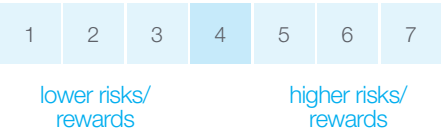
Over the last 6 months as Gilt yields have started to edge higher, the Select Fund began to reduce its overall duration (risk). The holdings of long dated bonds including our exposure to US Treasuries, British Telecom, BAT International, Tesco and GlaxoSmithKline were reduced. The Select Fund added shorter dated Sterling credit positions such as Lloyds 2014's and ANZ callable 2018's.

From the end of June onwards the Select Fund decreased its overall duration (risk) and diversified the portfolio by adding names such as Rolls Royce 2026's, AP Moller-Maersk 2025's, PepsiCo 2022's, Morrison (Wm) 2026's and FirstGroup 2022's to name a few. The Select Fund has also been active in the new issue market, specifically adding names such as Bupa 2023's.

# 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 5 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:

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.

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

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 period ended 30 September.

	Six months to 30/9/2013	Since launch 15/10/2012 to 30/9/2013
The Select Income Fund A Income	(5.66)%	(2.83)%
IMA Unclassified Sector	1.05%	10.43%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	1.3929

# Performance record

## Net asset value per unit and comparative tables

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### Net asset values

The net asset values are:

Accounting Date	Total Net Asset Value	Net Asset Value per Unit	Number of Units in Issue
30/9/2013 A Income	£71,430,320	95.26p	74,982,678
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
2013* A Income	104.3p	95.5p	2.4463
2012** A Income	101.3p	98.4p	—

\*Highest and lowest price to 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Period to 31/3/2013	
A Income	0.23%	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 period - 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
ANZ Banking 4.75% Floating Rate European Medium Term Notes 7/12/2018	3.51	US Treasury 3.5% Notes 15/5/2020	7.15
Instituto de Credito Oficial 4% European Medium Term Notes 8/12/2014	2.84	US Treasury 3.5% Notes 15/2/2039	7.15
Anheuser-Busch InBev 9.75% Guaranteed European Medium Term Bonds 30/7/2024	2.78	US Treasury 3.625% Notes 15/2/2021	7.15
Telefonica Emisiones SAU 5.375% Guaranteed European Medium Term Bonds 2/2/2018	2.78	US Treasury 4.25% Notes 15/11/2040	7.15
Bupa Finance 5% Subordinated Notes 25/4/2023	2.74	John Lewis 6.125% Guaranteed Senior Bonds 21/1/2025	3.84
GKN 6.75% Guaranteed Senior Bonds 28/10/2019	2.74	GKN 6.75% Guaranteed Senior Bonds 28/10/2019	3.82
AP Moller- Maersk 4% European Medium Term Notes 4/4/2025	2.73	Ladbrokes Finance 7.625% Guaranteed Senior Bonds 5/3/2017	3.81
Daily Mail & General Trust 6.375% Senior Bonds 21/6/2027	2.72	Telefonica Emisiones SAU 5.375% Guaranteed European Medium Term Bonds 2/2/2018	3.79
John Lewis 6.125% Guaranteed Senior Bonds 21/1/2025	2.71	Standard Chartered 8.103% Perpetual Step-up Subordinated Bonds	3.78
Marks & Spencer 4.75% European Medium Term Bonds 12/6/2025	2.71	Daily Mail & General Trust 6.375% Senior Bonds 21/6/2027	3.74

# Close Tactical Select Passive Conservative Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in passively managed collective investment schemes, which may include schemes managed by the Manager or an affiliate of the Manager, and exchange traded funds, which in turn invest primarily in equities and fixed interest securities mainly in the UK.

The underlying collective investment schemes and exchange traded funds will be invested passively in UK equity sectors, global equity sectors, fixed interest sectors (including high yield and emerging market bonds) or specialist sectors, notwithstanding that the allocation between the passive funds will be actively managed.

The underlying equity component of the collective investment schemes and exchange traded funds in which the Tactical Conservative Fund invests in may comprise shares in smaller companies and companies listed in emerging markets.

The Tactical Conservative Fund may also gain indirect exposure to alternative asset classes, such as commodities or hedge funds through investment in transferable securities and may also invest in transferable securities, money market instruments, deposits, cash and near cash.

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

<b>A units</b>
<b>Launch date</b>
17 October 2011
<b>Initial charge</b>
5%
<b>Periodic charge</b>
0.60%
<b>Administration charge</b>
0.15%
<b>Minimum investment</b>
£1,000 or £250 monthly
<b>Y units</b>
<b>Launch date</b>
17 October 2011
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
0.40%
<b>Minimum investment</b>
£100,000 or £250 monthly
<b>X units</b>
<b>Launch date</b>
1 October 2012
<b>Initial charge</b>
Nil
<b>Periodic charge</b>
0.30%
<b>Minimum investment</b>
£1,000 or £250 monthly

# Manager's report

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## Market commentary

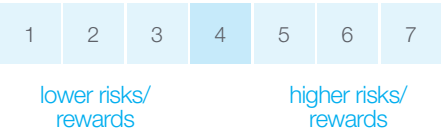
Since the Tactical Conservative Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily '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 and more efficient investments. 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. The steady growth in the number of exchange traded products available in the marketplace has helped with reducing the underlying cost of instruments. Overall, the Tactical Conservative Fund is well diversified while still maintaining economic exposures in line with Close Brothers' overall asset allocation views.

Within equities our preference has been for developed markets over emerging markets; with a focus shifting to Europe. 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 added hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the period a number of macroeconomic indicators improved, but this had triggered a fear in the market that the quantitative easing will be withdrawn causing more volatility in the market rather than having a healthy market impact.

# 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 5 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

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## Fund performance

Performance for the Tactical Conservative Fund for the period ended 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Tactical Conservative Fund Y Accumulation	6.12%	6.46%
IMA Mixed Investments 20-60% Sector	8.57%	7.30%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Income	2.1474
A Accumulation	2.1930
Y Income	2.3228
Y Accumulation	2.3767
X Income	2.3188
X Accumulation	2.3178

# 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
30/9/2013			
A Income	£10,497	189.82p	5,530
A Accumulation	£38,048	196.30p	19,383
Y Income	£143,806	189.81p	75,765
Y Accumulation	£1,269,228	196.86p	644,740
X Income	£43,485	181.41p	23,971
X Accumulation	£458,879	184.90p	248,181
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
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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Income	0.99%	A Income	0.98%
A Accumulation	0.99%	A Accumulation	0.98%
Y Income	0.76%	Y Income	0.78%
Y Accumulation	0.76%	Y Accumulation	0.78%
X Income	0.65%	X Income*	0.68%
X Accumulation	0.65%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
Vanguard UK Investment Grade Bond Index Fund	5.99	Vanguard UK Investment Grade Bond Index Fund	7.74
HSBC FTSE 250 Index Fund	5.72	HSBC FTSE 100 Index Fund	6.38
HSBC FTSE 100 Index Fund	5.58	HSBC FTSE 250 Index Fund	6.04
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	5.31	Vanguard UK Government Bond Index Fund	5.99
iShares Barclays Capital £ Index-Linked Gilts Fund	4.91	Lyxor ETF iBoxx \$ Liquid Emerging Markets Sovereigns	5.18
iShares Markit iBoxx £ Corporate Bond ex-financials Fund	4.57	iShares Markit iBoxx £ Corporate Bond	4.98
SPDR S&P UK Dividend Aristocrats Fund	4.56	iShares Physical Gold ETC	4.63
HSBC Japan Index Retail Fund	4.55	iShares Markit iBoxx £ Corporate Bond 1-5 Fund	4.32
iShares Markit iBoxx Corporate Bond	4.19	Vanguard FTSE 100 ETF	4.04
Vanguard FTSE 100 ETF	3.78	iShares Barclays Capital £ Index-Linked Gilts Fund	3.61

# Close Tactical Select Passive Balanced Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in passively managed collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager, and exchange traded funds, which in turn invest primarily in equities and fixed interest securities mainly in the UK.

The underlying collective investment schemes and exchange traded funds will be invested passively in UK equity sectors and global equity sectors with the remaining assets of the Tactical Balanced Fund invested in fixed income sectors (including high yield and emerging market bonds) or specialist sectors, notwithstanding that the allocation between the passive funds will be actively managed.

The underlying equity component of the collective investment schemes and exchange traded funds in which the Tactical Balanced Fund invests may comprise shares in smaller companies and companies listed in emerging markets.

The Tactical Balanced Fund may also gain exposure to alternative asset classes, such as commodities or hedge funds through investment in transferable securities and may also invest in transferable securities, money market instruments, deposits, cash and near cash.

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%

**Minimum investment**

£100,000 or £250 monthly

### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.30%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

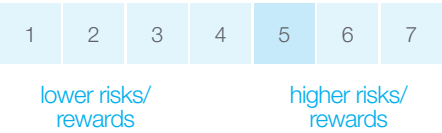
Since the Tactical Balanced Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily '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 and more efficient investments. 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. The steady growth in the number of exchange traded products available in the marketplace has helped with reducing the underlying cost of instruments. Overall, the Tactical Balanced Fund is well diversified while still maintaining economic exposures in line with Close Brothers' overall asset allocation views.

Within equities our preference has been for developed markets over emerging markets; with a focus shifting to Europe. 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 added hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the period a number of macroeconomic indicators improved, but this had triggered a fear in the market that the quantitative easing will be withdrawn causing more volatility in the market rather than having a healthy market impact.

# 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 5 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 period ended 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Tactical Balanced Fund Y Accumulation	9.78%	8.11%
IMA Mixed Investment 40-85% Sector	13.40%	8.08%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	1.9518
Y Accumulation	2.1125
X Accumulation	2.0323



# 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
30/9/2013			
A Accumulation	£120,304	206.59p	58,233
Y Accumulation	£1,151,631	207.00p	556,335
X Accumulation	£1,814,507	191.03p	949,839
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
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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	0.98%	A Accumulation	0.95%
Y Accumulation	0.76%	Y Accumulation	0.75%
X Accumulation	0.64%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
HSBC FTSE 250 Index Fund	7.22	HSBC S&P 500 ETF	6.25
HSBC FTSE 100 Index Fund	7.18	HSBC FTSE 100 Index Fund	5.71
Vanguard FTSE 100 ETF	6.27	Vanguard FTSE 100 ETF	5.61
HSBC Japan Index Retail Fund	5.83	HSBC FTSE 250 Index Fund	5.21
SPDR S&P UK Dividend Aristocrats Fund	5.68	SPDR S&P US Dividend Aristocrats Fund	4.31
HSBC S&P 500 ETF	4.60	Fundlogic Emerging Markets Equity Fund	4.27
Vanguard S&P 500 ETF	4.53	db x-trackers EURO STOXX 50 Fund	4.26
iShares Barclays Capital £ Index-Linked Gilts Fund	4.14	Lyxor ETF iBoxx \$ Liquid Emerging Markets Sovereigns	3.59
iShares Markit iBoxx £ Corporate Bond 1-5 Fund	3.39	iShares Physical Gold ETC	3.54
OSSIAM FTSE 100 Minimum Variance ETF	3.33	HSBC Pacific Index Retail Fund	3.39

# Close Tactical Select Passive Growth Fund

Interim short report for the period ended 30 September 2013

## 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 primarily invest in passively managed collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager and exchange traded funds, which in turn invest primarily in equities and fixed interest securities mainly in the UK.

The underlying collective investment schemes and exchange traded funds will be invested passively in UK equity sectors, global equity sectors, fixed income sectors (including high yield and emerging market bonds) or specialist sectors notwithstanding that the allocation between the passive funds will be actively managed.

The underlying equity component of the collective investment schemes and exchange traded funds in which the Tactical Growth Fund invests in may comprise shares in smaller companies and companies listed in emerging markets.

The Tactical Growth Fund may also gain exposure to alternative asset classes, such as commodities or hedge funds, through investment in transferable securities and may also invest in transferable securities, money market instruments, deposits, cash and near cash.

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%

**Minimum investment**

£100,000 or £250 monthly

### X units

**Launch date**

1 October 2012

**Initial charge**

Nil

**Periodic charge**

0.30%

**Minimum investment**

£1,000 or £250 monthly

# Manager's report

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## Market commentary

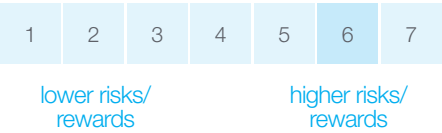
Since the Tactical Growth Fund was launched on 17 October 2011, we have been implementing the asset allocation view set each quarter by the Close Strategic Policy Committee using both index funds and exchange traded products, including exchange traded funds (ETFs). As these instruments are primarily '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 and more efficient investments. 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. The steady growth in the number of exchange traded products available in the marketplace has helped with reducing the underlying cost of instruments. Overall, the Tactical Growth Fund is well diversified while still maintaining economic exposures in line with Close Brothers' overall asset allocation views.

Within equities our preference has been for developed markets over emerging markets; with a focus shifting to Europe. 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 added hedge fund, infrastructure and property exposure while trimming gold exposure in order to add diversification. Over the period a number of macroeconomic indicators improved, but this had triggered a fear in the market that the quantitative easing will be withdrawn causing more volatility in the market rather than having a healthy market impact

# 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 5 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

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## Fund performance

Performance for the Tactical Growth Fund for the period ended 30 September.

	Year to 30/9/2013	Since launch 17/10/2011 to 30/9/2012
The Tactical Growth Fund Y Accumulation	12.53%	8.57%
IMA Flexible Investments Sector	13.40%	7.22%

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 end of September over the last 5 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 October 2013.

	Distribution per Unit Payable on 30/11/2013
A Accumulation	1.2717
Y Accumulation	1.4822
X Accumulation	1.4330

# 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
30/9/2013			
A Accumulation	£58,636	212.23p	27,629
Y Accumulation	£137,467	212.85p	64,584
X Accumulation	£366,944	195.77p	187,437
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
2013*			
A Accumulation	222.4p	194.4p	2.1681
Y Accumulation	223.0p	194.7p	2.5411
X Accumulation	205.0p	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 30 September 2013 and net revenue to 30 November 2013.

\*\*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 (annualised)

Period to 30/9/2013		Year to 31/3/2013	
A Accumulation	1.00%	A Accumulation	0.96%
Y Accumulation	0.77%	Y Accumulation	0.76%
X Accumulation	0.66%	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 period/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 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 30/9/2013	% Net Asset Value	Holdings as at 31/3/2013	% Net Asset Value
HSBC Japan Index Fund	10.29	Vanguard FTSE 100 ETF	9.94
Vanguard FTSE 100 ETF	7.10	Fundlogic Emerging Markets Equity Fund	6.51
HSBC FTSE 250 Index Fund	6.80	HSBC FTSE 250 Index Fund	6.34
HSBC FTSE 100 Index Fund	6.41	Vanguard US Equity Index Fund	5.99
OSSIAM FTSE 100 Minimum Variance ETF	5.31	HSBC FTSE 100 Index Fund	5.78
SPDR S&P UK Dividend Aristocrats Fund	4.90	SPDR S&P US Dividend Aristocrats Fund	5.67
db x-trackers EURO STOXX 50 Fund	4.73	HSBC Pacific Index Retail Fund	5.35
iShares S&P Small Cap 600 Fund	4.54	HSBC S&P 500 ETF	5.21
HSBC Pacific Index Retail Fund	4.50	Vanguard S&P 500 ETF	4.75
Vanguard US Equity Index Fund	4.46	db x-trackers EURO STOXX 50 Fund	4.62



# Risk profile

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## 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.

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.

# Risk profile

continued

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## Risk profile continued

### 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.

### 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.

### 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.

# Risk profile

continued

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## Risk profile continued

### 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.

**Close Brothers Asset Management**

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