

Close Discretionary Funds

Annual Report & Financial Statements
for the year ended 31 March 2023

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Authorised Status and Report of the Manager

Authorised Status

Close Discretionary Funds ("The Trust") is an authorised scheme under the Financial Services and Market Act 2000 (the "Act"). The scheme is classified as a UCITS scheme.

Certification of Financial Statements by Directors of the Manager

This report has been prepared in accordance with the Financial Conduct Authority Collective Investment Schemes ("COLL") Sourcebook.



I.P. Wallace (Director)



R.C.S. Smith (Director)
CAM (UK) Ltd
20 July 2023

Market review

The six month period to the end of March 2023 has been far more favourable for markets, with assets rebounding after sharp declines in the prior six months.

Within equities, all regions have seen positive returns in sterling terms. Europe has been the best performing equity region, returning +21.3%, reflecting stronger economic growth expectations. The UK returned +12.2%, Japan +7.7% and the US +4.5%. Emerging markets rose +2.2%.

Bond markets have also rebounded, albeit not sufficiently to recoup the losses suffered over the prior six months. UK government bonds gained +5.1%, while UK corporate bonds rose 10.2%. In local currency terms, European government bonds gained +0.8% and US government bonds +5.0%.

Over the period, currency markets have been dominated by a weakening US dollar, reversing the prior trend, and reflecting the expectation that US monetary tightening may soon end. This saw the US dollar decline -8.6% on a trade weighted basis, with sterling gaining +10.4% relative to the dollar. Sterling declined modestly against the euro, falling -0.1%, but appreciated +1.4% against the yen.

Oil continued to decline in the six months to March, falling -9.3% in US dollar terms. Gold reversed course, appreciating +18.4% on the same basis.

Outlook

As the second quarter of 2023 gets underway, global growth expectations remain weaker than average. This is primarily due to high inflation squeezing real income growth, especially in the first half of the year. Given that corporate earnings are connected to economic growth, this is likely to mean earnings growth could be weaker, which could undermine the value of some equities.

However, recent months have brought positive changes which have led to growth expectations significantly improving. Firstly, energy prices have fallen notably and European gas prices are now lower than they were at the start of 2022, before Russia invading Ukraine sent prices higher. Lower energy prices will relieve pressure on consumer spending, and will help the industrial sector. This has resulted in significant upgrades to growth estimates in the UK and Eurozone.

Secondly, Beijing has relaxed China's strict "zero-Covid" social restrictions. Over 80% of the population are believed to have contracted Covid in the first wave of infections, which seems to have prevented a second wave over the Lunar New Year travel period, and mobility data is rapidly recovering. While household balance sheets have deteriorated over the course of the pandemic, which could crimp consumption, the relaxation of controls makes it possible for China to enjoy a recovery in GDP growth in 2023, which could boost demand elsewhere.

A less supportive development has been the stresses evident in the banking sector, with a number of smaller US banks under pressure and, in some instances, failing. This spilt over into Europe, with troubled Swiss bank, Credit Suisse, ultimately being acquired by UBS. While we do not believe the banking system is in imminent danger from further contagion, we do expect banks to tighten credit conditions, given greater scrutiny. This would likely weigh on growth, though it is not yet clear to what extent.

Turning to inflation and monetary policy, we expect inflation to continue falling in most developed market economies in 2023. Supply chains have already eased significantly, energy prices have stabilised and weaker growth is expected to weigh on the economy and labour demand, though it remains unclear how soon the labour market will ease. All in all, this means prices are still likely to be rising but at a slower rate than in 2022.

Given that inflation is still high and labour markets are still tight, central banks may execute a few further interest rate hikes, but the end of the tightening cycle could be reached by the summer. Recent events in the banking sector have made it more likely in our view that central bankers tread more carefully in tightening monetary policy. This should ultimately be good news for asset prices broadly.

However, until recently, futures markets were pricing in not just an end to monetary tightening, but the beginning of substantial rate cuts in the second half of the year in the US. Central bankers have pushed back against this expectation and, combined with stronger economic data, this has caused some turbulence. We still think there is a risk that rate-cutting expectations are too optimistic.

We expect 2023 to bring both opportunities and challenges for investors. In terms of opportunities, an end to the current monetary policy tightening cycle should offer relief to asset prices across equities and bonds. Bonds could also benefit from the more pessimistic outlook for global growth. However, from an equity market perspective, a weaker growth environment is likely to translate to weaker corporate earnings growth.

Even though the monetary policy landscape may evolve to become more supportive for equities, the outlook for earnings could continue to weigh on those sectors where forecasts will be cut most. For this reason, we have become more cautious on equities than we were, and we are keeping a close eye on valuations. Given high inflation and the prospect of sustained market volatility, we continue to see an important role for alternative investments within portfolios, especially those which can be a source of genuine diversification and inflation protection.

Source: Market return figures produced by Close Asset Management (UK) Limited using Morningstar indices.

Notes applicable to the Financial statements of all sub-funds

as at 31 March 2023

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (changed to the Investment Association in January 2015) in May 2014 (the "SORP"), and amended in June 2017.

The Manager is confident that the Trust (excluding the Close Sustainable Bond Portfolio Fund) will continue in operation and be able to meet its liabilities as they fall due for at least the next twelve months from the approval of these financial statements. The Trust has adequate financial resources and its assets primarily consist of securities, which are readily realisable. As such, the financial statements have been prepared on the going concern basis. The Close Sustainable Bond Portfolio Fund ceased to exist as a going concern as soon as it merged into the Close Sustainable Select Fixed Income Fund on 3 March 2023.

No significant judgments, estimates or assumptions have been applied or required across all funds in the preparation of the accounts for the current or preceding financial year.

On 3 March 2023, the Close Sustainable Bond Portfolio Fund merged with the Close Sustainable Select Fixed Income Fund and as such, the financial statements for the Close Sustainable Bond Portfolio Fund have been prepared on an 'other than going concern' basis. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount. The liquidation costs are borne by the Manager.

b) Revenue

Interest on bank and short-term deposits and other revenue is accounted for on an accruals basis. Interest from fixed interest securities and short-term deposits is recognised on a daily accruals basis. Revenue of debt securities is recognised on the effective yield basis which takes account of the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security.

Dividends on quoted ordinary shares, preference shares and distributions on holdings in collective investment schemes are recognised when the investments are quoted ex-dividend. Where such investments are not quoted, dividends are recognised when they are declared.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

c) Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged against revenue, with the exception of the Close Diversified Income Portfolio Fund and the Close Managed Income Fund, whose expenses are charged to capital.

d) Basis of valuation of investments

All investments are valued at their fair value, excluding accrued revenue, using the bid price on the last business day of the accounting year, except for single priced Collective Investment Schemes, which use the latest available published price on the last business day of the accounting year. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

In the case of an investment which is not listed in a recognised market, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body or firm and such fair value shall be determined on the basis of the probable realisation value of the investment. The Investment Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset.

The Manager has the power to attribute what it considers to be a fair and reasonable price in the case of a security or unit for which no recent or reliable valuation or price exists.

e) Foreign currencies

Assets and liabilities in foreign currencies have been translated into sterling at the exchange rates prevailing at the close of business on the last working day of the accounting year. Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the dates of the transactions. Forward foreign currency contracts are included in the portfolio statement as an asset or liability so as to reflect the value of the aggregate positions in each currency.

f) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Notes applicable to the Financial statements of all sub-funds

continued

1. Accounting policies continued

f) Taxation continued

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent.

Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

g) Rebates

The Trust receives manager's service charge rebates on the management fees of underlying collective investment schemes. These are recognised on an accruals basis and are recognised as revenue. Where it is the policy of the underlying fund to charge its fees to capital, these rebates will be recognised as capital.

h) Special dividends and share buy-backs

The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Any tax treatment will follow the accounting treatment of the principal amount.

i) Underwriters' Commission

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Trust is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

2. Distribution policies

Revenue produced by the Trust's investments accumulates during each distribution period. If, at the end of the distribution period, revenue exceeds expenses, the net revenue of the Trust is available to be distributed to unitholders, and any net revenue deficit will be borne by the capital account.

The Fund Management Fee ("FMF") is charged to revenue and is deducted for the purposes of calculating the distribution, with the exception of the Close Diversified Income Portfolio Fund and the Close Managed Income Fund, whose remuneration and expenses are charged to capital.

In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution. All distributions from accumulation holdings in collective investment schemes are treated as revenue. Equalisation on distributions received from collective investment schemes is treated as capital.

Amounts recognised as revenue will form part of the distribution.

3. Dealing commission arrangements

The level of securities trading on the sub-funds is determined by fund management decisions. The Manager's buying and selling values of securities trades always meet current best execution regulations. Commissions are paid to brokers for these trades. Under current regulations, the Manager is allowed to ask a number of brokers, with whom it has commission sharing arrangements, to use some of the commissions paid to brokers to pay for permitted execution and research services used by the Manager in the managing of its funds.

4. Derivatives and other financial instruments

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 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

Investors 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 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.

Notes applicable to the Financial statements of all sub-funds

continued

4. Derivatives and other financial instruments continued

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. The counterparty for forward currency contracts is BNY Mellon. For details relating to counterparty exposure for forward contracts refer to portfolio statements.

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

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

Interest rate risk

This is the risk of changes (negative as well as positive) in the value of investments and cash and deposit balances as a result of fluctuations in interest rates. For example, a reduction in interest rates will mean that a sub-fund receives less credit interest on cash placed on deposit. Alternatively, an increase in interest rates means that a sub-fund will be charged higher debit interest on any overdrawn accounts. The interest rate risk profile of financial assets and liabilities at the year end for each sub-fund is shown in the relevant notes.

Interest rate risk is measured in terms of duration (sensitivity to rising or falling yields). To mitigate this risk, the Manager determines how much duration to assume, based on an assessment of the likely future direction of interest rates, and taking account of the objectives and risk tolerance of the Funds.

Liquidity risk

This is the risk that a sub-fund may not have sufficient cash, or the ability to raise additional cash through the sale of underlying investments, in order to meet redemption requests. Each of the sub-funds has limited temporary borrowing powers. Each sub-fund holds cash and readily realisable securities. The Manager monitors the cash position and the level of redemption requests so as to minimise the liquidity risk which may arise. Furthermore, the underlying investments of the sub-funds may be subject to liquidity constraints, therefore affecting the ability of the sub-funds to realise the investments. This, in turn, may affect the ability of each sub-fund to raise cash to meet requests for the redemption of units.

Currency risk

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

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

Use of derivatives

Investments in derivatives are used to protect unitholders' capital or for efficient portfolio management. The Investment Advisor controls the credit risk of these transactions by arranging them with highly rated institutions.

Derivatives in the form of forward foreign exchange contracts are used to hedge (i.e. reduce) the risk of reduction in the value of the portfolio due to fluctuations in currency value.

Valuation risk

Each sub-fund offers a pooled vehicle whereby unitholders through a holding of units in a sub-fund, gain exposure to the return from the underlying portfolio of each sub-fund. The value of units is calculated on a forward pricing basis (i.e. reference to the next valuation after dealing instructions are agreed). With a view to achieving fair unit pricing, for each sub-fund, the value is ascertained at the valuation point on each dealing day, in Sterling. Unitholders should note, however, that unit pricing is not an exact science.

For certain fund property, the Manager's best estimate of a fair and reasonable market value may prove to be incorrect. For other investments, use of a market price may prove to be generally appropriate. If there is a high risk of divergence of unit prices from a fair value of the underlying assets, the Manager would monitor this and would seek to take appropriate action to minimise dilution to each sub-fund, with a view to balancing the interests of incoming, outgoing and remaining unitholders.

Notes applicable to the Financial statements of all sub-funds

continued

5. Valuation techniques

Valuation techniques using observable market data

Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions and minimise the use of non-observable data. Observable market data should be observable for substantially the full term of the instrument. Typically this category will include over-the-counter instruments (OTC), instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject fair value pricing adjustments made by reference to observable market data. Examples include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and less frequently traded open-ended funds. For the sub-fund, there are corporate bonds, open forward currency contracts and collective investment schemes which fall in to this category. Corporate bonds have been valued using active market interest rates. Open forward currency contracts are valued using active market currency exchange rates and collective investment schemes are valued using the prices for underlying investments.

Valuation techniques using non-observable data

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights. Where assets are subject to administration or orderly realisation processes, the Manager may adjust the price to reflect what he considers a more realistic value in the circumstances. The rationale and pricing method is agreed with the Trustee and monitored frequently.

6. Sensitivity analysis

a) Market risk

Strategy	If market prices had increased by 10% as at the balance sheet date, the net asset value of each sub-fund would have increased as shown below:		If market prices had decreased by 10% as at the balance sheet date, the net asset value of each sub-fund would have decreased as shown below:	
	31/3/2023 £'000	31/3/2022 £'000	31/3/2023 £'000	31/3/2022 £'000
Close Sustainable Bond Portfolio Fund	Closed	19,434	Closed	(19,434)
Close Sustainable Balanced Portfolio Fund	6,433	4,169	(6,433)	(4,169)
Close Diversified Income Portfolio Fund	52,051	51,254	(52,051)	(51,254)
Close Conservative Portfolio Fund	77,216	74,986	(77,216)	(74,986)
Close Balanced Portfolio Fund	120,019	119,164	(120,019)	(119,164)
Close Growth Portfolio Fund	34,857	35,778	(34,857)	(35,778)
Close Managed Income Fund	9,666	11,186	(9,666)	(11,186)
Close Managed Conservative Fund	21,502	22,770	(21,502)	(22,770)
Close Managed Balanced Fund	40,634	37,195	(40,634)	(37,195)
Close Managed Growth Fund	9,894	9,587	(9,894)	(9,587)
Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund)	39,386	15,119	(39,386)	(15,119)
Close Tactical Select Passive Conservative Fund	21,771	21,498	(21,771)	(21,498)
Close Tactical Select Passive Balanced Fund	37,647	31,144	(37,647)	(31,144)
Close Tactical Select Passive Growth Fund	9,646	7,262	(9,646)	(7,262)

These calculations have been applied to non-derivative securities only (see note 7 for an explanation of the sub-funds' leverage during the period). These calculations assume all other variables remain constant.

Notes applicable to the Financial statements of all sub-funds

continued

6. Sensitivity analysis continued

b) Currency rate risk

Strategy	If sterling to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of each sub-fund would have increased as shown below:		If sterling to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of each sub-fund would have decreased as shown below:	
	31/3/2023 £'000	31/3/2022 £'000	31/3/2023 £'000	31/3/2022 £'000
Close Sustainable Bond Portfolio Fund	Closed	265	Closed	(216)
Close Sustainable Balanced Portfolio Fund	2,689	2,291	(2,200)	(1,874)
Close Diversified Income Portfolio Fund	9,560	7,246	(7,822)	(5,928)
Close Conservative Portfolio Fund	35,704	20,561	(29,212)	(16,822)
Close Balanced Portfolio Fund	78,221	44,628	(63,999)	(36,514)
Close Growth Portfolio Fund	29,113	16,788	(23,819)	(13,736)
Close Managed Income Fund	235	274	(192)	(224)
Close Managed Conservative Fund	1,701	2,003	(1,392)	(1,639)
Close Managed Balanced Fund	2,930	3,175	(2,397)	(2,598)
Close Managed Growth Fund	737	789	(603)	(645)
Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund)	889	424	(728)	(347)
Close Tactical Select Passive Conservative Fund	2,808	2,612	(2,298)	(2,137)
Close Tactical Select Passive Balanced Fund	5,901	4,779	(4,828)	(3,910)
Close Tactical Select Passive Growth Fund	2,002	1,362	(1,638)	(1,115)

These calculations assume all other variables remain constant.

Notes applicable to the Financial statements of all sub-funds

continued

6. Sensitivity analysis continued

c) Interest rate risk

Strategy	If interest rates had increased by 100bps as at the balance sheet date, the net asset value of each sub-fund would have changed as shown below:		If interest rates had decreased by 100bps as at the balance sheet date, the net asset value of each sub-fund would have changed as shown below:	
	31/3/2023 £'000	31/3/2022 £'000	31/3/2023 £'000	31/3/2022 £'000
Close Sustainable Bond Portfolio Fund	Closed	(5,126)	Closed	5,458
Close Sustainable Balanced Portfolio Fund	(321)	(2,307)	367	2,334
Close Diversified Income Portfolio Fund	(9,521)	(1,837)	9,930	1,894
Close Conservative Portfolio Fund	(1,638)	(2,508)	2,491	2,588
Close Balanced Portfolio Fund	(1,732)	(2,559)	2,598	2,604
Close Growth Portfolio Fund	(86)	(2,547)	215	2,569
Close Managed Income Fund	(1,156)	(1,699)	1,280	1,861
Close Managed Conservative Fund	(2,048)	(2,009)	2,317	2,181
Close Managed Balanced Fund	(3,256)	(2,047)	3,641	2,168
Close Managed Growth Fund	(619)	(1,807)	678	1,870
Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund)	(9,902)	(2,586)	10,398	2,661
Close Tactical Select Passive Conservative Fund	(3,860)	(2,730)	4,296	3,121
Close Tactical Select Passive Balanced Fund	(3,959)	(1,717)	4,383	1,887
Close Tactical Select Passive Growth Fund	(428)	(1,192)	458	1,240

Source: CBAM & Bloomberg

Past performance is not a reliable indicator of future returns

Utilised Bloomberg Scenario Analysis

NB - Scenario analysis shocks the 5yr point on the GBP swap curve by the desired amount and utilises the Bloomberg Multi-Asset Factor Model to propagate the shock to other asset classes.

7. Leverage

The sub-funds did not employ significant leverage during the year (31/3/2022 - same).

Close Sustainable Bond Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Sustainable Bond Portfolio Fund ("the Sustainable Bond Fund") was to generate income while maintaining its capital value over the medium term (i.e. more than 5 years).

The Sustainable Bond Fund invested at least 80% in sterling denominated (or hedged back to sterling) investment grade corporate bonds of duration between two and twelve years. The Sustainable Bond Fund may have also invested in sterling denominated government bonds as well as sub-investment grade and unrated bonds.

Investment grade bonds for the purposes of the Sustainable Bond Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The corporate bonds in which the Sustainable Bond Fund invested were subject to the Manager's sustainability screens. The first was an ethical screen (focussing on what a bond issuer produces). Secondly, an ESG (environmental, social and governance) screen was applied (focussing on how the issuer operates).

Under the ethical screen, the Sustainable Bond Fund was not permitted to have invested in issuers with more than 10% of their revenue exposure to alcohol, gambling, tobacco or any other areas deemed not to meet the Manager's ethical standards. Issuers which met the ethical criteria were then subject to an ESG rating screening, where ESG ratings provided by a third party were used.

The purpose of the ESG screen was to identify and invest in issuers which had, what the Manager considered to be, positive ESG attributes, being those which were leading in a sector or, as a minimum, were above average, regarding ESG factors. In the Manager's view, these issuers were likely to be better prepared for the risks and opportunities associated with ESG factors and were therefore suitable for investment in a 'sustainable' context. The Manager considered issuers with a BBB rating or above (as provided by a third-party data provider) to have such attributes. The issuers were subject to an expert and rigorous methodology by the rating agency to measure ESG attributes including their exposure to ESG risks as well as to how well they managed those risks relative to their peers.

For government bonds only the ESG screen was applied when selecting investments.

In order to gain indirect exposure to both corporate and government bonds, the Sustainable Bond Fund may have also invested in collective investment schemes (which may have included schemes managed by the Manager or an affiliate of the Manager) and closed-ended funds. Where such funds were used, the Manager would seek to ensure they met broadly comparable ethical and ESG screening criteria. The Sustainable Bond Fund may have also invested directly or indirectly in deposits and money market instruments.

The Sustainable Bond Fund may have used derivatives for efficient portfolio management.

Investment Report

Market commentary

Fund Performance

The Sustainable Bond Fund returned -6.28% in the 11 months to 3rd March 2023 whilst, over the same time period, the IA Sterling Corporate Bond Sector returned -9.93%.

On 3rd March 2023, the Fund was merged with the Close Sustainable Select Fixed Income Fund ("CSFI") and, in exchange for their units in the Fund, unitholders received new units of an equivalent value in CSFI.

Macro Backdrop

The Bank of England raised rates to 4.25% (from 0.75%), and commenced Quantitative Tightening (i.e. selling bonds) in September 2022. The Federal Reserve raised rates to 5.00% (from 0.50%), and commenced Quantitative Tightening at c. USD 95bn per month (unwinding the USD 9trn of debt on the Fed's balance sheet). The European Central Bank raised the Depo Rate to 3.00% (from -0.50%) and commenced Quantitative Tightening at a rate of EUR 15bn per month.

In the UK, the Composite Purchasing Managers Index (PMI) data weakened slightly to 52.2 (Feb-23 = 53.1), while consensus 2023 GDP growth forecasts improved to -0.4% (Jan-23 = -0.9% / Feb-23 = -0.7%). CPI inflation increased to +10.4% in Feb-23 (Jan-23 = 10.1%) though was largely attributed to exceptional items including elevated food prices. Forecasts indicate inflation will continue to decline throughout 2023 to c. +3.6% in Q4 2023. Unemployment remained strong at 3.7%.

In the US, Composite PMI data improved to 53.3 (Feb-23 = 50.1), while consensus 2023 GDP growth forecasts improved to +1.0% (Feb-23 = +0.7%). US inflation declined for the eighth consecutive month to +6.0% (peak in Jun-22 = +9.1%), and forecasts indicate inflation will decline to +3.3% in Q4 2023. Unemployment increased to (a still very strong) 3.6%.

In the Eurozone, Composite PMI data improved to 54.1 (Feb-23 = 52.0), while consensus 2023 GDP growth forecasts improved to +0.5% (Feb-23 = +0.4% / Jan-23 = 0%). Eurozone inflation declined to +6.9% (Feb-23 = +8.5%), and forecasts indicate inflation will decline to +3.0% in Q4 2023, albeit forecasts are volatile given ongoing concerns over Russian gas supplies. Unemployment remained stable at 6.6%.

Portfolio Activity

On 3rd March 2023 – the date the Fund was merged with CSFI (see above) – the yield-to-call of the Fund was c. 7.5%; duration was 4.5 years; and the average rating of the Fund was BBB+.

Investment Report

continued

Fund Performance

Performance for the Sustainable Bond Fund over the last five years.

	Year to 31/3/2023*	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Sustainable Bond Fund X Accumulation	(6.3%)	(4.6%)	7.4%	0.8%	1.7%
IA Sterling Corporate Bond Sector	(9.9%)	(4.3%)	9.0%	0.8%	3.0%

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

*The performance data relates to the period 1st April 2022 to 3rd March 2023, the date at which the Fund merged into the Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund).

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Comparative tables

For the year ended I Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	93.85	100.61	95.69
Return before operating charges	(4.73)	(3.92)	7.79
Operating charges	(0.10)	(0.13)	(0.13)
Return after operating charges	(4.83)	(4.05)	7.66
Distributions	(3.21)	(2.71)	(2.74)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*, **	85.81	93.85	100.61
After direct transaction costs of***	0.00	0.00	0.00
Performance			
Return after charges	(5.15%)	(4.03%)	8.01%
Other information			
Closing net asset value £'000	0	9,065	15,804
Closing number of units	0	9,659,554	15,709,143
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs***	0.00%	0.00%	0.00%
Prices*			
Highest unit price	94.49	103.70	104.90
Lowest unit price	77.68	93.92	96.30

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	124.34	133.28	126.80
Return before operating charges	(6.33)	(5.18)	10.29
Operating charges	(0.47)	(0.60)	(0.61)
Return after operating charges	(6.80)	(5.78)	9.68
Distributions	(3.91)	(3.16)	(3.20)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*, **	113.64	124.34	133.28
After direct transaction costs of***	0.00	0.00	0.00
Performance			
Return after charges	(5.47%)	(4.34%)	7.63%
Other information			
Closing net asset value £'000	0	81,906	103,205
Closing number of units	0	65,871,560	77,432,500
Operating charges	0.45%	0.45%	0.45%
Direct transaction costs***	0.00%	0.00%	0.00%
Prices*			
Highest unit price	125.10	137.40	138.80
Lowest unit price	102.90	124.30	127.60

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**The NAV per unit displayed above is the last NAV calculated prior to the Fund's merger into the Close Sustainable Select Fixed Income Fund on 3 March 2023.

***Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	168.45	176.35	163.89
Return before operating charges	(9.59)	(7.05)	13.30
Operating charges	(0.69)	(0.85)	(0.84)
Return after operating charges	(10.28)	(7.90)	12.46
Distributions	(5.32)	(4.16)	(4.12)
Retained distributions on accumulation units	5.32	4.16	4.12
Closing net asset value per unit*, **	158.17	168.45	176.35
After direct transaction costs of***	0.00	0.00	0.00
Performance			
Return after charges	(6.10%)	(4.48%)	7.60%
Other information			
Closing net asset value £'000	0	105,687	118,984
Closing number of units	0	62,739,316	67,470,418
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs***	0.00%	0.00%	0.00%
Prices*			
Highest unit price	169.50	182.90	182.20
Lowest unit price	141.70	167.30	164.90

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**The NAV per unit displayed above is the last NAV calculated prior to the Fund's merger into the Close Sustainable Select Fixed Income Fund on 3 March 2023.

***Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	BONDS - 0.00% (31/3/2022 - 98.82%)		
	Sterling Denominated Fixed Rate Corporate Bonds - 0.00% (31/3/2022 - 73.27%)		
	Sterling Denominated Fixed Rate Government Bonds - 0.00% (31/3/2022 - 0.10%)		
	Sterling Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 2.04%)		
	Euro Denominated Fixed Rate Corporate Bonds - 0.00% (31/3/2022 - 13.90%)		
	United States Dollar Denominated Fixed Rate Corporate Bonds - 0.00% (31/3/2022 - 6.85%)		
	United States Dollar Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 2.66%)		
	DERIVATIVES-0.00% (31/3/2022-(0.07%))		
	Open Forward Currency Contracts - 0.00% (31/3/2022 - (0.07%))		

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital losses	2		(18,297)		(14,618)
Revenue	3	6,336		6,424	
Expenses	4	(698)		(1,012)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation for the year		5,636		5,412	
Taxation	5	–		4	
Net revenue after taxation for the year			5,636		5,416
Total return before distributions			(12,661)		(9,202)
Distributions	7		(5,638)		(5,416)
Change in net assets attributable to unitholders from investment activities			(18,299)		(14,618)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		196,658		237,993
Amounts received on creation of units	10,411		9,320	
Amounts receivable on termination	2		–	
Amounts paid on cancellation of units	(191,746)		(38,761)	
		(181,333)		(29,441)
Dilution adjustment		10		30
Change in net assets attributable to unitholders from investment activities		(18,299)		(14,618)
Retained distribution on accumulation units		2,964		2,694
Closing net assets attributable to unitholders		–		196,658

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			–		194,354
Current assets					
Debtors	8	2		2,979	
Cash and bank balances	9	561		749	
Total other assets			563		3,728
Total assets			563		198,082
LIABILITIES					
Investment liabilities			–		(145)
Creditors					
Distribution payable		(555)		(589)	
Other creditors	10	(8)		(690)	
Total other liabilities			(563)		(1,279)
Total liabilities			(563)		(1,424)
Net assets attributable to unitholders			–		196,658

* The costs associated with derivatives for the year were £21,023.90.

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Sustainable Bond Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital losses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital losses on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(4,028)	525
Currency gains/(losses)	762	(1,196)
Losses on non-derivative securities	(15,031)	(13,947)
Net capital losses	(18,297)	(14,618)

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	25	—
Interest from overseas fixed interest securities	1,538	1,960
Interest from UK fixed interest securities	4,773	4,464
Total revenue	6,336	6,424

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	698	1,012
Total expenses	698	1,012

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation credit in the year		
Overseas tax	–	(4)
Total taxation	–	(4)

b) Factors affecting taxation credit for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	5,636	5,412
Corporation tax at 20% (31/3/2022 - 20%)	1,127	1,082
Effects of:		
Overseas tax	–	(4)
Tax deductible interest distributions	(1,127)	(1,082)
Total taxation (see note 5(a))	–	(4)

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Sustainable Bond Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	2	—
	2	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
1st Interim distribution	1,285	1,374
2nd Interim distribution	1,406	1,356
3rd Interim distribution	1,616	1,337
Final distribution	1,214	1,253
	5,521	5,320
Add: Revenue deducted on cancellation of units	160	124
Less: Revenue received on creation of units	(43)	(28)
Net distribution for the year	5,638	5,416

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	—	2,871
Amounts receivable on termination	2	—
Receivable for creation of units	—	108
Total debtors	2	2,979

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	561	749

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	8	76
Amounts payable on cancellation of units	—	614
Total other creditors	8	690

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	98,955	—	—	—	—
Total	98,955	—		—	
Total purchases including commission and taxes	98,955				
Sales					
Debt instruments (direct)	129,706	—	—	—	—
Inspecie transfers relating to merger into Close Sustainable Select Fixed Income Fund	148,127	—	—	—	—
Total	277,833	—		—	
Total sales net of commissions and taxes	277,833				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	26,642	—	—	—	—
Total	26,642	—		—	
Total purchases including commission and taxes	26,642				
Sales					
Debt instruments (direct)	48,004	—	—	—	—
Total	48,004	—		—	
Total sales net of commissions and taxes	48,004				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Sustainable Bond Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Notes to the Financial statements

continued

12. Portfolio transaction costs continued

For the Sustainable Bond Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Dealing spread costs suffered by the Sustainable Bond Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.00% (31/3/2022 - 0.60%).

13. Unit movement

Year to 31 March 2023	I Income units	X Income units	X Accumulation units
Opening units	9,659,554	65,871,560	62,739,316
Units created	220,200	2,779,909	4,490,237
Units cancelled	(1,224,024)	(12,985,605)	(14,473,484)
Units converted	–	(634,317)	463,121
Units transferred into Close Sustainable Select Fixed Income Fund	(8,655,730)	(55,031,547)	(53,219,190)
Closing units	–	–	–

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

14. Post balance sheet events

At the signing date there were no significant post balance sheet events.

As the Fund closed on 3 March 2023, there were no post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2023

Group 2: units purchased between 1 January 2023 and 3 March 2023 (date of Fund closure)

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 28/4/2023	Distribution Paid per Unit on 31/5/2022
I Income				
Group 1	0.7228	–	0.7228	0.6765
Group 2	0.2322	0.4906	0.7228	0.6765
X Income				
Group 1	0.8953	–	0.8953	0.7954
Group 2	0.3982	0.4971	0.8953	0.7954
X Accumulation				
Group 1	1.2374	–	1.2374	1.0578
Group 2	0.6814	0.5560	1.2374	1.0578

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 December 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2023	Distribution Paid per Unit on 28/2/2022
I Income				
Group 1	0.9632	–	0.9632	0.6819
Group 2	0.4821	0.4811	0.9632	0.6819
X Income				
Group 1	1.1876	–	1.1876	0.7947
Group 2	0.5359	0.6517	1.1876	0.7947
X Accumulation				
Group 1	1.6240	–	1.6240	1.0499
Group 2	0.9814	0.6426	1.6240	1.0499

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2022

Group 2: units purchased between 1 July 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
I Income				
Group 1	0.8127	–	0.8127	0.6770
Group 2	0.1747	0.6380	0.8127	0.6770
X Income				
Group 1	0.9839	–	0.9839	0.7861
Group 2	0.4472	0.5367	0.9839	0.7861
X Accumulation				
Group 1	1.3307	–	1.3307	1.0323
Group 2	0.7466	0.5841	1.3307	1.0323

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 June 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2022	Distribution Paid per Unit on 31/8/2021
I Income				
Group 1	0.7074	–	0.7074	0.6738
Group 2	0.0046	0.7028	0.7074	0.6738
X Income				
Group 1	0.8409	–	0.8409	0.7846
Group 2	0.3656	0.4753	0.8409	0.7846
X Accumulation				
Group 1	1.1269	–	1.1269	1.0247
Group 2	0.5900	0.5369	1.1269	1.0247

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Sustainable Balanced Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Sustainable Balanced Portfolio Fund ('the Sustainable Balanced Fund') is to provide capital growth with some income over the medium term (i.e. more than 5 years).

The Sustainable Balanced Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities (being corporate and government bonds), achieving this exposure primarily through direct investment.

The equities and corporate bonds in which the Sustainable Balanced Fund invests will be subject to the Manager's sustainability screens. The first is an ethical screen (focussing on what an entity produces). Secondly, an ESG (environmental, social and governance) screen is applied (focussing on how the entity operates).

Under the ethical screen, the Sustainable Balanced Fund may not invest in issuers with more than 10% of their revenue exposure to alcohol, gambling, tobacco or any other areas deemed not to meet the Manager's ethical standards.

Securities which meet the ethical criteria are then subject to an ESG rating screening, where ESG ratings provided by a third party are used.

The purpose of the ESG screen is to identify and invest in issuers which have, what the Manager considers to be positive ESG attributes, being those which are leading in a sector or, as a minimum, are above average, regarding ESG factors. In the Manager's view, these issuers are likely to be better prepared for the risks and opportunities associated with ESG factors and are therefore suitable for investment in a 'sustainable' context. The Manager considers issuers with an A rating or above (as provided by a third-party data provider) to have such attributes. The issuers are subject to an expert and rigorous methodology by the ratings agency to measure ESG attributes including their exposure to ESG risks as well as to how well they manage those risks relative to their peers. For government bonds, only the ESG screen is applied when selecting investments.

The allocation between the equities and fixed income securities in which the Sustainable Balanced Fund invests will be actively managed and will vary in response to short term market conditions. However, the Sustainable Balanced Fund operates a balanced strategy, meaning that the allocation to equities will remain within a 40% to 85% range, consistent with its balanced risk/return profile.

Subject to the sustainability screens, the Sustainable Balanced Fund may invest in equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets. The Sustainable Balanced Fund will not purchase unlisted investments.

Subject to the applicable sustainability screens, the fixed interest component of the Sustainable Balanced Fund may include government and corporate bonds (which may include emerging market and high yield bonds from issuers anywhere in the world). These may be investment grade, sub-investment grade or unrated.

The Sustainable Balanced Fund may also invest in money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Sustainable Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Sustainable Balanced Fund in cash.

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

The Sustainable 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. It is expected that the Sustainable Balanced Fund's use of derivatives will be limited.

Investment Report

Market commentary

Both equity and bond markets delivered negative returns over the period. Broadly, weakness in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle continuing to signal an economic slowdown. Initial market volatility in spring/summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings as economic growth continued to slow. In step with 2022, market strength didn't last long as lingering inflation and evidence the US is not yet in recession reignited concern that interest rates may have further to rise. Weaker economic data in March reiterated our conviction that a recession is incoming, with only the timing, magnitude and duration to be debated.

In line with our market view, the Fund's positioning remained cautious. We sold more economically sensitive businesses or those where valuations were stretched such as Partners Group, Adobe, Freshpet, and Nvidia. Conversely we added to defensive business models which had derated to attractive valuations such as RELX, and introduced new positions where growth profiles remain strong such as Nestle, TSMC and Becton Dickinson. Other activity included investing cash in money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for the Royal Mint Responsibly Sourced Physical Gold ETC – as gold doesn't have earnings risk - and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to fixed income.

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Investment Report

continued

Fund Performance

Performance for the Sustainable Balanced Fund over the last two years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021
Sustainable Balanced Fund X Accumulation	(4.0%)	9.2%	n/a
IA Mixed Investment 40%-85% Sector	(4.5%)	5.2%	n/a

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Sustainable Balanced Fund currently has two types of unit class in issue; I Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Sustainable Balanced Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Sustainable Balanced Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Sustainable Balanced Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

The risk rating changed from 5 to 4 in the period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Sustainable Balanced Fund carries the following risks:

Counterparty risk: The Sustainable Balanced Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Sustainable Balanced Fund.

Currency risk: The Sustainable Balanced Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment. The Sustainable Balanced Fund does not hedge its currency exposure.

Investment risk: The Sustainable Balanced Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Sustainability strategy risk: The Funds are subject to screening criteria applied by the Manager which mean that they are unable to invest in certain sectors, companies and investments that conflict with the Manager's sustainability policy. The Sustainable Balanced Fund will only invest in issuers which have, what the Manager considers to be, positive ESG attributes. This investment strategy may result in the Sustainable Balanced Fund having a narrower range of eligible investments, which may in turn affect the Sustainable Balanced Fund's performance.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

Liquidity risk: In extreme market conditions, some securities held by the Sustainable Balanced Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the Sustainable Balanced Fund may need to be deferred or the Sustainable Balanced Fund suspended for a period of time.

A more comprehensive list of the Sustainable Balanced Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Sustainable Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Sustainable Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.06% (31/3/2022 - 0.06%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended I Accumulation units*	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	114.35	104.67	100.00
Return before operating charges	(2.43)	9.85	4.74
Operating charges	(0.17)	(0.17)	(0.07)
Return after operating charges	(2.60)	9.68	4.67
Distributions	(1.86)	(1.87)	(0.58)
Retained distributions on accumulation units	1.86	1.87	0.58
Closing net asset value per unit**	111.75	114.35	104.67
After direct transaction costs of***	(0.02)	(0.12)	(0.29)
Performance			
Return after charges	(2.27%)	9.25%	4.67%
Other information			
Closing net asset value £'000	234	32	28
Closing number of units	209,410	27,930	26,450
Operating charges	0.15%	0.15%	0.17%
Direct transaction costs***	0.02%	0.10%	0.68%
Prices**			
Highest unit price	115.30	118.50	106.50
Lowest unit price	105.00	105.20	100.00

For the year ended X Accumulation units*	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	113.22	104.38	100.00
Return before operating charges	(2.29)	9.83	4.77
Operating charges	(0.97)	(0.99)	(0.39)
Return after operating charges	(3.26)	8.84	4.38
Distributions	(1.16)	(1.07)	(0.29)
Retained distributions on accumulation units	1.16	1.07	0.29
Closing net asset value per unit**	109.96	113.22	104.38
After direct transaction costs of***	(0.02)	(0.12)	(0.29)
Performance			
Return after charges	(2.88%)	8.47%	4.38%
Other information			
Closing net asset value £'000	66,302	49,283	16,561
Closing number of units	60,297,221	43,527,457	15,866,676
Operating charges	0.89%	0.89%	0.91%
Direct transaction costs***	0.02%	0.10%	0.68%
Prices**			
Highest unit price	114.10	117.60	106.40
Lowest unit price	103.60	104.90	100.00

*The Close Sustainable Balanced Portfolio Fund launched 2 November 2020.

**Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

***Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 28.00% (31/3/2022 - 17.47%)			
Sterling Denominated Fixed Rate Corporate Bonds - 5.38% (31/3/2022 - 7.69%)			
£500,000	A2D Funding II 4.5% 30/9/2026	490	0.74
£580,000	Admiral 5.5% 25/7/2024	573	0.86
£450,000	Bupa Finance 5% 25/4/2023	449	0.68
£300,000	EDP Finance 8.625% 4/1/2024	308	0.46
£350,000	Hiscox 6.125% 24/11/2045	338	0.51
£470,000	Paragon Banking 6% 28/8/2024	463	0.70
£600,000	Siemens Financieringsmaatschappij 1% 20/2/2025	561	0.84
£400,000	Travis Perkins 4.5% 7/9/2023	394	0.59
		3,576	5.38
Sterling Denominated Fixed Rate Government Bonds - 0.00% (31/3/2022 - 9.78%)			
United States Dollar Denominated Fixed Rate Government Bonds - 22.62% (31/3/2022 - 0.00%)			
\$5,600,000	United States Treasury Note 0.375% 30/9/2027	3,917	5.89
\$3,100,000	United States Treasury Note 1.25% 15/5/2050	1,461	2.20
\$1,600,000	United States Treasury Note 1.375% 15/8/2050	774	1.16
\$2,200,000	United States Treasury Note 1.625% 15/5/2031	1,547	2.32
\$3,500,000	United States Treasury Note 1.875% 15/2/2032	2,482	3.73
\$2,500,000	United States Treasury Note 2.25% 15/8/2046	1,521	2.29
\$3,100,000	United States Treasury Note 2.875% 15/5/2032	2,384	3.58
\$1,400,000	United States Treasury Note 2.875% 15/5/2052	964	1.45
		15,050	22.62
EQUITIES - 51.60% (31/3/2022 - 59.44%)			
UNITED KINGDOM - 13.59% (31/3/2022 - 18.57%)			
98,600	3i	1,661	2.50
19,000	Anglo American	509	0.76
17,000	Ashtead	842	1.27
7,000	AstraZeneca	786	1.18
32,000	GSK	457	0.69
85,000	Howden Joinery	593	0.89
7,000	London Stock Exchange	551	0.83
29,000	Mondi	372	0.56
49,000	Prudential	540	0.81

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
1,000	Prudential ADR	22	0.03
86,700	RELX	2,269	3.41
700,000	Residential Secure Income	441	0.66
		9,043	13.59
EUROPE - 13.91% (31/3/2022 - 15.81%)			
Denmark - 1.45% (31/3/2022 - 1.30%)			
7,500	Novo Nordisk	962	1.45
Germany - 2.30% (31/3/2022 - 1.34%)			
15,000	Bayer	774	1.16
4,800	Deutsche Boerse	758	1.14
		1,532	2.30
Ireland - 3.20% (31/3/2022 - 4.08%)			
7,000	Accenture	1,617	2.43
550,000	Greencoat Renewables	515	0.77
		2,132	3.20
Sweden - 0.99% (31/3/2022 - 2.46%)			
64,000	Atlas Copco	658	0.99
Switzerland - 5.97% (31/3/2022 - 6.63%)			
15,200	Alcon	870	1.31
18,100	Nestle	1,786	2.68
2,300	Roche	531	0.80
46,000	UBS	785	1.18
		3,972	5.97
ASIA PACIFIC (EX JAPAN) - 5.04% (31/3/2022 - 1.16%)			
20,443	HDFC Bank ADR	1,102	1.65
220,000	HSBC Index Tracker Investment Funds - Pacific Index Fund	1,130	1.70
35,000	Singapore Exchange	200	0.30
12,300	Taiwan Semiconductor Manufacturing	925	1.39
		3,357	5.04
JAPAN - 3.38% (31/3/2022 - 3.60%)			
9,500	Hoya	840	1.26

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
JAPAN continued			
10,000	Secom	495	0.74
60,000	Xtrackers MSCI Japan ESG UCITS ETF	917	1.38
		2,252	3.38
NORTH AMERICA - 14.29% (31/3/2022 - 19.52%)			
United States - 14.29% (31/3/2022 - 19.52%)			
3,800	3M	323	0.49
14,000	Applied Materials	1,391	2.09
6,000	Becton Dickinson	1,201	1.81
9,000	Bristol-Myers Squibb	504	0.76
11,000	Coca-Cola	552	0.83
5,500	Electronic Arts	536	0.81
6,600	Marsh & McLennan	888	1.33
1,100	Microsoft	256	0.38
4,000	PepsiCo	590	0.89
3,800	UnitedHealth	1,452	2.18
6,400	Visa	1,166	1.75
4,800	Zoetis	646	0.97
		9,505	14.29
EMERGING MARKETS - 1.39% (31/3/2022 - 0.78%)			
165,000	iShares MSCI EM SRI UCITS ETF	922	1.39
FIXED INTEREST - 10.30% (31/3/2022 - 1.34%)			
United Kingdom Gilts & Corporate Bonds - 2.37% (31/3/2022 - 1.34%)			
34,000	Lyxor MSCI Water ESG Filtered DR UCITS ETF	1,581	2.37
Non Equity Investment Instruments - 7.93% (31/3/2022 - 0.00%)			
1,305,190	HSBC Sterling Liquidity Fund	1,305	1.96
6,200	iShares USD Treasury Bond 0-1yr UCITS ETF	523	0.79
6,200	JPMorgan BetaBuilders US Treasury Bond 0-1yr UCITS ETF	521	0.78
2,800,000	Royal London Short Term Money Market Fund	2,925	4.40
		5,274	7.93
ALTERNATIVE - 6.78% (31/3/2022 - 6.29%)			
473,846	Greencoat UK Wind	742	1.12

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
ALTERNATIVE continued			
411,666	International Public Partnerships	595	0.89
200,000	Royal Mint Physical Gold ETC	3,175	4.77
		4,512	6.78
DERIVATIVES* - 0.81% (31/3/2022 - 0.00%)			
Open Forward Currency Contracts - 0.81% (31/3/2022 - 0.00%)			
£14,315,282	Bought GBP 14,315,282 : Sold USD 17,066,646	515	0.77
£456,755	Bought GBP 456,755 : Sold USD 555,844	7	0.01
£942,405	Bought GBP 942,405 : Sold USD 1,142,320	19	0.03
		541	0.81
	Portfolio of investments	64,869	97.49
	Net other assets	1,667	2.51
	Total net assets	66,536	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £1,644.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(1,910)		1,593
Revenue	3	1,138		589	
Expenses	4	(476)		(275)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		662		314	
Taxation	5	(59)		(37)	
Net revenue after taxation for the year			603		277
Total return before distributions			(1,307)		1,870
Distributions	7		(603)		(277)
Change in net assets attributable to unitholders from investment activities			(1,910)		1,593

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			49,315		16,589
Amounts received on creation of units		23,971		31,484	
Amounts paid on cancellation of units		(5,493)		(716)	
			18,478		30,768
Dilution adjustment			(1)		15
Change in net assets attributable to unitholders from investment activities			(1,910)		1,593
Retained distribution on accumulation units	7		654		350
Closing net assets attributable to unitholders			66,536		49,315

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			64,869		41,691
Current assets					
Debtors	8	485		520	
Cash and bank balances	9	1,484		7,140	
Total other assets			1,969		7,660
Total assets			66,838		49,351
LIABILITIES					
Creditors					
Other creditors	10	(302)		(36)	
Total other liabilities			(302)		(36)
Total liabilities			(302)		(36)
Net assets attributable to unitholders			66,536		49,315

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Sustainable Balanced Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(2,151)	1,594
Currency losses	(91)	(1)
Gains on forward currency contracts	332	—
Net capital (losses)/gains	(1,910)	1,593

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	13	—
Interest from overseas fixed interest securities	167	24
Interest from UK fixed interest securities	179	39
Money market deposit	9	—
Non-taxable overseas dividends	420	256
Taxable overseas dividends	—	3
UK dividends	262	217
UK franked dividends from collective investment schemes	52	40
UK REIT dividends	36	10
Total revenue	1,138	589

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	476	275
Total expenses	476	275

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	59	37
Total taxation	59	37

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	662	314
Corporation tax at 20% (31/3/2022 - 20%)	132	63
Effects of:		
Movement in unrecognised tax losses	14	40
Overseas tax	59	37
Revenue not subject to tax	(146)	(103)
Total taxation (see note 5(a))	59	37

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Sustainable Balanced Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £57,861 (31/3/2022 - £43,479) due to tax losses of £289,307 (31/3/2022 - £217,395). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	348	262
Final distribution	306	89
	654	351
Add: Revenue deducted on cancellation of units	18	1
Less: Revenue received on creation of units	(69)	(75)
Net distribution for the year	603	277

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	170	109
Overseas tax recoverable	5	4
Receivable for creation of units	310	407
Total debtors	485	520

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	1,484	7,140

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	46	32
Amounts payable on cancellation of units	256	4
Total other creditors	302	36

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Sustainable Balanced Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Danish Krone	5	965	970
Euro	—	2,860	2,860
Japanese Yen	—	1,340	1,340
Singapore Dollar	—	199	199
Swedish Krona	—	658	658
Swiss Franc	—	3,709	3,709
US Dollar	15	14,449	14,464
Total	20	24,180	24,200

The currency profile for the Sustainable Balanced Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Danish Krone	—	642	642
Euro	—	1,757	1,757
Japanese Yen	—	1,393	1,393
Swedish Krona	—	1,213	1,213
Swiss Franc	—	3,270	3,270
US Dollar	3	12,337	12,340
Total	3	20,612	20,615

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	18,626	46,243	64,869
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	8,616	33,075	41,691
Investment liabilities	—	—	—	—

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	40,342	—
Level 2: Observable market data	24,527	—
Level 3: Unobservable data	—	—
	64,869	—
31/3/2022		
Level 1: Quoted prices	32,503	—
Level 2: Observable market data	9,188	—
Level 3: Unobservable data	—	—
	41,691	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	25.11	13.31
Below Investment Grade	—	0.82
Not Rated	2.89	3.34
	28.00	17.47

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	13,580	2	0.01	6	0.04
Debt instruments (direct)	28,893	—	—	—	—
Collective investment schemes	13,634	1	0.01	—	—
Total	56,107	3		6	
Total purchases including commission and taxes	56,116				
Sales					
Equity instruments (direct)	8,532	1	0.01	—	—
Debt instruments (direct)	18,210	—	—	—	—
Collective investment schemes	5,834	—	—	—	—
Total	32,576	1		—	
Total sales net of commissions and taxes	32,575				
Total transaction costs		4		6	
Total transaction costs as a % of average net assets		0.01%		0.01%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	16,281	7	0.04	26	0.16
Debt instruments (direct)	7,448	—	—	—	—
Collective investment schemes	2,434	1	0.04	2	0.08
Total	26,163	8		28	
Total purchases including commission and taxes	26,199				
Sales					
Equity instruments (direct)	2	—	—	—	—
Collective investment schemes	930	—	—	—	—
Total	932	—		—	
Total sales net of commissions and taxes	932				
Total transaction costs		8		28	
Total transaction costs as a % of average net assets		0.02%		0.08%	

The above analysis covers any direct transaction costs suffered by the Sustainable Balanced Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Sustainable Balanced Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sustainable Balanced Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

For the Sustainable Balanced Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Dealing spread costs suffered by the Sustainable Balanced Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.14% (31/3/2022 - 0.16%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Sustainable Balanced Fund at the year end in respect of fees paid to the Manager was £45,861 (31/3/2022 - £32,666).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Sustainable Balanced Fund	80.43	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	I Accumulation units	X Accumulation units
Opening units	27,930	43,527,457
Units created	181,480	21,838,660
Units cancelled	–	(5,068,896)
Closing units	209,410	60,297,221

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
I Accumulation				
Group 1	0.8201	–	0.8201	0.6061
Group 2	0.3207	0.4994	0.8201	0.6061
X Accumulation				
Group 1	0.5047	–	0.5047	0.2031
Group 2	0.2819	0.2228	0.5047	0.2031

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
I Accumulation				
Group 1	1.0430	–	1.0430	1.2649
Group 2	0.3923	0.6507	1.0430	1.2649
X Accumulation				
Group 1	0.6567	–	0.6567	0.8652
Group 2	0.2724	0.3843	0.6567	0.8652

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Diversified Income Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Diversified Income Portfolio Fund (the "Diversified Income Fund") is to provide a regular income stream together with some capital growth over the medium term (i.e. more than 5 years).

The Diversified Income Fund has a focus on a diversified mixture of income producing assets and will hold at least 80% of its portfolio in equities and fixed interest securities, achieving this exposure primarily through direct investment.

The Diversified Income Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile

The Diversified Income Fund may invest in equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets but the Diversified Income Fund will not hold unlisted investments.

The fixed interest component of the Diversified Income Fund may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated. Investment grade bonds for the purposes of the Diversified Income Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Diversified Income Fund may also invest 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, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Diversified Income Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Diversified Income Fund in cash.

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

The Diversified Income Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Diversified Income Fund use of derivatives will be limited.

Currency hedging for exposure to foreign currencies was initiated in March 2015 and the Manager has had discretion to hedge up to 50% of all non-sterling currency positions.

Investment Report

Market commentary

The Diversified Income Portfolio Fund X Acc units fell 6.8% in the 12 months to March 2023.

Asset class returns were weak over the year as the continued interest rate rising cycle has increased the required rate of return on all investments. Rishi Sunak, the UK's third Prime Minister of the year, has steadied the ship since the Truss/Kwarteng Budget riled financial markets, and gilt yields have eased off since the September 2022 highs. The 10-year gilt yield ended March 2023 at 3.5%, down from the 4.5% reached in September 2022. In the final quarter the US experienced a number of bank failures, which then moved to the EU with the collapse of Credit Suisse after it warned of, "material weaknesses in financial reporting controls". Whilst equities shook off this news and posted gains in January - March 2023 financial industry corporate bonds did not and some of the holdings fell back to prices seen in the September/October sell-off.

The Fund continued to add to fixed income in 2022 with credit spreads reaching 2001 and 2020 recessionary levels. In the year we added to 23 bonds at >8% yields (the long-term return on equities) and 15 bonds at >10% yields. Given the attractiveness of bond yields, the weighting in the portfolio to bonds has risen to 51% from 35.6% over the year.

The combination of a fall in NAV and investing the large cash position we entered the year with (given our concern on valuations), has seen the prospective yield rise to a record high 7.3% as at March 2023. The quarterly dividends paid out by the Fund continue to increase too, with the 3rd Jan 2023 dividend +18.6% year-on-year and the 3rd April 2023 dividend +22.3% year-on-year. The rolling 12-month dividend payout is at an all-time high 6.48p and the next quarter's dividend should also receive a decent fillip from last year's investments too. At 3.9 years we remain short duration and the higher starting yield will help offset any future bouts of volatility.

The Fund continues to use its proprietary multi-asset Quantitative Model combined with fundamental research, to focus in on those ideas with the best risk:reward, valuation and long-term prospects.

Investment Report

continued

Fund Performance

Performance for the Diversified Income Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Diversified Income Fund X Accumulation	(6.9%)	8.0%	14.7%	(5.7%)	5.3%
IA Mixed Investments 20-60% Sector	(4.8%)	2.7%	19.8%	(7.2%)	2.9%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Diversified Income Fund currently has five types of unit class in issue; A Income, A Accumulation, X Income, X Accumulation and I Income. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Diversified Income Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Diversified Income Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Diversified Income Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Diversified Income Fund carries the following risks:

Counterparty risk: The Diversified Income Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Diversified Income Fund.

Currency risk: The Diversified Income Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Diversified Income Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Default risk: The Diversified Income Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Diversified Income Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Derivatives risk: The Diversified Income Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

Emerging Markets risk: The Diversified Income Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Liquidity risk: In extreme market conditions, some securities held by the fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

A more comprehensive list of the Diversified Income Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Diversified Income Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Diversified Income Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.31% (31/3/2022 - 0.35%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended A Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	113.70	110.19	100.33
Return before operating charges	(6.28)	10.03	15.91
Operating charges	(1.75)	(1.92)	(1.81)
Return after operating charges	(8.03)	8.11	14.10
Distributions	(5.31)	(4.60)	(4.24)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	100.36	113.70	110.19
After direct transaction costs of**	(0.01)	(0.04)	(0.03)
Performance			
Return after charges	(7.06%)	7.36%	14.05%
Other information			
Closing net asset value £'000	397	395	419
Closing number of units	394,848	347,740	380,656
Operating charges	1.63%	1.67%	1.66%
Direct transaction costs**	0.01%	0.03%	0.03%
Prices*			
Highest unit price	114.90	117.40	112.60
Lowest unit price	98.98	110.70	99.92

For the year ended A Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	167.94	156.38	136.99
Return before operating charges	(9.30)	14.33	21.91
Operating charges	(2.64)	(2.77)	(2.52)
Return after operating charges	(11.94)	11.56	19.39
Distributions	(7.99)	(6.63)	(5.88)
Retained distributions on accumulation units	7.99	6.63	5.88
Closing net asset value per unit*	156.00	167.94	156.38
After direct transaction costs of**	(0.01)	(0.06)	(0.04)
Performance			
Return after charges	(7.11%)	7.39%	14.15%
Other information			
Closing net asset value £'000	10,366	12,926	13,818
Closing number of units	6,645,075	7,696,384	8,836,188
Operating charges	1.63%	1.67%	1.66%
Direct transaction costs**	0.01%	0.03%	0.03%
Prices*			
Highest unit price	169.80	170.20	157.70
Lowest unit price	149.80	157.10	136.40

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended I Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	103.40	99.24	89.47
Return before operating charges	(5.97)	8.80	14.00
Operating charges	(0.40)	(0.47)	(0.43)
Return after operating charges	(6.37)	8.33	13.57
Distributions	(4.85)	(4.17)	(3.80)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	92.18	103.40	99.24
After direct transaction costs of**	(0.01)	(0.03)	(0.03)
Performance			
Return after charges	(6.16%)	8.39%	15.17%
Other information			
Closing net asset value £'000	3,563	1,125	1,061
Closing number of units	3,865,125	1,088,362	1,069,220
Operating charges	0.41%	0.45%	0.44%
Direct transaction costs**	0.01%	0.03%	0.03%
Prices*			
Highest unit price	104.60	106.20	101.20
Lowest unit price	90.50	99.71	89.12

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	138.56	133.64	121.10
Return before operating charges	(7.83)	12.02	19.07
Operating charges	(1.35)	(1.50)	(1.40)
Return after operating charges	(9.18)	10.52	17.67
Distributions	(6.48)	(5.60)	(5.13)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	122.90	138.56	133.64
After direct transaction costs of**	(0.01)	(0.05)	(0.03)
Performance			
Return after charges	(6.63%)	7.87%	14.59%
Other information			
Closing net asset value £'000	95,393	101,590	101,908
Closing number of units	77,616,181	73,316,580	76,253,070
Operating charges	1.03%	1.07%	1.06%
Direct transaction costs**	0.01%	0.03%	0.03%
Prices*			
Highest unit price	140.10	142.70	136.50
Lowest unit price	120.90	134.20	120.60

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	197.12	182.66	159.22
Return before operating charges	(11.18)	16.52	25.29
Operating charges	(1.94)	(2.06)	(1.85)
Return after operating charges	(13.12)	14.46	23.44
Distributions	(9.40)	(7.77)	(6.85)
Retained distributions on accumulation units	9.40	7.77	6.85
Closing net asset value per unit*	184.00	197.12	182.66
After direct transaction costs of**	(0.01)	(0.06)	(0.05)
Performance			
Return after charges	(6.66%)	7.92%	14.72%
Other information			
Closing net asset value £'000	421,069	466,664	447,730
Closing number of units	228,847,041	236,741,653	245,119,021
Operating charges	1.02%	1.06%	1.05%
Direct transaction costs**	0.01%	0.03%	0.03%
Prices*			
Highest unit price	199.40	199.50	184.00
Lowest unit price	176.30	183.50	158.50

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 48.01% (31/3/2022 - 32.63%)			
Sterling Denominated Fixed Rate Corporate Bonds - 36.39% (31/3/2022 - 20.90%)			
£25,470,000	abrdn 5.25% Perpetual	19,994	3.77
£273,250	abrdn Standard Asia Focus 2.25% 31/5/2025	266	0.05
£17,000,000	Aviva 6.875% Perpetual	14,659	2.76
£3,200,000	Barclays 8.875% Perpetual	2,873	0.54
£400,000	Barclays 9.25% Perpetual	359	0.07
£2,550,000	BAT International Finance 5.75% 5/7/2040	2,130	0.40
£1,932,000	Bupa Finance 4% Perpetual	1,234	0.23
£1,870,000	Bupa Finance 4.125% 14/6/2035	1,479	0.28
£5,642,700	Burford Capital 5% 1/12/2026	4,914	0.93
£5,500,000	Co-Operative 7.5% 8/7/2026	5,074	0.96
£500,000	Co-Operative 11% 22/12/2025	523	0.10
£15,065,000	Hiscox 6.125% 24/11/2045	14,543	2.74
£4,470,000	HSBC 8.201% 16/11/2034	4,711	0.89
£2,885,000	Jupiter Fund Management 8.875% 27/7/2030	2,939	0.55
£7,650,000	Just 5% Perpetual	4,984	0.94
£800,000	Just 8.125% 26/10/2029	819	0.15
£5,200,000	Just 9% 26/10/2026	5,514	1.04
£3,200,000	Legal & General 5.625% Perpetual	2,492	0.47
£7,000,000	Lloyds Banking 7.875% Perpetual	6,231	1.17
£2,000,000	Lloyds Banking 8.5% Perpetual	1,851	0.35
£3,333,000	Lloyds Banking 8.5% Perpetual	3,077	0.58
£7,300,000	Nationwide Building Society 5.75% Perpetual	5,844	1.10
£17,900,000	Nationwide Building Society 5.875% Perpetual	16,065	3.03
£10,032,000	NGG Finance 5.625% 18/6/2073	9,715	1.83
£14,680,000	Paragon Banking 4.375% 25/9/2031	12,759	2.40
£826,800	Paragon Banking 6% 28/8/2024	815	0.15
£2,146,000	Pension Insurance 4.625% 7/5/2031	1,794	0.34
£7,241,000	Pension Insurance 7.375% Perpetual	6,300	1.19
£4,583,000	Pension Insurance 8% 23/11/2026	4,717	0.89
£2,963,000	Phoenix 5.625% 28/4/2031	2,674	0.50
£4,700,000	Phoenix 5.75% Perpetual	3,734	0.70
£1,700,000	Phoenix 5.867% 13/6/2029	1,575	0.30
£1,104,000	Phoenix 6.625% 18/12/2025	1,104	0.21

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Fixed Rate Corporate Bonds continued			
£2,200,000	Rothsay Life 5% Perpetual	1,453	0.27
£1,100,000	Rothsay Life 5.5% 17/9/2029	1,073	0.20
£3,500,000	Rothsay Life 6.875% Perpetual	2,957	0.56
£1,700,000	Shawbrook 9% 10/10/2030	1,633	0.31
£1,550,000	Society of Lloyd's 4.875% 7/2/2047	1,440	0.27
£2,135,000	TP ICAP Finance 2.625% 18/11/2028	1,659	0.31
£3,030,000	TP ICAP Finance 5.25% 26/1/2024	2,975	0.56
£1,750,000	TP ICAP Finance 5.25% 29/5/2026	1,648	0.31
£11,650,000	Travis Perkins 3.75% 17/2/2026	10,479	1.97
£100,000	Travis Perkins 4.5% 7/9/2023	99	0.02
		193,178	36.39
Sterling Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 2.58%)			
Euro Denominated Fixed Rate Corporate Bonds - 0.53% (31/3/2022 - 0.28%)			
€3,800,000	International Personal Finance 9.75% 12/11/2025	2,813	0.53
United States Dollar Denominated Fixed Rate Corporate Bonds - 11.09% (31/3/2022 - 8.87%)			
\$3,300,000	Barclays 8% Perpetual	2,279	0.43
\$12,441,000	Beazley Insurance DAC 5.5% 10/9/2029	9,111	1.72
\$1,600,000	Beazley Insurance DAC 5.875% 4/11/2026	1,245	0.23
\$8,480,000	Burford Capital Finance 6.125% 12/8/2025	6,310	1.19
\$3,732,000	Burford Capital Global Finance 6.25% 15/4/2028	2,626	0.49
\$16,180,000	Lancashire 5.625% 18/9/2041	10,678	2.01
\$8,945,000	Marks & Spencer 7.125% 1/12/2037	6,670	1.26
\$5,000,000	Pershing Square Ltd/Fund 3.25% 1/10/2031	3,067	0.58
\$23,834,000	Trafigura Pte 5.875% Perpetual	16,867	3.18
		58,853	11.09
EQUITIES - 24.44% (31/3/2022 - 34.81%)			
UNITED KINGDOM - 11.82% (31/3/2022 - 17.74%)			
6,726,377	Atrato Onsite Energy	5,657	1.07
66,121	British American Tobacco	1,878	0.35
164,300	Bunzl	5,023	0.95
270,930	Diploma	7,608	1.43
175,193	Imperial Brands	3,266	0.62

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
904,601	Mears	1,796	0.34
517,000	Moneysupermarket.com	1,287	0.24
2,498,364	Phoenix	13,651	2.57
10,310,071	Residential Secure Income	6,495	1.22
5,396,919	Schroder European Real Estate Investment Trust	4,339	0.82
936,470	Schroders	4,306	0.81
6,800,423	Tritax EuroBox	4,113	0.78
1,548,779	Urban Logistics REIT	1,982	0.37
1,319,443	Warehouse Reit	1,349	0.25
2,000	Xtrackers FTSE 100 Short Daily Swap UCITS ETF	6	–
		62,756	11.82
AUSTRALIA - 0.48% (31/3/2022 - 0.67%)			
98,859	BHP	2,530	0.48
EUROPE - 4.37% (31/3/2022 - 10.27%)			
Germany - 2.28% (31/3/2022 - 1.62%)			
199,268	Brenntag	12,123	2.28
Guernsey - 0.51% (31/3/2022 - 3.77%)			
3,327,830	Cordiant Digital Infrastructure Ltd/Fund	2,702	0.51
Luxembourg - 0.00% (31/3/2022 - 0.00%)			
3,800	Xtrackers Euro Stoxx 50 Short Daily Swap UCITS ETF	25	–
Switzerland - 1.58% (31/3/2022 - 1.88%)			
36,224	Roche	8,367	1.58
NORTH AMERICA - 7.77% (31/3/2022 - 6.13%)			
Canada - 0.95% (31/3/2022 - 1.07%)			
336,237	Barrick Gold	5,027	0.95
United States - 6.82% (31/3/2022 - 5.06%)			
423,773	Burford Capital	3,197	0.60
67,935	CVS ⁺	1,260	0.24
13,970	Mastercard	4,105	0.78
227,681	Philip Morris International	17,899	3.37
4,280,000	Schroder US Equity Income Maximiser Fund	2,706	0.51

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
38,450	Visa	7,008	1.32
4,000	Xtrackers S&P 500 Inverse Daily Swap UCITS ETF	28	—
		36,203	6.82
ALTERNATIVE - 25.61% (31/3/2022 - 20.52%)			
3,742,375	3i Infrastructure	11,714	2.21
2,060,088	AEW UK REIT	1,897	0.36
1,783,000	Digital 9 Infrastructure Fund	1,089	0.20
3,182,879	Ediston Property Investment	1,954	0.37
17,652,795	GCP Asset Backed Income Fund	12,180	2.29
7,724,102	GCP Infrastructure Investments	6,581	1.24
13,763,643	Greencoat UK Wind	21,540	4.06
2,159,750	Ground Rents Income Fund	808	0.15
4,745,542	HICL Infrastructure	7,308	1.38
10,448,813	ICG-Longbow Senior Secured UK Property Debt Investments	4,180	0.79
6,163,548	International Public Partnerships	8,913	1.68
19,200	Invesco Physical Gold ETC	2,964	0.56
1,948,700	Pollen Street	10,640	2.00
11,912,023	Real Estate Credit Investments Ltd/Fund	15,843	2.98
625,000	Royal Mint Physical Gold ETC	9,922	1.87
19,418,270	Starwood European Real Estate Finance	17,282	3.26
7,442	WisdomTree Physical Gold	1,118	0.21
		135,933	25.61
DERIVATIVES* - 0.24% (31/3/2022 - 0.00%)			
Open Forward Currency Contracts - 0.24% (31/3/2022 - 0.00%)			
£1,533,522	Bought GBP 1,533,522 : Sold EUR 1,726,632	16	—

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Open Forward Currency Contracts continued			
£34,152,168	Bought GBP 34,152,168 : Sold USD 40,699,059	1,243	0.24
US\$3,767,959	Bought USD 3,767,959 : Sold GBP 3,069,603	(23)	—
		1,236	0.24
Portfolio of investments		521,746	98.30
Net other assets		9,042	1.70
Total net assets		530,788	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £20,756.

+Securities are listed on the Alternative Investments Market.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(63,009)		24,092
Revenue	3	31,432		25,759	
Expenses	4	(4,050)		(4,216)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation for the year		27,380		21,543	
Taxation	5	(3,014)		(1,640)	
Net revenue after taxation for the year			24,366		19,903
Total return before distributions			(38,643)		43,995
Distributions	7		(27,606)		(23,276)
Change in net assets attributable to unitholders from investment activities			(66,249)		20,719

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		582,700		564,936
Amounts received on creation of units	73,290		27,199	
Amounts paid on cancellation of units	(81,405)		(49,207)	
		(8,115)		(22,008)
Dilution adjustment		1		5
Change in net assets attributable to unitholders from investment activities		(66,249)		20,719
Retained distribution on accumulation units		22,451		19,048
Closing net assets attributable to unitholders		530,788		582,700

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			521,769		512,586
Current assets					
Debtors	8	7,207		8,382	
Cash and bank balances	9	5,215		63,966	
Total other assets			12,422		72,348
Total assets			534,191		584,934
LIABILITIES					
Investment liabilities			(23)		(41)
Creditors					
Distribution payable		(1,436)		(1,080)	
Other creditors	10	(1,944)		(1,113)	
Total other liabilities			(3,380)		(2,193)
Total liabilities			(3,403)		(2,234)
Net assets attributable to unitholders			530,788		582,700

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Diversified Income Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(59,293)	26,137
Currency losses	(146)	(1,187)
Losses on forward currency contracts	(3,570)	(858)
Net capital (losses)/gains	(63,009)	24,092

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	137	—
Interest from overseas fixed interest securities	5,243	3,926
Interest from UK fixed interest securities	10,446	5,161
Non-taxable overseas dividends	7,458	7,867
Overseas REIT dividends	—	79
UK dividends	3,776	4,332
UK franked dividends from collective investment schemes	1,730	1,903
UK REIT dividends	1,106	868
UK unfranked dividends from collective investment schemes	1,536	1,623
Total revenue	31,432	25,759

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	4,050	4,216
Total expenses	4,050	4,216

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	2,883	1,472
Corporation tax prior year adjustment	—	(63)
Overseas tax	131	231
Total taxation	3,014	1,640

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	27,380	21,543
Corporation tax at 20% (31/3/2022 - 20%)	5,476	4,309

Effects of:

Overseas tax	131	231
Corporation tax prior year adjustment	—	(63)
Revenue not subject to tax	(2,593)	(2,837)
Total taxation (see note 5(a))	3,014	1,640

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Diversified Income Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	2	—
	2	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
1st Interim distribution	5,641	5,370
2nd Interim distribution	7,771	6,473
3rd Interim distribution	6,564	5,344
Final distribution	7,580	6,050
	27,556	23,237

Add: Revenue deducted on cancellation of units	495	215
Less: Revenue received on creation of units	(445)	(176)
Net distribution for the year	27,606	23,276

Reconciliation of distributions:

Net revenue after taxation	24,366	19,903
Capitalised fees	4,050	4,216
Tax relief on capitalised fees	(810)	(843)
Net distribution for the year	27,606	23,276

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	6,150	4,656
Overseas tax recoverable	25	26
Receivable for creation of units	1,032	3,499
Sales awaiting settlement	—	201
Total debtors	7,207	8,382

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2023	As at 31/3/2022
	GBP	GBP
	£'000	£'000
Cash and bank balances	5,215	63,966

10. Other creditors

	As at 31/3/2023	As at 31/3/2022
	GBP	GBP
	£'000	£'000
Accrued expenses	332	352
Amounts payable on cancellation of units	1,497	15
Corporation tax payable	115	46
Purchases awaiting settlement	–	700
Total other creditors	1,944	1,113

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Diversified Income Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	–	5,027	5,027
Euro	–	13,934	13,934
Swiss Franc	–	8,367	8,367
US Dollar	–	58,716	58,716
Total	–	86,044	86,044

The currency profile for the Diversified Income Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	–	6,266	6,266
Euro	–	5,796	5,796
Swiss Franc	–	10,956	10,956
US Dollar	–	42,193	42,193
Total	–	65,211	65,211

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	254,844	266,925	521,769
Investment liabilities	–	–	(23)	(23)

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	15,054	175,043	322,489	512,586
Investment liabilities	–	–	(41)	(41)

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	262,960	–
Level 2: Observable market data	258,809	(23)
Level 3: Unobservable data	–	–
	521,769	(23)
31/3/2022		
Level 1: Quoted prices	318,944	–
Level 2: Observable market data	193,642	(41)
Level 3: Unobservable data	–	–
	512,586	(41)

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	14.22	8.27
Below Investment Grade	14.74	11.14
Not Rated	19.05	13.22
	48.01	32.63

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	4,563	2	0.04	10	0.22
Debt instruments (direct)	116,122	–	–	–	–
Collective investment schemes	15,320	–	–	1	0.01
Total	136,005	2		11	
Total purchases including commission and taxes	136,018				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	21,121	11	0.05	–	–
Debt instruments (direct)	28,278	–	–	–	–
Collective investment schemes	18,058	12	0.07	–	–
Total	67,457	23		–	
Total sales net of commissions and taxes	67,434				
Total transaction costs		25		11	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	47,001	14	0.03	94	0.20
Debt instruments (direct)	55,145	–	–	–	–
Collective investment schemes	22,752	8	0.04	23	0.10
Total	124,898	22		117	
Total purchases including commission and taxes	125,037				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	50,464	26	0.05	–	–
Debt instruments (direct)	42,285	–	–	–	–
Collective investment schemes	46,866	30	0.06	–	–
Total	139,615	56		–	
Total sales net of commissions and taxes	139,559				
Total transaction costs		78		117	
Total transaction costs as a % of average net assets		0.01%		0.02%	

The above analysis covers any direct transaction costs suffered by the Diversified Income Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Diversified Income Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Diversified Income Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

For the Diversified Income Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Diversified Income Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.99% (31/3/2022 - 0.88%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Diversified Income Fund at the year end in respect of fees paid to the Manager was £331,749 (31/3/2022 - £351,837).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Diversified Income Fund	63.48	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023	A Income units	A Accumulation units	I Income units	X Income units	X Accumulation units
Opening units	347,740	7,696,384	1,088,362	73,316,580	236,741,653
Units created	125,209	548,034	2,839,439	15,136,957	26,287,091
Units cancelled	(28,857)	(1,599,343)	(99,212)	(11,242,566)	(33,915,285)
Units converted	(49,244)	—	36,536	405,210	(266,418)
Closing units	394,848	6,645,075	3,865,125	77,616,181	228,847,041

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2023

Group 2: units purchased between 1 January 2023 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2023	Distribution Paid per Unit on 31/5/2022
A Income				
Group 1	1.4510	–	1.4510	1.1910
Group 2	0.3688	1.0822	1.4510	1.1910
A Accumulation				
Group 1	2.2228	–	2.2228	1.7408
Group 2	0.6767	1.5461	2.2228	1.7408
I Income				
Group 1	1.3314	–	1.3314	1.0822
Group 2	0.7879	0.5435	1.3314	1.0822
X Income				
Group 1	1.7760	–	1.7760	1.4516
Group 2	0.9961	0.7799	1.7760	1.4516
X Accumulation				
Group 1	2.6204	–	2.6204	2.0426
Group 2	1.3468	1.2736	2.6204	2.0426

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 December 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2023	Distribution Paid per Unit on 28/2/2022
A Income				
Group 1	1.2560	–	1.2560	1.0630
Group 2	0.1831	1.0729	1.2560	1.0630
A Accumulation				
Group 1	1.9011	–	1.9011	1.5415
Group 2	1.0216	0.8795	1.9011	1.5415
I Income				
Group 1	1.1495	–	1.1495	0.9645
Group 2	0.6936	0.4559	1.1495	0.9645
X Income				
Group 1	1.5355	–	1.5355	1.2948
Group 2	0.7640	0.7715	1.5355	1.2948
X Accumulation				
Group 1	2.2383	–	2.2383	1.8066
Group 2	1.4303	0.8080	2.2383	1.8066

Distribution tables

continued

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2022

Group 2: units purchased between 1 July 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
A Income				
Group 1	1.5032	–	1.5032	1.2878
Group 2	0.4560	1.0472	1.5032	1.2878
A Accumulation				
Group 1	2.2425	–	2.2425	1.8444
Group 2	0.4343	1.8082	2.2425	1.8444
I Income				
Group 1	1.3721	–	1.3721	1.1641
Group 2	0.9890	0.3831	1.3721	1.1641
X Income				
Group 1	1.8353	–	1.8353	1.5647
Group 2	0.9401	0.8952	1.8353	1.5647
X Accumulation				
Group 1	2.6369	–	2.6369	2.1583
Group 2	1.2914	1.3455	2.6369	2.1583

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 June 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2022	Distribution Paid per Unit on 31/8/2021
A Income				
Group 1	1.0970	–	1.0970	1.0625
Group 2	0.4608	0.6362	1.0970	1.0625
A Accumulation				
Group 1	1.6201	–	1.6201	1.5064
Group 2	0.8269	0.7932	1.6201	1.5064
I Income				
Group 1	0.9990	–	0.9990	0.9578
Group 2	0.5186	0.4804	0.9990	0.9578
X Income				
Group 1	1.3378	–	1.3378	1.2893
Group 2	0.6575	0.6803	1.3378	1.2893
X Accumulation				
Group 1	1.9028	–	1.9028	1.7604
Group 2	1.0087	0.8941	1.9028	1.7604

Distribution tables

continued

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Conservative Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Conservative Portfolio Fund ("the Conservative Fund") is to deliver some capital growth with some income over the medium term (i.e. more than 5 years).

The Conservative Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities, achieving this exposure primarily through direct investment.

The Conservative Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile.

The Conservative Fund may invest in equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets but the Conservative Fund will not purchase unlisted investments.

The fixed interest component of the Conservative Fund may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated. Investment grade bonds for the purposes of the Conservative Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Conservative Fund may also invest 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, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Conservative Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Conservative Fund in cash.

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

The Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Conservative Fund use of derivatives will be limited.

Investment Report

Market commentary

Fund performance

Both equity and bond markets delivered negative returns over the period. Broadly, weakness in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle continuing to signal an economic slowdown. Initial market volatility in spring/summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings as economic growth continued to slow. In step with 2022, market strength didn't last long as lingering inflation and evidence the US is not yet in recession reignited concern that interest rates may have further to rise. Weaker economic data in March reiterated our conviction that a recession is incoming, with only the timing, magnitude and duration to be debated. The currency overlay detracted materially in 2022. In order to remove the added volatility associated with the hedging strategy with effect from 29th September 2022 the strategy was modified from hedging 50% of the exposure from all assets denominated in non-sterling currencies back into sterling, to hedging up to 100% of non-sterling fixed income assets only.

In line with our market view, the Fund's positioning remained cautious as we continued our strategy to sell equities on any rallies in anticipation of market declines. We divested cyclical outperformers such as Hoya, Accenture, Moody's, Partners Group and Ashtead Group and added to defensive business models which had derated to attractive valuations such as RELX, Wolters Kluwer and Cooper Companies. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: LVMH, Nestle, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Bayer, Becton Dickinson and Singapore Exchange. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns and the business model's economically resilient, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which doesn't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclical, and increased our allocation to alternatives and fixed income.

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Investment Report

continued

Fund Performance

Performance for the Conservative Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Conservative Fund X Accumulation	(6.2%)	0.4%	15.8%	(3.5%)	4.3%
IA Mixed Investments 20-60% sector	(4.8%)	2.7%	19.9%	(7.2%)	2.9%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Conservative Fund currently has four types of unit class in issue; A Income, A Accumulation, X Income, and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
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lower risks/
rewards

higher risks/
rewards

The Conservative Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Conservative Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Conservative Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Conservative Fund carries the following risks:

Counterparty risk: The Conservative Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Conservative Fund.

Currency risk: The Conservative Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Conservative Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Derivatives risk: The Conservative Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

Focus risk: The Conservative Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Investment risk: The Conservative Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Conservative Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Conservative Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Conservative Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.05% (31/3/2022 - 0.02%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended A Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	148.45	150.17	130.97
Return before operating charges	(6.39)	1.27	21.88
Operating charges	(2.28)	(2.46)	(2.33)
Return after operating charges	(8.67)	(1.19)	19.55
Distributions	(0.23)	(0.53)	(0.35)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	139.55	148.45	150.17
After direct transaction costs of**	(0.03)	(0.07)	(0.02)
Performance			
Return after charges	(5.84%)	(0.79%)	14.93%
Other information			
Closing net asset value £'000	318	382	407
Closing number of units	227,874	257,413	271,133
Operating charges	1.62%	1.59%	1.61%
Direct transaction costs**	0.02%	0.04%	0.02%
Prices*			
Highest unit price	149.20	160.10	152.80
Lowest unit price	134.10	143.20	128.70

For the year ended A Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	164.02	165.35	143.87
Return before operating charges	(7.06)	1.38	24.04
Operating charges	(2.52)	(2.71)	(2.56)
Return after operating charges	(9.58)	(1.33)	21.48
Distributions	(0.25)	(0.58)	(0.38)
Retained distributions on accumulation units	0.25	0.58	0.38
Closing net asset value per unit*	154.44	164.02	165.35
After direct transaction costs of**	(0.03)	(0.07)	(0.03)
Performance			
Return after charges	(5.84%)	(0.80%)	14.93%
Other information			
Closing net asset value £'000	11,886	14,143	15,733
Closing number of units	7,696,269	8,622,582	9,514,646
Operating charges	1.62%	1.59%	1.61%
Direct transaction costs**	0.02%	0.04%	0.02%
Prices*			
Highest unit price	164.90	176.50	168.20
Lowest unit price	148.20	158.30	141.40

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	166.87	168.23	146.64
Return before operating charges	(7.22)	1.40	24.52
Operating charges	(1.47)	(1.56)	(1.49)
Return after operating charges	(8.69)	(0.16)	23.03
Distributions	(1.35)	(1.20)	(1.44)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	156.83	166.87	168.23
After direct transaction costs of**	(0.03)	(0.07)	(0.03)
Performance			
Return after charges	(5.21%)	(0.10%)	15.45%
Other information			
Closing net asset value £'000	17,958	22,703	25,358
Closing number of units	11,450,630	13,605,343	15,073,715
Operating charges	0.93%	0.90%	0.92%
Direct transaction costs**	0.02%	0.04%	0.02%
Prices*			
Highest unit price	167.70	179.90	171.50
Lowest unit price	150.70	160.90	144.10

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	189.63	189.80	163.95
Return before operating charges	(8.17)	1.54	27.47
Operating charges	(1.62)	(1.71)	(1.62)
Return after operating charges	(9.79)	(0.17)	25.85
Distributions	(1.60)	(1.40)	(1.67)
Retained distributions on accumulation units	1.60	1.40	1.67
Closing net asset value per unit*	179.84	189.63	189.80
After direct transaction costs of**	(0.04)	(0.08)	(0.03)
Performance			
Return after charges	(5.16%)	(0.09%)	15.77%
Other information			
Closing net asset value £'000	773,734	882,692	865,108
Closing number of units	430,227,185	465,477,654	455,812,029
Operating charges	0.90%	0.87%	0.89%
Direct transaction costs**	0.02%	0.04%	0.02%
Prices*			
Highest unit price	190.60	203.70	192.90
Lowest unit price	172.00	182.90	161.20

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 44.55% (31/3/2022 - 35.67%)			
Sterling Denominated Fixed Rate Corporate Bonds - 11.34% (31/3/2022 - 14.38%)			
£2,900,000	A2D Funding II 4.5% 30/9/2026	2,842	0.35
£7,000,000	Admiral 5.5% 25/7/2024	6,912	0.86
£11,830,000	Bupa Finance 5% 25/4/2023	11,819	1.47
£1,100,000	Co-Operative 7.5% 8/7/2026	1,015	0.13
£10,900,000	Coventry Building Society 1% 21/9/2025	9,842	1.22
£10,100,000	EDP Finance 8.625% 4/1/2024	10,356	1.29
£7,000,000	Hiscox 6.125% 24/11/2045	6,758	0.84
£4,900,000	Just 3.5% 7/2/2025	4,515	0.56
£7,000,000	Legal & General 5.375% 27/10/2045	6,825	0.85
£7,000,000	Pension Insurance 6.5% 3/7/2024	6,930	0.86
£8,000,000	Rothsay Life 3.375% 12/7/2026	7,305	0.91
£7,000,000	Scottish Widows 5.5% 16/6/2023	6,983	0.87
£9,200,000	Travis Perkins 4.5% 7/9/2023	9,075	1.13
		91,177	11.34
Sterling Denominated Fixed Rate Government Bonds - 0.00% (31/3/2022 - 19.83%)			
Sterling Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 1.46%)			
Euro Denominated Fixed Rate Corporate Bonds - 1.39% (31/3/2022 - 0.00%)			
€3,404,000	America Movil 1.5% 10/3/2024	2,924	0.37
€1,500,000	American Tower 1.375% 4/4/2025	1,256	0.16
€100,000	Engie 1.625% Perpetual	81	0.01
€100,000	Engie 3.25% Perpetual	85	0.01
€1,200,000	Iberdrola International 1.875% Perpetual	1,045	0.13
€100,000	Iberdrola International 2.625% Perpetual	86	0.01
€500,000	Iberdrola International 3.25% Perpetual	421	0.05
€6,700,000	Pershing Square 1.375% 1/10/2027	4,928	0.61
€400,000	Veolia Environnement 2.875% Perpetual	342	0.04
		11,168	1.39
United States Dollar Denominated Fixed Rate Corporate Bonds - 0.88% (31/3/2022 - 0.00%)			
\$553,000	American Tower 0.6% 15/1/2024	431	0.05
\$2,200,000	American Tower 3.375% 15/5/2024	1,741	0.22
\$750,000	American Tower 5% 15/2/2024	604	0.07

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States Dollar Denominated Fixed Rate Corporate Bonds continued			
\$553,000	Crown Castle 3.15% 15/7/2023	444	0.06
\$4,900,000	Crown Castle 3.2% 1/9/2024	3,848	0.48
		7,068	0.88
United States Dollar Denominated Fixed Rate Government Bonds - 30.94% (31/3/2022 - 0.00%)			
\$82,600,000	United States Treasury Note 0.375% 30/9/2027	57,775	7.19
\$56,700,000	United States Treasury Note 1.25% 15/5/2050	26,712	3.32
\$19,200,000	United States Treasury Note 1.375% 15/8/2050	9,284	1.16
\$41,200,000	United States Treasury Note 1.625% 15/5/2031	28,979	3.60
\$47,000,000	United States Treasury Note 1.875% 15/2/2032	33,335	4.15
\$43,500,000	United States Treasury Note 2.25% 15/8/2046	26,467	3.29
\$51,600,000	United States Treasury Note 2.875% 15/5/2032	39,678	4.94
\$38,400,000	United States Treasury Note 2.875% 15/5/2052	26,450	3.29
		248,680	30.94
EQUITIES - 39.17% (31/3/2022 - 45.84%)			
UNITED KINGDOM - 5.41% (31/3/2022 - 6.97%)			
950,500	3i	16,011	1.99
40,300	Ferguson	4,292	0.54
387,300	Prudential	4,268	0.53
8,400	Prudential ADR	186	0.02
716,500	RELX	18,752	2.33
		43,509	5.41
EUROPE - 9.01% (31/3/2022 - 9.06%)			
France - 3.21% (31/3/2022 - 1.23%)			
19,900	LVMH Moet Hennessy Louis Vuitton	14,753	1.84
30,600	Pernod Ricard	5,611	0.70
40,300	Schneider Electric	5,426	0.67
		25,790	3.21
Germany - 0.77% (31/3/2022 - 0.00%)			
120,400	Bayer	6,210	0.77
Ireland - 0.14% (31/3/2022 - 3.13%)			
110,000	Neuberger Berman Event Driven I5 GBP HGD	1,107	0.14

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
90,000	Italy - 0.62% (31/3/2022 - 0.42%) Moncler	5,023	0.62
49,000	Luxembourg - 0.62% (31/3/2022 - 1.53%) LandseerAM European Equity Focus Long/Short Fund	4,995	0.62
83,500	Netherlands - 1.06% (31/3/2022 - 0.79%) Wolters Kluwer	8,536	1.06
118,000	Switzerland - 2.59% (31/3/2022 - 1.96%) Alcon	6,751	0.84
142,200	Nestle	14,029	1.75
		20,780	2.59
622,700	ASIA PACIFIC (EX JAPAN) - 2.89% (31/3/2022 - 1.56%) AIA	5,299	0.66
161,473	HDFC Bank ADR	8,703	1.08
278,000	Singapore Exchange	1,585	0.20
101,900	Taiwan Semiconductor Manufacturing	7,665	0.95
		23,252	2.89
515,100	JAPAN - 1.43% (31/3/2022 - 2.80%) Olympus	7,254	0.90
43,500	Tokyo Electron	4,239	0.53
		11,493	1.43
	NORTH AMERICA - 20.43% (31/3/2022 - 25.45%)		
242,600	Canada - 2.75% (31/3/2022 - 2.28%) Canadian Natural Resources	10,833	1.35
419,600	Cenovus Energy	5,892	0.73
215,700	Suncor Energy	5,409	0.67
		22,134	2.75
300,000	United States - 17.68% (31/3/2022 - 23.17%) Ally	6,182	0.77
296,000	Alphabet 'A'	24,816	3.09
92,300	Applied Materials	9,169	1.14
42,300	Arthur J Gallagher	6,540	0.81
630,100	Avantor	10,763	1.34

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
48,100	Becton Dickinson	9,625	1.20
91,100	Booz Allen Hamilton	6,828	0.85
142,700	Brown & Brown	6,625	0.82
19,900	Cooper	6,007	0.75
3,500	Costco Wholesale	1,406	0.17
51,500	Marsh & McLennan	6,933	0.86
8,200	Microsoft	1,911	0.24
13,800	O'Reilly Automotive	9,475	1.18
31,200	UnitedHealth	11,920	1.48
377,100	Valvoline	10,656	1.33
72,600	Visa	13,233	1.65
		142,089	17.68
FIXED INTEREST - 8.44% (31/3/2022 - 0.00%)			
Non Equity Investment Instruments - 8.44% (31/3/2022 - 0.00%)			
75,400	Brevan Howard Absolute Return Government Bond Fund	8,977	1.12
12,638,859	HSBC Sterling Liquidity Fund	12,639	1.57
136,200	iShares USD Treasury Bond 0-1yr UCITS ETF	11,489	1.43
136,200	JPMorgan BetaBuilders US Treasury Bond 0-1yr UCITS ETF	11,440	1.42
22,300,000	Royal London Short Term Money Market Fund	23,292	2.90
		67,837	8.44
ALTERNATIVE - 3.89% (31/3/2022 - 0.00%)			
87,200	Invesco Physical Gold ETC	13,477	1.68
431,400	iShares Physical Gold ETC	13,442	1.67
47,500	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	4,389	0.54
		31,308	3.89
DERIVATIVES* - 1.17% (31/3/2022 - 0.04%)			
Open Forward Currency Contracts - 1.17% (31/3/2022 - 0.04%)			
£11,381,913	Bought GBP 11,381,913 : Sold EUR 12,807,974	124	0.01
£247,486,859	Bought GBP 247,486,859 : Sold USD 295,053,257	8,907	1.11

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Open Forward Currency Contracts continued			
£7,886,591	Bought GBP 7,886,591 : Sold USD 9,597,518	126	0.02
£11,822,127	Bought GBP 11,822,127 : Sold USD 14,330,003	235	0.03
		9,392	1.17
Portfolio of investments		781,548	97.22
Net other assets		22,348	2.78
Total net assets		803,896	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £67,436.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital losses	2		(55,522)		(8,339)
Revenue	3	15,251		15,420	
Expenses	4	(7,306)		(8,203)	
Interest payable and similar charges	6	(2)		(1)	
Net revenue before taxation for the year		7,943		7,216	
Taxation	5	(156)		(584)	
Net revenue after taxation for the year			7,787		6,632
Total return before distributions			(47,735)		(1,707)
Distributions	7		(7,371)		(6,689)
Change in net assets attributable to unitholders from investment activities			(55,106)		(8,396)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		919,920		906,606
Amounts received on creation of units	45,169		51,938	
Amounts paid on cancellation of units	(113,146)		(36,801)	
		(67,977)		15,137
Dilution adjustment		21		1
Change in net assets attributable to unitholders from investment activities		(55,106)		(8,396)
Retained distribution on accumulation units		7,038		6,572
Closing net assets attributable to unitholders		803,896		919,920

Financial statements

continued

Balance sheet

as at 31 March 2023

		GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
	Notes				
ASSETS					
Fixed assets					
Investments			781,548		750,616
Current assets					
Debtors	8	5,093		6,163	
Cash and bank balances	9	21,795		165,136	
Total other assets			26,888		171,299
Total assets			808,436		921,915
LIABILITIES					
Investment liabilities			–		(398)
Creditors					
Distribution payable		(93)		–	
Other creditors	10	(4,447)		(1,597)	
Total other liabilities			(4,540)		(1,597)
Total liabilities			(4,540)		(1,995)
Net assets attributable to unitholders			803,896		919,920

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Conservative Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital losses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital losses on investments during the year comprise:		
Currency gains/(losses)	6,855	(4,104)
Losses on forward currency contracts	(26,851)	(2,192)
Losses on non-derivative securities	(35,526)	(2,043)
Net capital losses	(55,522)	(8,339)

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	695	—
Interest from overseas fixed interest securities	3,847	1,667
Interest from UK fixed interest securities	4,688	3,804
Money market deposit	110	—
Non-taxable overseas dividends	4,464	4,509
UK dividends	1,447	4,907
UK franked dividends from collective investment schemes	—	426
UK unfranked dividends from collective investment schemes	—	107
Total revenue	15,251	15,420

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	7,306	8,203
Total expenses	7,306	8,203

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Deferred tax credit	(415)	—
Overseas tax	571	584
Total taxation	156	584

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	7,943	7,216
Corporation tax at 20% (31/3/2022 - 20%)	1,589	1,443

Effects of:

Capitalised income subject to tax	12	—
Movement in unrecognised tax losses	(838)	522
Overseas tax	571	584
Prior year adjustment to unrecognised tax losses	4	3
Revenue not subject to tax	(1,182)	(1,968)
Total taxation (see note 5(a))	156	584

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Conservative Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £434,745 (31/3/2022 - £857,101) due to tax losses of £2,173,724 (31/3/2022 - £4,285,506). There is evidence that taxable profits may arise in the future, therefore the Fund has recognised £415,444 (31/3/2022: £nil) of the potential deferred tax asset. Consequently the Fund has an unrecognised deferred tax asset carried forward of £19,301 (31/3/2022: £857,101).

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Deferred tax at the start of the year	—	—
Deferred tax credit	(415)	—
Deferred tax at the end of the year	(415)	—

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	2	1
	2	1

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	3,015	6,645
Final distribution	4,186	89
	7,201	6,734

Add: Revenue deducted on cancellation of units	263	60
Less: Revenue received on creation of units	(93)	(105)
Net distribution for the year	7,371	6,689

Reconciliation of distributions:

Net revenue after taxation	7,787	6,632
Add: Deferred tax	(416)	–
Shortfall of income taken to capital	–	57
Net distribution for the year	7,371	6,689

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	3,886	3,765
Deferred tax asset recoverable	415	–
Income tax recoverable	21	59
Overseas tax recoverable	99	460
Receivable for creation of units	672	1,879
Total debtors	5,093	6,163

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	21,795	165,136

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	590	665
Amounts payable on cancellation of units	3,255	226
Purchases awaiting settlement	602	706
Total other creditors	4,447	1,597

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Conservative Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	23	22,245	22,268
Euro	—	51,756	51,756
Hong Kong Dollar	—	5,299	5,299
Japanese Yen	—	11,596	11,596
Norwegian Krone	—	71	71
Singapore Dollar	—	1,585	1,585
Swiss Franc	—	18,732	18,732
US Dollar	156	209,870	210,026
Total	179	321,154	321,333

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

a) Foreign currency risk continued

The currency profile for the Conservative Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	–	10,534	10,534
Euro	–	14,665	14,665
Hong Kong Dollar	–	11,008	11,008
Japanese Yen	–	12,872	12,872
Norwegian Krone	–	415	415
Swiss Franc	–	9,208	9,208
US Dollar	–	126,343	126,343
Total	–	185,045	185,045

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	358,093	423,455	781,548
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	13,433	314,733	422,450	750,616
Investment liabilities	–	–	(398)	(398)

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	358,664	–
Level 2: Observable market data	422,884	–
Level 3: Unobservable data	–	–
	781,548	–

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

c) Valuation of financial investments continued

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	407,611	–
Level 2: Observable market data	343,005	(398)
Level 3: Unobservable data	–	–
	750,616	(398)

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	39.75	30.15
Below Investment Grade	0.13	1.90
Not Rated	4.67	3.62
	44.55	35.67

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	137,572	23	0.02	77	0.06
Debt instruments (direct)	427,488	–	–	–	–
Collective investment schemes	142,027	10	0.01	–	–
Total	707,087	33		77	
Total purchases including commission and taxes	707,197				
Sales					
Equity instruments (direct)	225,215	39	0.02	17	0.01
Debt instruments (direct)	371,028	–	–	–	–
Collective investment schemes	64,182	–	–	–	–
Total	660,425	39		17	
Total sales net of commissions and taxes	660,369				
Total transaction costs		72		94	
Total transaction costs as a % of average net assets		0.01%		0.01%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	350,203	81	0.02	234	0.07
Debt instruments (direct)	119,574	–	–	–	–
Collective investment schemes	22,556	2	0.01	–	–
Total	492,333	83		234	
Total purchases including commission and taxes	492,650				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	359,646	74	0.02	1	–
Debt instruments (direct)	103,404	–	–	–	–
Collective investment schemes	78,112	8	0.01	–	–
Total	541,162	82		1	
Total sales net of commissions and taxes	541,079				
Total transaction costs		165		235	
Total transaction costs as a % of average net assets		0.02%		0.02%	

The above analysis covers any direct transaction costs suffered by the Conservative Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Conservative Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Conservative Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

For the Conservative Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Conservative Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.11% (31/3/2022 - 0.12%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Conservative Fund at the year end in respect of fees paid to the Manager was £589,923 (31/3/2022 - £665,361).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Conservative Fund	83.80	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2023

	A Income units	A Accumulation units	X Income units	X Accumulation units
Opening units	257,413	8,622,582	13,605,343	465,477,654
Units created	12,588	328,696	275,131	24,520,807
Units cancelled	(42,127)	(1,251,378)	(2,001,773)	(60,149,546)
Units converted	–	(3,631)	(428,071)	378,270
Closing units	227,874	7,696,269	11,450,630	430,227,185

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
A Income				
Group 1	0.2297	–	0.2297	0.0000
Group 2	0.1172	0.1125	0.2297	0.0000
A Accumulation				
Group 1	0.2539	–	0.2539	0.0000
Group 2	0.0829	0.1710	0.2539	0.0000
X Income				
Group 1	0.8065	–	0.8065	0.0000
Group 2	0.6768	0.1297	0.8065	0.0000
X Accumulation				
Group 1	0.9469	–	0.9469	0.0194
Group 2	0.5615	0.3854	0.9469	0.0194

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
A Income				
Group 1	0.0000	–	0.0000	0.5299
Group 2	0.0000	0.0000	0.0000	0.5299
A Accumulation				
Group 1	0.0000	–	0.0000	0.5834
Group 2	0.0000	0.0000	0.0000	0.5834
X Income				
Group 1	0.5479	–	0.5479	1.1997
Group 2	0.3078	0.2401	0.5479	1.1997
X Accumulation				
Group 1	0.6504	–	0.6504	1.3848
Group 2	0.3352	0.3152	0.6504	1.3848

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Balanced Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Balanced Portfolio Fund ("the Balanced Fund") is to generate capital growth with some income over the medium term (i.e. more than 5 years).

The Balanced Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities, achieving this exposure primarily through direct investment.

The Balanced Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a balanced risk and volatility level and in response to changing market conditions. However, the Balanced Fund operates a balanced strategy, meaning that the allocation to equities will remain within a 40%-85% range, consistent with its risk/return profile.

The Balanced Fund may invest in equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets but the Balanced Fund will not purchase unlisted investments.

The fixed interest component of the Balanced Fund may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated. Investment grade bonds for the purposes of the Balanced Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Balanced Fund may also invest 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, money market instruments and deposits, cash and near cash. There may be occasions where the Manager Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Balanced Fund in cash.

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

The 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. It is expected that the Balanced Fund use of derivatives will be limited.

Investment Report

Market commentary

Both equity and bond markets delivered negative returns over the period. Broadly, weakness in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle continuing to signal an economic slowdown. Initial market volatility in spring/summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings as economic growth continued to slow. In step with 2022, market strength didn't last long as lingering inflation and evidence the US is not yet in recession reignited concern that interest rates may have further to rise. Weaker economic data in March reiterated our conviction that a recession is incoming, with only the timing, magnitude and duration to be debated. The currency overlay detracted materially in 2022. In order to remove the added volatility associated with the hedging strategy with effect from 29th September 2022 the strategy was modified from hedging 50% of the exposure from all assets denominated in non-sterling currencies back into sterling, to hedging up to 100% of non-Sterling fixed income assets only.

In line with our market view, the Fund's positioning remained cautious as we continued our strategy to sell equities on any rallies in anticipation of market declines. We divested cyclical outperformers such as Hoya, Accenture, Moody's, Partners Group and Ashtead Group and added to defensive business models which had derated to attractive valuations such as RELX, Wolters Kluwer and Cooper Companies. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: LVMH, Nestle, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Bayer, Becton Dickinson and Singapore Exchange. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns and the business model's economically resilient, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which doesn't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to alternatives and fixed income.

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Investment Report

continued

Fund Performance

Performance for the Balanced Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Balanced Fund X Accumulation	(7.6%)	2.2%	21.5%	(5.5%)	6.6%
IA Mixed Investments 40-85% Sector	(4.5%)	5.2%	26.4%	(8.0%)	4.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Balanced Fund currently has three types of unit class in issue; A Accumulation, I Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Balanced Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Balanced Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Balanced Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Balanced Fund carries the following risks:

Counterparty risk: The Balanced Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Balanced Fund.

Currency risk: The Balanced Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Balanced Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Derivatives risk: The Balanced Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

Focus risk: The Balanced Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Investment risk: The Balanced Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Balanced Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Balanced Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.03% (31/3/2022 - 0.01%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended A Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	196.56	195.11	161.80
Return before operating charges	(10.78)	4.69	36.32
Operating charges	(2.95)	(3.24)	(3.01)
Return after operating charges	(13.73)	1.45	33.31
Distributions	(0.05)	(0.99)	(0.58)
Retained distributions on accumulation units	0.05	0.99	0.58
Closing net asset value per unit*	182.83	196.56	195.11
After direct transaction costs of**	(0.05)	(0.11)	(0.04)
Performance			
Return after charges	(6.99%)	0.74%	20.59%
Other information			
Closing net asset value £'000	17,900	21,763	23,455
Closing number of units	9,790,404	11,072,003	12,021,130
Operating charges	1.60%	1.58%	1.63%
Direct transaction costs**	0.03%	0.06%	0.02%
Prices*			
Highest unit price	198.10	216.20	199.00
Lowest unit price	174.10	186.70	157.80

For the year ended I Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	192.72	188.58	154.21
Return before operating charges	(10.79)	4.34	34.64
Operating charges	(0.22)	(0.20)	(0.27)
Return after operating charges	(11.01)	4.14	34.37
Distributions	(2.51)	(3.03)	(2.94)
Retained distributions on accumulation units	2.51	3.03	2.94
Closing net asset value per unit*	181.71	192.72	188.58
After direct transaction costs of**	(0.05)	(0.11)	(0.04)
Performance			
Return after charges	(5.71%)	2.20%	22.29%
Other information			
Closing net asset value £'000	576	287	351
Closing number of units	316,797	149,166	186,026
Operating charges	0.12%	0.10%	0.15%
Direct transaction costs**	0.03%	0.06%	0.02%
Prices*			
Highest unit price	194.20	211.20	192.10
Lowest unit price	171.90	182.90	150.40

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	226.61	223.28	183.80
Return before operating charges	(12.42)	5.31	41.36
Operating charges	(1.84)	(1.98)	(1.88)
Return after operating charges	(14.26)	3.33	39.48
Distributions	(1.62)	(2.01)	(2.08)
Retained distributions on accumulation units	1.62	2.01	2.08
Closing net asset value per unit*	212.35	226.61	223.28
After direct transaction costs of**	(0.06)	(0.13)	(0.04)
Performance			
Return after charges	(6.29%)	1.49%	21.48%
Other information			
Closing net asset value £'000	1,218,693	1,373,857	1,381,477
Closing number of units	573,904,763	606,259,189	618,715,141
Operating charges	0.86%	0.84%	0.89%
Direct transaction costs**	0.03%	0.06%	0.02%
Prices*			
Highest unit price	228.40	248.80	227.60
Lowest unit price	201.40	215.20	179.20

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 29.33% (31/3/2022 - 21.13%)			
Sterling Denominated Fixed Rate Corporate Bonds - 6.61% (31/3/2022 - 7.35%)			
£6,700,000	A2Dominion Housing 3.5% 15/11/2028	6,137	0.50
£7,000,000	Admiral 5.5% 25/7/2024	6,912	0.56
£17,700,000	Bupa Finance 5% 25/4/2023	17,684	1.43
£7,000,000	Bupa Finance 5% 8/12/2026	6,718	0.54
£1,090,000	Co-Operative 7.5% 8/7/2026	1,005	0.08
£7,000,000	Just 3.5% 7/2/2025	6,450	0.52
£7,000,000	Pension Insurance 8% 23/11/2026	7,204	0.58
£7,000,000	Phoenix 6.625% 18/12/2025	6,999	0.57
£7,000,000	Rothsay Life 3.375% 12/7/2026	6,392	0.52
£16,500,000	Travis Perkins 4.5% 7/9/2023	16,276	1.31
		81,777	6.61
Sterling Denominated Fixed Rate Government Bonds - 0.00% (31/3/2022 - 12.76%)			
Sterling Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 1.02%)			
Euro Denominated Fixed Rate Corporate Bonds - 1.12% (31/3/2022 - 0.00%)			
€4,895,000	America Movil 1.5% 10/3/2024	4,205	0.34
€2,200,000	American Tower 1.375% 4/4/2025	1,842	0.15
€100,000	Engie 1.625% Perpetual	81	—
€100,000	Engie 3.25% Perpetual	85	0.01
€1,800,000	Iberdrola International 1.875% Perpetual	1,568	0.13
€100,000	Iberdrola International 2.625% Perpetual	86	0.01
€700,000	Iberdrola International 3.25% Perpetual	590	0.05
€6,700,000	Pershing Square 1.375% 1/10/2027	4,927	0.40
€500,000	Veolia Environnement 2.875% Perpetual	428	0.03
		13,812	1.12
United States Dollar Denominated Fixed Rate Corporate Bonds - 0.82% (31/3/2022 - 0.00%)			
\$755,000	American Tower 0.6% 15/1/2024	588	0.05
\$3,140,000	American Tower 3.375% 15/5/2024	2,485	0.20
\$1,100,000	American Tower 5% 15/2/2024	885	0.07
\$755,000	Crown Castle 3.15% 15/7/2023	607	0.05
\$7,100,000	Crown Castle 3.2% 1/9/2024	5,576	0.45
		10,141	0.82

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States Dollar Denominated Fixed Rate Government Bonds - 20.78% (31/3/2022 - 0.00%)			
\$86,600,000	United States Treasury Note 0.375% 30/9/2027	60,573	4.89
\$54,900,000	United States Treasury Note 1.25% 15/5/2050	25,864	2.09
\$17,300,000	United States Treasury Note 1.375% 15/8/2050	8,365	0.68
\$38,300,000	United States Treasury Note 1.625% 15/5/2031	26,939	2.18
\$46,700,000	United States Treasury Note 1.875% 15/2/2032	33,122	2.68
\$50,900,000	United States Treasury Note 2.25% 15/8/2046	30,970	2.50
\$62,000,000	United States Treasury Note 2.875% 15/5/2032	47,675	3.85
\$34,300,000	United States Treasury Note 2.875% 15/5/2052	23,626	1.91
		257,134	20.78
EQUITIES - 58.92% (31/3/2022 - 64.24%)			
UNITED KINGDOM - 8.42% (31/3/2022 - 9.97%)			
2,240,400	3i	37,739	3.05
96,900	Ferguson	10,320	0.83
931,100	Prudential	10,261	0.83
20,300	Prudential ADR	449	0.03
1,737,400	RELX	45,471	3.68
		104,240	8.42
EUROPE - 12.89% (31/3/2022 - 12.59%)			
France - 4.77% (31/3/2022 - 1.77%)			
43,400	LVMH Moet Hennessy Louis Vuitton	32,174	2.60
74,700	Pernod Ricard	13,698	1.11
97,700	Schneider Electric	13,155	1.06
		59,027	4.77
Germany - 1.22% (31/3/2022 - 0.00%)			
292,500	Bayer	15,086	1.22
Ireland - 0.06% (31/3/2022 - 5.51%)			
80,000	Neuberger Berman Event Driven I5 GBP HGD	805	0.06
Italy - 0.86% (31/3/2022 - 0.58%)			
190,000	Moncler	10,604	0.86
Luxembourg - 0.40% (31/3/2022 - 0.96%)			
48,000	LandseerAM European Equity Focus Long/Short Fund	4,893	0.40

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
181,800	Netherlands - 1.50% (31/3/2022 - 1.13%) Wolters Kluwer	18,586	1.50
286,600	Switzerland - 4.08% (31/3/2022 - 2.64%) Alcon	16,395	1.33
344,900	Nestle	34,028	2.75
		50,423	4.08
1,518,800	ASIA PACIFIC (EX JAPAN) - 4.54% (31/3/2022 - 2.25%) AIA	12,925	1.05
388,082	HDFC Bank ADR	20,916	1.69
676,000	Singapore Exchange	3,853	0.31
245,500	Taiwan Semiconductor Manufacturing	18,468	1.49
		56,162	4.54
1,253,900	JAPAN - 2.21% (31/3/2022 - 3.92%) Olympus	17,659	1.43
99,300	Tokyo Electron	9,676	0.78
		27,335	2.21
	NORTH AMERICA - 30.86% (31/3/2022 - 35.51%)		
579,500	Canada - 4.51% (31/3/2022 - 3.28%) Canadian Natural Resources	25,876	2.09
1,165,600	Cenovus Energy	16,369	1.33
539,200	Suncor Energy	13,521	1.09
		55,766	4.51
617,000	United States - 26.35% (31/3/2022 - 32.23%) Ally	12,715	1.03
644,000	Alphabet 'A'	53,991	4.36
210,200	Applied Materials	20,881	1.69
102,600	Arthur J Gallagher	15,863	1.28
1,426,600	Avantor	24,368	1.97
117,000	Becton Dickinson	23,412	1.89
191,100	Booz Allen Hamilton	14,323	1.16
328,300	Brown & Brown	15,241	1.23
48,100	Cooper	14,519	1.17
8,400	Costco Wholesale	3,376	0.27

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
124,800	Marsh & McLennan	16,801	1.36
19,900	Microsoft	4,639	0.37
33,700	O'Reilly Automotive	23,137	1.87
77,000	UnitedHealth	29,417	2.38
853,300	Valvoline	24,113	1.95
160,600	Visa	29,273	2.37
		326,069	26.35
FIXED INTEREST - 4.68% (31/3/2022 - 0.00%)			
Non Equity Investment Instruments - 4.68% (31/3/2022 - 0.00%)			
71,400	Brevan Howard Absolute Return Government Bond Fund	8,501	0.69
18,238,473	HSBC Sterling Liquidity Fund	18,115	1.46
136,800	iShares USD Treasury Bond 0-1yr UCITS ETF	11,540	0.93
136,800	JPMorgan BetaBuilders US Treasury Bond 0-1yr UCITS ETF	11,491	0.93
7,900,000	Royal London Short Term Money Market Fund	8,251	0.67
		57,898	4.68
ALTERNATIVE - 4.08% (31/3/2022 - 0.00%)			
149,000	Invesco Physical Gold ETC	23,029	1.86
740,000	iShares Physical Gold ETC	23,058	1.87
47,000	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	4,342	0.35
		50,429	4.08
DERIVATIVES* - 0.80% (31/3/2022 - 0.05%)			
Open Forward Currency Contracts - 0.80% (31/3/2022 - 0.05%)			
£14,085,454	Bought GBP 14,085,454 : Sold EUR 15,850,247	153	0.01
£260,070,824	Bought GBP 260,070,824 : Sold USD 310,055,831	9,360	0.76

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Open Forward Currency Contracts continued			
£8,100,222	Bought GBP 8,100,222 : Sold USD 9,857,495	130	0.01
£11,066,169	Bought GBP 11,066,169 : Sold USD 13,413,679	220	0.02
		9,863	0.80
Portfolio of investments		1,210,050	97.81
Net other assets		27,119	2.19
Total net assets		1,237,169	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £112,518.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(97,992)		10,148
Revenue	3	21,816		25,642	
Expenses	4	(10,840)		(12,372)	
Interest payable and similar charges	6	(4)		(1)	
Net revenue before taxation for the year		10,972		13,269	
Taxation	5	(1,357)		(1,223)	
Net revenue after taxation for the year			9,615		12,046
Total return before distributions			(88,377)		22,194
Distributions	7		(9,617)		(12,528)
Change in net assets attributable to unitholders from investment activities			(97,994)		9,666

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			1,395,908		1,405,283
Amounts received on creation of units		69,162		41,325	
Amounts paid on cancellation of units		(139,402)		(72,854)	
			(70,240)		(31,529)
Dilution adjustment			22		8
Change in net assets attributable to unitholders from investment activities			(97,994)		9,666
Retained distribution on accumulation units	7		9,473		12,480
Closing net assets attributable to unitholders			1,237,169		1,395,908

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			1,210,050		1,193,204
Current assets					
Debtors	8	6,443		5,085	
Cash and bank balances	9	27,177		203,017	
Total other assets			33,620		208,102
Total assets			1,243,670		1,401,306
LIABILITIES					
Investment liabilities			–		(853)
Creditors					
Other creditors	10	(6,501)		(4,545)	
Total other liabilities			(6,501)		(4,545)
Total liabilities			(6,501)		(5,398)
Net assets attributable to unitholders			1,237,169		1,395,908

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Balanced Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(47,720)	24,573
Currency gains/(losses)	16,274	(9,273)
Losses on forward currency contracts	(66,546)	(5,152)
Net capital (losses)/gains	(97,992)	10,148

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	999	—
Interest from overseas fixed interest securities	3,301	237
Interest from UK fixed interest securities	4,368	4,441
Money market deposit	111	—
Non-taxable overseas dividends	9,855	9,992
UK dividends	3,182	9,864
UK franked dividends from collective investment schemes	—	897
UK unfranked dividends from collective investment schemes	—	211
Total revenue	21,816	25,642

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	10,840	12,372
Total expenses	10,840	12,372

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	1,357	1,223
Total taxation	1,357	1,223

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	10,972	13,269
Corporation tax at 20% (31/3/2022 - 20%)	2,194	2,654
Effects of:		
Capitalised income subject to tax	12	7
Movement in unrecognised tax losses	401	1,490
Overseas tax	1,357	1,223
Revenue not subject to tax	(2,607)	(4,151)
Total taxation (see note 5(a))	1,357	1,223

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Balanced Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £7,814,968 (31/3/2022 - £7,413,642) due to tax losses of £39,074,841 (31/3/2022 - £37,068,211). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	4	1
	4	1

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	5,100	12,479
Final distribution	4,373	1
	9,473	12,480

Add: Revenue deducted on cancellation of units	293	148
Less: Revenue received on creation of units	(149)	(100)
Net distribution for the year	9,617	12,528

Reconciliation of distributions:

Net revenue after taxation	9,615	12,046
Shortfall of income taken to capital	2	482
Net distribution for the year	9,617	12,528

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	4,069	3,547
Income tax recoverable	42	117
Overseas tax recoverable	254	306
Receivable for creation of units	2,078	1,115
Total debtors	6,443	5,085

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	27,177	203,017

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	885	980
Amounts payable on cancellation of units	4,137	643
Purchases awaiting settlement	1,479	2,922
Total other creditors	6,501	4,545

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Balanced Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	63	56,031	56,094
Euro	—	118,347	118,347
Hong Kong Dollar	—	12,925	12,925
Japanese Yen	—	27,577	27,577
Norwegian Krone	—	144	144
Singapore Dollar	—	3,853	3,853
Swiss Franc	—	45,455	45,455
US Dollar	205	439,387	439,592
Total	268	703,719	703,987

The currency profile for the Balanced Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	—	23,004	23,004
Euro	—	32,025	32,025
Hong Kong Dollar	—	23,018	23,018
Japanese Yen	—	25,207	25,207
Norwegian Krone	—	162	162
Swiss Franc	—	19,217	19,217
US Dollar	—	279,019	279,019
Total	—	401,652	401,652

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	362,864	847,186	1,210,050
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	14,203	280,725	898,276	1,193,204
Investment liabilities	–	–	(853)	(853)

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	792,416	–
Level 2: Observable market data	417,634	–
Level 3: Unobservable data	–	–
	1,210,050	–
31/3/2022		
Level 1: Quoted prices	883,221	–
Level 2: Observable market data	309,983	(853)
Level 3: Unobservable data	–	–
	1,193,204	(853)

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	24.69	15.62
Below Investment Grade	0.08	1.49
Not Rated	4.56	4.02
	29.33	21.13

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	347,282	58	0.02	183	0.05
Debt instruments (direct)	391,959	—	—	—	—
Collective investment schemes	160,845	13	0.01	—	—
Total	900,086	71		183	
Total purchases including commission and taxes	900,340				
Sales					
Equity instruments (direct)	480,315	87	0.02	31	0.01
Debt instruments (direct)	298,798	—	—	—	—
Collective investment schemes	81,095	—	—	—	—
Total	860,208	87		31	
Total sales net of commissions and taxes	860,090				
Total transaction costs		158		214	
Total transaction costs as a % of average net assets		0.01%		0.02%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	705,635	156	0.02	490	0.07
Debt instruments (direct)	103,471	—	—	—	—
Collective investment schemes	30,523	3	0.01	—	—
Total	839,629	159		490	
Total purchases including commission and taxes	840,278				
Sales					
Equity instruments (direct)	720,449	150	0.02	2	—
Debt instruments (direct)	65,632	—	—	—	—
Collective investment schemes	169,521	14	0.01	—	—
Total	955,602	164		2	
Total sales net of commissions and taxes	955,436				
Total transaction costs		323		492	
Total transaction costs as a % of average net assets		0.02%		0.03%	

The above analysis covers any direct transaction costs suffered by the Balanced Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Balanced Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Balanced Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

For the Balanced Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Balanced Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.10% (31/3/2022 - 0.09%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Balanced Fund at the year end in respect of fees paid to the Manager was £885,392 (31/3/2022 - £980,332).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Balanced Fund	82.24	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	A Accumulation units	I Accumulation units	X Accumulation units
Opening units	11,072,003	149,166	606,259,189
Units created	417,012	113,999	31,962,259
Units cancelled	(1,694,076)	(80,994)	(64,205,555)
Units converted	(4,535)	134,626	(111,130)
Closing units	9,790,404	316,797	573,904,763

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
I Accumulation				
Group 1	1.1617	–	1.1617	0.6388
Group 2	0.2791	0.8826	1.1617	0.6388
X Accumulation				
Group 1	0.7613	–	0.7613	0.0000
Group 2	0.3979	0.3634	0.7613	0.0000

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
A Accumulation				
Group 1	0.0453	–	0.0453	0.9908
Group 2	0.0000	0.0453	0.0453	0.9908
I Accumulation				
Group 1	1.3492	–	1.3492	2.3910
Group 2	1.3492	0.0000	1.3492	2.3910
X Accumulation				
Group 1	0.8555	–	0.8555	2.0117
Group 2	0.4136	0.4419	0.8555	2.0117

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Growth Portfolio Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Growth Portfolio Fund ("the Growth Fund") is to generate capital growth over the medium term (i.e. more than 5 years).

The Growth Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities, achieving this exposure primarily through direct investment.

The Growth Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band (which is consistent with a growth objective). Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a growth risk and volatility level and in response to changing market conditions. However, the allocation to equities will not normally fall below 60%, consistent with its risk/return profile.

The Growth Fund may invest in equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets but the Growth Fund will not purchase unlisted investments.

The fixed interest component of the Growth Fund may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated. Investment grade bonds for the purposes of the Growth Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Growth Fund may also invest 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, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Growth Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Growth Fund in cash.

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

The Growth Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Growth Fund use of derivatives will be limited.

Investment Report

Market commentary

Both equity and bond markets delivered negative returns over the period. Broadly, weakness in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle continuing to signal an economic slowdown. Initial market volatility in spring/summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings as economic growth continued to slow. In step with 2022, market strength didn't last long as lingering inflation and evidence the US is not yet in recession reignited concern that interest rates may have further to rise. Weaker economic data in March reiterated our conviction that a recession is incoming, with only the timing, magnitude and duration to be debated. The currency overlay detracted materially in 2022. In order to remove the added volatility associated with the hedging strategy with effect from 29th September 2022 the strategy was modified from hedging 50% of the exposure from all assets denominated in non-sterling currencies back into sterling, to hedging up to 100% of non-Sterling fixed income assets only.

In line with our market view, the Fund's positioning remained cautious as we continued our strategy to sell equities on any rallies in anticipation of market declines. We divested cyclical outperformers such as Hoya, Accenture, Moody's, Partners Group and Ashtead Group and added to defensive business models which had derated to attractive valuations such as RELX, Wolters Kluwer and Cooper Companies. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: LVMH, Nestle, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Bayer, Becton Dickinson, Singapore Exchange. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns and the business model's economically resilient, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which doesn't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to alternatives and fixed income.

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Investment Report

continued

Fund Performance

Performance for the Growth Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Growth Fund X Accumulation	(8.9%)	4.4%	26.3%	(4.0%)	8.0%
IA Flexible Investment Sector	(4.0%)	5.0%	29.1%	(8.1%)	3.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Growth Fund currently has two types of unit class in issue; A Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Growth Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Growth Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Growth Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Growth Fund carries the following risks:

Counterparty risk: The Growth Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Growth Fund.

Currency risk: The Growth Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Growth Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Derivatives risk: The Growth Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

Focus risk: The Growth Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Investment risk: The Growth Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Growth Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Growth Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Growth Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Growth Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.00% (31/3/2022 - 0.00%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended A Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	224.15	218.29	173.79
Return before operating charges	(14.63)	9.56	47.86
Operating charges	(3.29)	(3.70)	(3.36)
Return after operating charges	(17.92)	5.86	44.50
Distributions	(0.12)	(1.47)	(0.73)
Retained distributions on accumulation units	0.12	1.47	0.73
Closing net asset value per unit*	206.23	224.15	218.29
After direct transaction costs of**	(0.08)	(0.16)	(0.08)
Performance			
Return after charges	(7.99%)	2.68%	25.61%
Other information			
Closing net asset value £'000	5,935	7,256	7,453
Closing number of units	2,877,920	3,237,205	3,413,994
Operating charges	1.58%	1.58%	1.64%
Direct transaction costs**	0.04%	0.07%	0.04%
Prices*			
Highest unit price	226.30	251.90	223.50
Lowest unit price	194.50	210.00	168.30

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	251.65	243.32	192.33
Return before operating charges	(16.42)	10.58	53.08
Operating charges	(2.02)	(2.25)	(2.09)
Return after operating charges	(18.44)	8.33	50.99
Distributions	(1.43)	(2.58)	(2.26)
Retained distributions on accumulation units	1.43	2.58	2.26
Closing net asset value per unit*	233.21	251.65	243.32
After direct transaction costs of**	(0.09)	(0.18)	(0.08)
Performance			
Return after charges	(7.33%)	3.42%	26.51%
Other information			
Closing net asset value £'000	350,268	403,948	396,408
Closing number of units	150,194,794	160,519,891	162,915,141
Operating charges	0.86%	0.86%	0.92%
Direct transaction costs**	0.04%	0.07%	0.04%
Prices*			
Highest unit price	254.00	282.30	248.90
Lowest unit price	219.20	235.70	186.30

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 13.84% (31/3/2022 - 5.53%)			
Sterling Denominated Fixed Rate Corporate Bonds - 0.04% (31/3/2022 - 0.78%)			
£160,000	Co-Operative 7.5% 8/7/2026	148	0.04
Sterling Denominated Fixed Rate Government Bonds - 0.00% (31/3/2022 - 4.75%)			
Euro Denominated Fixed Rate Corporate Bonds - 1.09% (31/3/2022 - 0.00%)			
€1,592,000	America Movil 1.5% 10/3/2024	1,367	0.38
€700,000	American Tower 1.375% 4/4/2025	586	0.17
€100,000	Engie 1.625% Perpetual	81	0.02
€100,000	Engie 3.25% Perpetual	85	0.02
€600,000	Iberdrola International 1.875% Perpetual	523	0.15
€100,000	Iberdrola International 2.625% Perpetual	86	0.02
€300,000	Iberdrola International 3.25% Perpetual	253	0.07
€1,000,000	Pershing Square 1.375% 1/10/2027	735	0.21
€200,000	Veolia Environnement 2.875% Perpetual	171	0.05
		3,887	1.09
United States Dollar Denominated Fixed Rate Corporate Bonds - 0.95% (31/3/2022 - 0.00%)			
\$302,000	American Tower 0.6% 15/1/2024	235	0.06
\$1,040,000	American Tower 3.375% 15/5/2024	823	0.23
\$350,000	American Tower 5% 15/2/2024	282	0.08
\$302,000	Crown Castle 3.15% 15/7/2023	243	0.07
\$2,300,000	Crown Castle 3.2% 1/9/2024	1,806	0.51
		3,389	0.95
United States Dollar Denominated Fixed Rate Government Bonds - 11.76% (31/3/2022 - 0.00%)			
\$13,900,000	United States Treasury Note 0.375% 30/9/2027	9,722	2.73
\$7,700,000	United States Treasury Note 1.25% 15/5/2050	3,628	1.02
\$3,100,000	United States Treasury Note 1.375% 15/8/2050	1,499	0.42
\$5,400,000	United States Treasury Note 1.625% 15/5/2031	3,798	1.07
\$7,500,000	United States Treasury Note 1.875% 15/2/2032	5,319	1.49
\$9,900,000	United States Treasury Note 2.25% 15/8/2046	6,024	1.69
\$11,800,000	United States Treasury Note 2.875% 15/5/2032	9,074	2.55
\$4,100,000	United States Treasury Note 2.875% 15/5/2052	2,824	0.79
		41,888	11.76

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 79.05% (31/3/2022 - 81.48%)			
UNITED KINGDOM - 11.44% (31/3/2022 - 12.82%)			
871,000	3i	14,672	4.12
37,400	Ferguson	3,983	1.12
359,600	Prudential	3,963	1.11
8,000	Prudential ADR	177	0.05
685,700	RELX	17,946	5.04
		40,741	11.44
EUROPE - 16.97% (31/3/2022 - 15.27%)			
France - 6.39% (31/3/2022 - 2.29%)			
16,500	LVMH Moet Hennessy Louis Vuitton	12,232	3.44
29,000	Pernod Ricard	5,318	1.49
38,600	Schneider Electric	5,197	1.46
		22,747	6.39
Germany - 1.66% (31/3/2022 - 0.00%)			
114,700	Bayer	5,916	1.66
Ireland - 0.03% (31/3/2022 - 6.79%)			
10,000	Neuberger Berman Event Driven I5 GBP HGD	101	0.03
Italy - 1.25% (31/3/2022 - 0.83%)			
80,000	Moncler	4,465	1.25
Luxembourg - 0.18% (31/3/2022 - 0.44%)			
6,200	LandseerAM European Equity Focus Long/Short Fund	632	0.18
Netherlands - 1.98% (31/3/2022 - 1.45%)			
69,100	Wolters Kluwer	7,064	1.98
Switzerland - 5.48% (31/3/2022 - 3.47%)			
111,200	Alcon	6,361	1.78
133,500	Nestle	13,171	3.70
		19,532	5.48
ASIA PACIFIC (EX JAPAN) - 6.14% (31/3/2022 - 2.92%)			
590,600	AIA	5,026	1.41
149,938	HDFC Bank ADR	8,081	2.27

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
ASIA PACIFIC (EX JAPAN) continued			
266,000	Singapore Exchange	1,516	0.42
96,500	Taiwan Semiconductor Manufacturing	7,259	2.04
		21,882	6.14
JAPAN - 3.02% (31/3/2022 - 4.97%)			
495,000	Olympus	6,971	1.96
38,700	Tokyo Electron	3,771	1.06
		10,742	3.02
NORTH AMERICA - 41.48% (31/3/2022 - 45.50%)			
Canada - 6.10% (31/3/2022 - 4.25%)			
225,800	Canadian Natural Resources	10,083	2.83
454,200	Cenovus Energy	6,379	1.79
210,100	Suncor Energy	5,268	1.48
		21,730	6.10
United States - 35.38% (31/3/2022 - 41.25%)			
225,000	Ally	4,637	1.30
245,000	Alphabet 'A'	20,540	5.77
82,100	Applied Materials	8,156	2.29
39,700	Arthur J Gallagher	6,138	1.72
559,600	Avantor	9,559	2.68
46,000	Becton Dickinson	9,205	2.58
69,600	Booz Allen Hamilton	5,216	1.47
126,800	Brown & Brown	5,886	1.65
19,000	Cooper	5,735	1.61
3,200	Costco Wholesale	1,286	0.36
48,300	Marsh & McLennan	6,502	1.83
7,700	Microsoft	1,795	0.50
13,200	O'Reilly Automotive	9,063	2.55
30,500	UnitedHealth	11,652	3.27
331,800	Valvoline	9,376	2.63
61,900	Visa	11,283	3.17
		126,029	35.38

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 1.37% (31/3/2022 - 0.00%)			
Non Equity Investment Instruments - 1.37% (31/3/2022 - 0.00%)			
9,700	Brean Howard Absolute Return Government Bond Fund	1,155	0.32
393,049	HSBC Sterling Liquidity Fund	393	0.11
19,700	iShares USD Treasury Bond 0-1yr UCITS ETF	1,662	0.47
19,700	JPMorgan BetaBuilders US Treasury Bond 0-1yr UCITS ETF	1,655	0.47
1,000	Royal London Short Term Money Market Fund	1	—
		4,866	1.37
ALTERNATIVE - 3.60% (31/3/2022 - 0.00%)			
39,400	Invesco Physical Gold ETC	6,089	1.71
195,500	iShares Physical Gold ETC	6,092	1.71
6,800	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	628	0.18
		12,809	3.60
DERIVATIVES* - 0.47% (31/3/2022 - 0.06%)			
Open Forward Currency Contracts - 0.47% (31/3/2022 - 0.06%)			
£3,971,562	Bought GBP 3,971,562 : Sold EUR 4,469,166	43	0.01
£44,023,101	Bought GBP 44,023,101 : Sold USD 52,484,239	1,585	0.44
£1,434,043	Bought GBP 1,434,043 : Sold USD 1,743,412	24	0.01
£1,838,940	Bought GBP 1,838,940 : Sold USD 2,229,041	37	0.01
		1,689	0.47
Portfolio of investments		350,257	98.33
Net other assets		5,946	1.67
Total net assets		356,203	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £36,140.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(32,529)		10,479
Revenue	3	6,028		7,977	
Expenses	4	(3,269)		(3,780)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation for the year		2,757		4,197	
Taxation	5	(520)		(448)	
Net revenue after taxation for the year			2,237		3,749
Total return before distributions			(30,292)		14,228
Distributions	7		(2,248)		(4,268)
Change in net assets attributable to unitholders from investment activities			(32,540)		9,960

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			411,204		403,861
Amounts received on creation of units		22,716		20,102	
Amounts paid on cancellation of units		(47,396)		(26,970)	
			(24,680)		(6,868)
Dilution adjustment			6		1
Change in net assets attributable to unitholders from investment activities			(32,540)		9,960
Retained distribution on accumulation units	7		2,213		4,250
Closing net assets attributable to unitholders			356,203		411,204

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			350,257		358,354
Current assets					
Debtors	8	1,384		607	
Cash and bank balances	9	7,113		54,807	
Total other assets			8,497		55,414
Total assets			358,754		413,768
LIABILITIES					
Investment liabilities			–		(324)
Creditors					
Other creditors	10	(2,551)		(2,240)	
Total other liabilities			(2,551)		(2,240)
Total liabilities			(2,551)		(2,564)
Net assets attributable to unitholders			356,203		411,204

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Growth Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(11,985)	15,865
Currency gains/(losses)	6,301	(3,725)
Losses on forward currency contracts	(26,845)	(1,661)
Net capital (losses)/gains	(32,529)	10,479

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	261	—
Interest from overseas fixed interest securities	572	47
Interest from UK fixed interest securities	164	273
Money market deposit	22	—
Non-taxable overseas dividends	3,796	3,751
UK dividends	1,213	3,551
UK franked dividends from collective investment schemes	—	314
UK unfranked dividends from collective investment schemes	—	41
Total revenue	6,028	7,977

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	3,269	3,780
Total expenses	3,269	3,780

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	520	448
Total taxation	520	448

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	2,757	4,197
Corporation tax at 20% (31/3/2022 - 20%)	551	839
Effects of:		
Capitalised income subject to tax	3	—
Movement in unrecognised tax losses	460	672
Overseas tax	520	448
Prior year adjustment to unrecognised tax losses	(12)	12
Revenue not subject to tax	(1,002)	(1,523)
Total taxation (see note 5(a))	520	448

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Growth Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £6,714,675 (31/3/2022 - £6,254,287) due to tax losses of £33,573,373 (31/3/2022 - £31,271,435). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	2	–
	2	–

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	1,576	4,250
Final distribution	637	–
	2,213	4,250

Add: Revenue deducted on cancellation of units	78	61
Less: Revenue received on creation of units	(43)	(43)
Net distribution for the year	2,248	4,268

Reconciliation of distributions:

Net revenue after taxation	2,237	3,749
Shortfall of income taken to capital	11	519
Net distribution for the year	2,248	4,268

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	590	384
Income tax recoverable	8	24
Overseas tax recoverable	64	84
Receivable for creation of units	722	115
Total debtors	1,384	607

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	7,113	54,807

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	265	299
Amounts payable on cancellation of units	1,738	472
Purchases awaiting settlement	548	1,469
Total other creditors	2,551	2,240

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Growth Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	80	21,833	21,913
Euro	2	46,131	46,133
Hong Kong Dollar	—	5,026	5,026
Japanese Yen	—	10,837	10,837
Norwegian Krone	—	49	49
Singapore Dollar	—	1,516	1,516
Swiss Franc	(18)	17,604	17,586
US Dollar	50	158,904	158,954
Total	114	261,900	262,014

The currency profile for the Growth Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	5	8,789	8,794
Euro	—	12,396	12,396
Hong Kong Dollar	—	8,550	8,550
Japanese Yen	—	9,501	9,501
Norwegian Krone	—	55	55
Swiss Franc	—	7,780	7,780
US Dollar	43	103,977	104,020
Total	48	151,048	151,096

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	49,312	300,945	350,257
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	22,726	335,628	358,354
Investment liabilities	–	–	(324)	(324)

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	296,346	–
Level 2: Observable market data	53,911	–
Level 3: Unobservable data	–	–
	350,257	–
31/3/2022		
Level 1: Quoted prices	333,248	–
Level 2: Observable market data	25,106	(324)
Level 3: Unobservable data	–	–
	358,354	(324)

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	13.80	4.75
Below Investment Grade	0.04	0.04
Not Rated	–	0.74
	13.84	5.53

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	139,778	23	0.02	74	0.05
Debt instruments (direct)	51,068	—	—	—	—
Collective investment schemes	41,110	3	0.01	—	—
Total	231,956	26		74	
Total purchases including commission and taxes	232,056				
Sales					
Equity instruments (direct)	182,082	34	0.02	14	0.01
Debt instruments (direct)	21,414	—	—	—	—
Collective investment schemes	25,883	—	—	—	—
Total	229,379	34		14	
Total sales net of commissions and taxes	229,331				
Total transaction costs		60		88	
Total transaction costs as a % of average net assets		0.02%		0.02%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	267,906	59	0.02	182	0.07
Debt instruments (direct)	10,612	—	—	—	—
Collective investment schemes	7,513	1	0.01	—	—
Total	286,031	60		182	
Total purchases including commission and taxes	286,273				
Sales					
Equity instruments (direct)	266,804	55	0.02	1	—
Debt instruments (direct)	2,700	—	—	—	—
Collective investment schemes	51,377	5	0.01	—	—
Total	320,881	60		1	
Total sales net of commissions and taxes	320,820				
Total transaction costs		120		183	
Total transaction costs as a % of average net assets		0.03%		0.04%	

The above analysis covers any direct transaction costs suffered by the Growth Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Growth Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Growth Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

For the Growth Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Growth Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.09% (31/3/2022 - 0.06%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Growth Fund at the year end in respect of fees paid to the Manager was £265,156 (31/3/2022 - £298,365).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Growth Fund	77.12	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	A Accumulation units	X Accumulation units
Opening units	3,237,205	160,519,891
Units created	154,784	9,523,521
Units cancelled	(514,069)	(19,848,618)
Closing units	2,877,920	150,194,794

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Accumulation				
Group 1	0.4242	–	0.4242	0.0000
Group 2	0.2487	0.1755	0.4242	0.0000

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
A Accumulation				
Group 1	0.1243	–	0.1243	1.4677
Group 2	0.0000	0.1243	0.1243	1.4677
X Accumulation				
Group 1	1.0009	–	1.0009	2.5826
Group 2	0.4267	0.5742	1.0009	2.5826

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Managed Income Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Managed Income Fund ("the Managed Income Fund") is to provide income together with some capital growth over the medium term (i.e. more than 5 years).

The Managed Income Fund has a focus on income producing assets and will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Managed" fund range, this means the Managed Income Fund will achieve this exposure through investment in actively and passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager), closed ended funds and exchange traded funds.

The Managed Income Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile.

The underlying equity component of the Managed Income Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Managed Income Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Managed Income Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Managed Income Fund in cash.

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

The Managed 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. It is expected that the Managed Income Fund use of derivatives will be limited.

Investment Report

Market commentary

In the 12 months to the 31st March 2023 the Close Managed Income fund (X Acc) fell -5.3%, whilst the IA Mixed Investment (20%-60% Shares) sector fell -4.8%. The reporting period saw inflation rising sharply, reaching double digits in several advanced economies, leading to a sell-off in assets with a sensitivity to rising interest rates. Particularly badly hit were fixed income securities, including developed market government bonds, which underperformed equities. Russia's invasion of Ukraine played a significant role in elevating natural gas and several soft commodity prices, meaning that energy as an asset class and a sector within global equities had a strong 12 months. The path of equity returns more generally was patchy as sporadic market hopes that inflation would either slow or lead to imminent interest rate cuts, led to rallies in areas such as technology stocks, only to be dashed by contrary economic data points. As a result the US produced a negative return for the reporting period (reversing a recent trend), whereas the UK and Europe actually managed a small positive, driven by large cap exposure to energy and financials. Elsewhere in the world, China continued with its strict coronavirus restrictions until the autumn, meaning that much of Asia struggled to shrug off doubt around how the economies would recover once China reopened, on top of which, a strong US dollar made for a difficult headwind for emerging market assets.

On a regional basis, over the year, Europe was the strongest market with a return of 9.5%, followed by the UK 5.6%, Japan 1.3%, the US -1.7% and Asia ex-Japan with -2.6%. The weakest performance came from emerging markets, which delivered -4.5%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -16.3%.

For the majority of the reporting period Managed Income was ahead of the IA Mixed Investment (20%-60% Shares) Sector, with income paying equities generally doing better than their more growth focused counterparts. We had some decent positive returns from funds such as the BlackRock Continental European Income fund, which returned 4.9% and the Fidelity Global Dividend, which managed 4.8% for the 12 months to end of March 2023. In the UK we also had exposure to the Schroder Income fund, which returned 1.3%, and pleasingly given emerging markets overall poor performance, our allocation to this area in the form of the Capital Emerging Market Total Opportunities fund returned 3.0%. Sadly, however, with income being a requirement, it was not possible to generate a positive total return from fixed income, which was a significant drag on performance over the 12 month reporting period. That said, a significant portion of our bond exposure within the strategy is of a shorter duration so in a lot of cases returns were in the low single digit negative as opposed to nearly -20% for many broad credit funds. In fact the TwentyFour Monument Bond delivered 1.0% and the Royal London Short Duration Global High Yield produced a small positive total return of 0.01%, showing that by keeping duration ultra-short it was possible to deliver a positive return even in a rising rate environment.

Over the course of the reporting period we exited a China government bond holding following the fund winding down. It was probably good timing and we had made a small positive return holding the strategy since it launched. We also sold our short dated corporate bond index fund, in favour of the Fidelity Short Dated Corporate Bond fund, which has a similar credit and duration profile, while demonstrating over time that it has delivered returns over the index. Elsewhere we mainly trimmed equity positions in the UK and US as they crept up relative to other asset classes and topped up our fixed interest positions on weakness.

During the reporting period we have moved towards a neutral position in terms of our long term asset allocation towards equities, bonds, and alternatives. We can see pitfalls and opportunities in all three areas, perhaps more than at any point in recent times. Within equities we perceive there to be headwinds to areas of the market that rely on low interest rates to out-perform, and so have moved to allocate more to value funds, which should do better in an environment where interest rates stay higher than they have been for the last 10 years. Meanwhile in bonds we have essentially adopted a bar-bell approach of having both long and short duration funds, as we see the near term outlook for rates and inflation to be very uncertain. In terms of alternatives, we want to maintain an exposure to broad commodities and gold, as well as hedge-fund-like managers who are able to deliver uncorrelated returns to equities and bonds.

Investment Report

continued

Fund Performance

Performance for the Managed Income Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Managed Income Fund X Accumulation	(5.3%)	6.1%	19.5%	(9.8%)	3.5%
IA Mixed Investments 20-60% Sector	(4.8%)	2.7%	19.8%	(7.2%)	2.9%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Managed Income Fund currently has two types of unit class in issue; X Income and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Managed Income Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Managed Income Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Managed Income Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Managed Income Fund carries the following risks:

Currency risk: The Managed Income Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Default risk: The Managed Income Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Managed Income Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Emerging Markets risk: The Managed Income Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Managed Income Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Managed Income Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Managed Income Fund's ability to meet redemption requests may also be affected.

Investment risk: The Managed Income Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Managed Income Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Investment Report

continued

Risk and Reward Profile continued

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Managed Income Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Managed Income Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Income Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.61% (31/3/2022 - 0.64%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	181.86	176.63	153.73
Return before operating charges	(7.70)	13.07	29.97
Operating charges	(2.00)	(2.19)	(1.99)
Return after operating charges	(9.70)	10.88	27.98
Distributions	(6.17)	(5.65)	(5.08)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	165.99	181.86	176.63
After direct transaction costs of**	(0.00)	(0.01)	(0.01)
Performance			
Return after charges	(5.33%)	6.16%	18.20%
Other information			
Closing net asset value £'000	27,449	31,713	34,545
Closing number of units	16,535,989	17,438,238	19,557,272
Operating charges	1.16%	1.19%	1.17%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	182.10	188.50	178.90
Lowest unit price	159.80	175.70	152.30

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	249.83	235.30	198.86
Return before operating charges	(10.45)	17.45	39.02
Operating charges	(2.76)	(2.92)	(2.58)
Return after operating charges	(13.21)	14.53	36.44
Distributions	(8.59)	(7.62)	(6.64)
Retained distributions on accumulation units	8.59	7.62	6.64
Closing net asset value per unit*	236.62	249.83	235.30
After direct transaction costs of**	(0.00)	(0.01)	(0.01)
Performance			
Return after charges	(5.29%)	6.17%	18.32%
Other information			
Closing net asset value £'000	71,059	82,340	88,244
Closing number of units	30,031,150	32,958,364	37,502,450
Operating charges	1.15%	1.18%	1.16%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	250.10	255.30	236.20
Lowest unit price	223.90	235.80	197.00

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 48.16% (31/3/2022 - 47.37%)			
United Kingdom - 19.62% (31/3/2022 - 19.01%)			
573,824	iShares Core FTSE 100 UCITS ETF	4,294	4.36
4,115,016	MI Chelverton UK Equity Income Fund	4,251	4.31
1,230,000	Premier Miton UK Multi Cap Income Fund	2,238	2.27
5,650,000	Schroder Income Fund	4,261	4.33
3,172,932	Threadneedle Specialist Funds UK ICVC - CT UK Equity Alpha Income Fund	4,285	4.35
		19,329	19.62
Europe - 6.14% (31/3/2022 - 5.32%)			
2,000,704	BlackRock Continental European Income Fund	3,641	3.70
2,210,000	LF Montanaro Funds - LF Montanaro European Income Fund	2,406	2.44
		6,047	6.14
Asia Pacific (ex Japan) - 3.27% (31/3/2022 - 3.55%)			
266,000	Matthews Asia Funds - Asia ex Japan Total Return Equity Fund	3,219	3.27
Japan - 1.99% (31/3/2022 - 2.14%)			
1,295,481	CC Japan Income & Growth Trust [†]	1,956	1.99
335,096	CC Japan Income & Growth Trust	2	–
		1,958	1.99
North America - 11.04% (31/3/2022 - 12.33%)			
110,000	First Trust US Equity Income UCITS ETF	2,490	2.53
1,044,484	JP Morgan Fund ICVC - US Equity Income Fund	4,422	4.49
6,274,615	Schroder US Equity Income Maximiser Fund	3,968	4.02
		10,880	11.04
Emerging Markets - 2.21% (31/3/2022 - 1.72%)			
295,681	Capital International Portfolios SICAV - Capital Emerging Markets Total	2,182	2.21
Global - 3.89% (31/3/2022 - 3.30%)			
1,718,880	Fidelity Investment Funds ICVC - Global Dividend Fund	3,830	3.89
FIXED INTEREST - 33.85% (31/3/2022 - 32.31%)			
United Kingdom Gilts & Corporate Bonds - 22.66% (31/3/2022 - 15.74%)			
2,356,070	Allianz Strategic Bond Fund	2,317	2.35
4,331,000	Artemis Corporate Bond Fund	3,868	3.93
2,804,051	BlackRock Sustainable Sterling Strategic Bond Fund	2,914	2.96

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
United Kingdom Gilts & Corporate Bonds continued			
245,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	2,018	2.05
24,698	Lyxor Core UK Government Bond DR UCITS ETF	2,630	2.67
4,261,178	Royal London Asset Management Bond Funds - Sterling Extra Yield Bond Fund	3,949	4.01
5,204,589	Royal London Short Duration Global High Yield Bond Fund	3,884	3.94
16,800	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	741	0.75
		22,321	22.66
Dynamic Bonds - 7.40% (31/3/2022 - 7.15%)			
3,340,553	Janus Henderson Strategic Bond Fund	3,925	3.98
3,986,472	Schroder Strategic Credit Fund	3,367	3.42
		7,292	7.40
Non Equity Investment Instruments - 3.79% (31/3/2022 - 6.67%)			
3,675,421	MI TwentyFour - Monument Bond Fund	3,733	3.79
Global - 0.00% (31/3/2022 - 1.86%)			
Asia Pacific (ex Japan) - 0.00% (31/3/2022 - 0.89%)			
ALTERNATIVE - 16.11% (31/3/2022 - 18.39%)			
954,126	AEW UK REIT	879	0.89
604,474	BBGI Global Infrastructure	912	0.93
1,365,000	FTF Clearbridge Global Infrastructure Income Fund	1,761	1.79
942,560	GCP Asset Backed Income Fund	650	0.66
883,976	GCP Infrastructure Investments	753	0.76
621,696	HICL Infrastructure	957	0.97
1,148,965	Hipgnosis Songs Fund	931	0.95
593,750	International Public Partnerships	859	0.87
7,800	Invesco Physical Gold ETC	1,205	1.22
1,322,502	LXI REIT	1,300	1.32
394,200	Pantheon Infrastructure	330	0.33
768,021	Renewables Infrastructure	958	0.97
1,685,000	Round Hill Music Royalty	886	0.90

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
79,100	Royal Mint Physical Gold ETC	1,256	1.28
27,700	UBS ETF CMCI Composite SF UCITS ETF	2,232	2.27
		15,869	16.11
	Portfolio of investments	96,660	98.12
	Net other assets	1,848	1.88
	Total net assets	98,508	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*These are delisted securities and have been valued at the Manager's best assessment of their fair value.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(9,250)		4,180
Revenue	3	4,116		4,106	
Expenses	4	(571)		(658)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		3,545		3,448	
Taxation	5	(236)		(235)	
Net revenue after taxation for the year			3,309		3,213
Total return before distributions			(5,941)		7,393
Distributions	7		(3,763)		(3,738)
Change in net assets attributable to unitholders from investment activities			(9,704)		3,655

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		114,053		122,789
Amounts received on creation of units	5,463		4,885	
Amounts paid on cancellation of units	(13,978)		(19,901)	
		(8,515)		(15,016)
Dilution adjustment		2		4
Change in net assets attributable to unitholders from investment activities		(9,704)		3,655
Retained distribution on accumulation units		2,672		2,621
Closing net assets attributable to unitholders		98,508		114,053

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			96,660		111,855
Current assets					
Debtors	8	646		354	
Cash and bank balances	9	2,055		2,427	
Total other assets			2,701		2,781
Total assets			99,361		114,636
LIABILITIES					
Creditors					
Distribution payable		(292)		(275)	
Other creditors	10	(561)		(308)	
Total other liabilities			(853)		(583)
Total liabilities			(853)		(583)
Net assets attributable to unitholders			98,508		114,053

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Managed Income Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(9,250)	4,180
Net capital (losses)/gains	(9,250)	4,180

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	28	—
Non-taxable overseas dividends	888	833
Rebate of fees from holdings in third party collective investment schemes	3	—
Taxable overseas dividends	598	722
UK dividends	19	20
UK franked dividends from collective investment schemes	1,459	1,416
UK REIT dividends	153	205
UK unfranked dividends from collective investment schemes	968	910
Total revenue	4,116	4,106

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	571	658
Total expenses	571	658

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	236	235
Total taxation	236	235

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	3,545	3,448
Corporation tax at 20% (31/3/2022 - 20%)	709	690
Effects of:		
Revenue not subject to tax	(473)	(455)
Total taxation (see note 5(a))	236	235

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Managed Income Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
1st Interim distribution	850	840
2nd Interim distribution	1,114	1,128
3rd Interim distribution	713	710
Final distribution	1,040	983
	3,717	3,661

Add: Revenue deducted on cancellation of units	78	98
Less: Revenue received on creation of units	(32)	(21)
Net distribution for the year	3,763	3,738

Reconciliation of distributions:

Net revenue after taxation	3,309	3,213
Capitalised fees	568	658
Tax relief on capitalised fees	(114)	(133)
Net distribution for the year	3,763	3,738

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	491	333
Receivable for creation of units	155	21
Total debtors	646	354

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	2,055	2,427

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	46	52
Amounts payable on cancellation of units	397	152
Corporation tax payable	118	104
Total other creditors	561	308

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Managed Income Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	2,112	2,112
Total	—	2,112	2,112

The currency profile for the Managed Income Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	14	2,451	2,465
Total	14	2,451	2,465

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	96,660	96,660
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	111,855	111,855
Investment liabilities	—	—	—	—

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	26,219	—
Level 2: Observable market data	70,439	—
Level 3: Unobservable data	2	—
	96,660	—

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	34,777	—
Level 2: Observable market data	77,078	—
Level 3: Unobservable data	—	—
	111,855	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	5,428	—	—	—	—
Total	5,428	—		—	
Total purchases including commission and taxes	5,428				
Sales					
Equity instruments (direct)	962	—	—	—	—
Collective investment schemes	10,382	2	0.02	—	—
Total	11,344	2		—	
Total sales net of commissions and taxes	11,342				
Total transaction costs		2		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	638	—	—	2	0.31
Collective investment schemes	7,647	1	0.01	—	—
Total	8,285	1		2	
Total purchases including commission and taxes	8,288				
Sales					
Equity instruments (direct)	1,446	1	0.07	—	—
Collective investment schemes	20,469	1	—	—	—
Total	21,915	2		—	
Total sales net of commissions and taxes	21,913				
Total transaction costs		3		2	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Managed Income Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Managed Income Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Managed Income Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Managed Income Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.15% (31/3/2022 - 0.20%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Managed Income Fund at the year end in respect of fees paid to the Manager was £46,039 (31/3/2022 - £51,852).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Managed Income Fund	87.20	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023	X Income units	X Accumulation units
Opening units	17,438,238	32,958,364
Units created	1,469,191	1,232,814
Units cancelled	(2,308,590)	(4,205,393)
Units converted	(62,850)	45,365
Closing units	16,535,989	30,031,150

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2023

Group 2: units purchased between 1 January 2023 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2023	Distribution Paid per Unit on 31/5/2022
X Income				
Group 1	1.7659	–	1.7659	1.5778
Group 2	0.6450	1.1209	1.7659	1.5778
X Accumulation				
Group 1	2.4906	–	2.4906	2.1486
Group 2	0.3627	2.1279	2.4906	2.1486

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 December 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2023	Distribution Paid per Unit on 28/2/2022
X Income				
Group 1	1.1898	–	1.1898	1.1018
Group 2	0.3954	0.7944	1.1898	1.1018
X Accumulation				
Group 1	1.6663	–	1.6663	1.4935
Group 2	0.8088	0.8575	1.6663	1.4935

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2022

Group 2: units purchased between 1 July 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
X Income				
Group 1	1.8320	–	1.8320	1.7285
Group 2	0.9379	0.8941	1.8320	1.7285
X Accumulation				
Group 1	2.5370	–	2.5370	2.3183
Group 2	1.0953	1.4417	2.5370	2.3183

Distribution tables

continued

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 June 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2022	Distribution Paid per Unit on 31/8/2021
X Income				
Group 1	1.3793	–	1.3793	1.2441
Group 2	0.3857	0.9936	1.3793	1.2441
X Accumulation				
Group 1	1.8948	–	1.8948	1.6569
Group 2	0.6346	1.2602	1.8948	1.6569

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Managed Conservative Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Managed Conservative Fund ("the Managed Conservative Fund") is to deliver some capital growth with some income over the medium term (i.e. more than 5 years).

The Managed Conservative Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Managed" fund range, this means the Managed Conservative Fund will achieve this exposure through investment in actively and passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager), closed ended funds and exchange traded funds.

The Managed Conservative Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile.

The underlying equity component of the Managed Conservative Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Managed Conservative Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Managed Conservative Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Managed Conservative Fund in cash.

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

The Managed Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Managed Conservative Fund use of derivatives will be limited.

Investment Report

Market commentary

In the 12 months to the 31st March 2023 the Close Managed Conservative fund (X Acc) fell -4.1%, whilst the IA Mixed Investment (20%-60% Shares) sector fell -4.8%.

The reporting period saw inflation rising sharply, reaching double digits in several advanced economies, leading to a sell-off in assets with a sensitivity to rising interest rates. Particularly badly hit were fixed income securities, including developed market government bonds, which underperformed equities. Russia's invasion of Ukraine played a significant role in elevating natural gas and several soft commodity prices, meaning that energy as an asset class and a sector within global equities had a strong 12 months. The path of equity returns more generally was patchy as sporadic market hopes that inflation would either slow or lead to imminent interest rate cuts, led to rallies in areas such as technology stocks, only to be dashed by contrary economic data points. As a result the US produced a negative return for the reporting period (reversing a recent trend), whereas the UK and Europe actually managed a small positive, driven by large cap exposure to energy and financials. Elsewhere in the world, China continued with its strict coronavirus restrictions until the autumn, meaning that much of Asia struggled to shrug off doubt around how the economies would recover once China reopened, on top of which, a strong US dollar made for a difficult headwind for emerging market assets.

On a regional basis, over the year, Europe was the strongest market with a return of 9.5%, followed by the UK 5.6%, Japan 1.3%, the US -1.7% and Asia ex-Japan with -2.6%. The weakest performance came from emerging markets, which delivered -4.5%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -16.3%.

For the majority of the reporting period Managed Conservative was ahead of the IA Mixed Investment (20%-60% Shares) Sector, with defensive and income paying equities generally doing better than their more growth focused counterparts. We had some decent positive returns from funds such as the Alliance Bernstein Europe ex-UK fund, which returned 8.9% and the Fidelity Global Dividend, which managed 4.8% for the 12 months to end of March 2023. In the UK we also had exposure to the JPM UK Equity Plus, which delivered 1.6% and the Schroder Income fund, which returned 1.3%. Sadly, however, with bonds being a higher weighting within Managed Conservative, it was not possible to generate a positive total return from fixed income, which was a significant drag on performance over the 12 month reporting period. That said, a significant portion of our bond exposure within the strategy is of a shorter duration so in a lot of cases returns were in the low single digit negative as opposed to nearly -20% for many broad credit funds. In fact the TwentyFour Monument Bond delivered 1.0% and the Royal London Short Duration Global High Yield produced a small positive total return of 0.01%, showing that by keeping duration ultra-short it was possible to deliver a positive return even in a rising rate environment. We also got some strong returns from one of our alternative funds and decent performance from another. The MontLake Invenomic US Equity Long/Short, which was short US tech for a portion of the year returned 26.6% and the KLS Neiderhoffer Smart Alpha, which aims to be negatively correlated to equities and bonds delivered 4.1% for the reporting period.

Over the course of the reporting period we exited a China government bond holding following the fund winding down. It was probably good timing and we had made a small positive return holding the strategy since it launched. We sold out of Lindsell Train Global Equity, replacing it with Clearbridge Global Listed Infrastructure Income; and we also sold our short dated corporate bond index fund, in favour of the Fidelity Short Dated Corporate Bond fund, which has a similar credit and duration profile, while demonstrating over time that it has delivered returns over the index. At the turn of the year we sold the Neuberger Berman Uncorrelated Strategies fund following a change to how the strategy allocates fees. Elsewhere we mainly trimmed equity positions in the UK and US as they crept up relative to other asset classes and topped up our fixed interest positions on weakness, and began trimming exposure to the European Opportunities Trust for performance and liquidity reasons.

During the reporting period we have moved towards a neutral position in terms of our long term asset allocation towards equities, bonds, and alternatives. We can see pitfalls and opportunities in all three areas, perhaps more than at any point in recent times. Within equities we perceive there to be headwinds to areas of the market that rely on low interest rates to out-perform, and so have moved to allocate more to value funds, which should do better in an environment where interest rates stay higher than they have been for the last 10 years. Meanwhile in bonds we have essentially adopted a bar-bell approach of having both long and short duration funds, as we see the near term outlook for rates and inflation to be very uncertain. In terms of alternatives, we want to maintain an exposure to broad commodities and gold, as well as hedge-fund-like managers who are able to deliver uncorrelated returns to equities and bonds.

Investment Report

continued

Fund Performance

Performance for the Managed Conservative Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Managed Conservative Fund X Accumulation	(4.1%)	4.3%	17.4%	(6.0%)	3.1%
IA Mixed Investments 20-60% Sector	(4.8%)	2.7%	19.8%	(7.2%)	2.9%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Managed Conservative Fund currently has two types of unit class in issue; X Income and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
lower risks/ rewards				higher risks/ rewards		

The Managed Conservative Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Managed Conservative Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Managed Conservative Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Managed Conservative Fund carries the following risks:

Currency risk: The Managed Conservative Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Default risk: The Managed Conservative Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Managed Conservative Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Emerging Markets risk: The Managed Conservative Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Managed Conservative Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Managed Conservative Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Managed Conservative Fund's ability to meet redemption requests may also be affected.

Investment risk: The Managed Conservative Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Managed Conservative Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the Managed Conservative Fund may need to be deferred or the Managed Conservative Fund suspended for a period of time.

Investment Report

continued

Risk and Reward Profile continued

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Managed Conservative Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Managed Conservative Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.59% (31/3/2022 - 0.62%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	209.08	203.14	176.80
Return before operating charges	(6.23)	11.24	31.54
Operating charges	(2.24)	(2.43)	(2.29)
Return after operating charges	(8.47)	8.81	29.25
Distributions	(3.95)	(2.87)	(2.91)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	196.66	209.08	203.14
After direct transaction costs of**	(0.00)	0.00	(0.01)
Performance			
Return after charges	(4.05%)	4.34%	16.54%
Other information			
Closing net asset value £'000	2,406	1,998	2,256
Closing number of units	1,223,405	955,559	1,110,381
Operating charges	1.12%	1.15%	1.16%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	209.50	217.10	207.30
Lowest unit price	187.40	201.80	174.90

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	247.66	237.36	203.54
Return before operating charges	(7.29)	13.14	36.42
Operating charges	(2.66)	(2.84)	(2.60)
Return after operating charges	(9.95)	10.30	33.82
Distributions	(4.70)	(3.37)	(3.41)
Retained distributions on accumulation units	4.70	3.37	3.41
Closing net asset value per unit*	237.71	247.66	237.36
After direct transaction costs of**	(0.00)	0.00	(0.01)
Performance			
Return after charges	(4.02%)	4.34%	16.62%
Other information			
Closing net asset value £'000	218,977	231,826	218,472
Closing number of units	92,117,810	93,607,165	92,043,743
Operating charges	1.12%	1.15%	1.14%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	248.10	255.20	240.70
Lowest unit price	223.80	237.30	201.40

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 48.16% (31/3/2022 - 50.69%)			
United Kingdom - 19.11% (31/3/2022 - 19.66%)			
1,451,564	iShares Core FTSE 100 UCITS ETF	10,864	4.91
5,510,000	JPM UK Equity Plus Fund	7,268	3.28
7,257,127	Ninety One Funds Series I - UK Alpha Fund	10,763	4.86
6,280,000	Schroder Income Fund	4,736	2.14
6,417,718	Threadneedle Specialist Funds UK ICVC - CT UK Equity Alpha Income Fund	8,666	3.92
		42,297	19.11
Europe - 5.18% (31/3/2022 - 5.21%)			
2,000,000	BlackRock European Dynamic Fund	5,507	2.49
3,250,000	ES Alliancebernstein Europe Ex UK Equity Fund	4,244	1.92
227,687	European Opportunities Trust	1,717	0.77
		11,468	5.18
Asia Pacific (ex Japan) - 3.04% (31/3/2022 - 3.06%)			
16,615	Schroder ISF Asian Total Return	6,718	3.04
Japan - 1.32% (31/3/2022 - 1.36%)			
27,000	SPARX Japan Sustainable Equity Fund	2,919	1.32
North America - 14.47% (31/3/2022 - 14.76%)			
525,762	Brown Advisory US Flexible Equity Fund	10,354	4.68
2,260,531	JP Morgan Fund ICVC - US Equity Income Fund	9,571	4.32
192,570	Lyxor Nasdaq-100 UCITS ETF	8,136	3.67
23,000	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	3,983	1.80
		32,044	14.47
Emerging Markets - 1.95% (31/3/2022 - 2.00%)			
21,001	Redwheel Global Emerging Markets Fund	4,320	1.95
Global - 3.09% (31/3/2022 - 4.64%)			
1,150,000	ES River and Mercantile Global Recovery Fund	3,293	1.49
1,594,790	Fidelity Investment Funds ICVC - Global Dividend Fund	3,553	1.60
		6,846	3.09
FIXED INTEREST - 32.87% (31/3/2022 - 30.19%)			
Dynamic Bonds - 10.36% (31/3/2022 - 10.12%)			
6,410,000	Janus Henderson Strategic Bond Fund	7,532	3.40

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
Dynamic Bonds continued			
82,838	Nomura Funds Ireland - Global Dynamic Bond Fund	7,795	3.52
9,002,441	Schroder Strategic Credit Fund	7,604	3.44
		22,931	10.36
United Kingdom Gilts & Corporate Bonds - 18.41% (31/3/2022 - 12.41%)			
5,620,000	Allianz Strategic Bond Fund	5,527	2.50
9,510,000	Artemis Corporate Bond Fund	8,493	3.84
5,909,388	BlackRock Sustainable Sterling Strategic Bond Fund	6,141	2.77
599,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	4,935	2.23
65,354	Lyxor Core UK Government Bond DR UCITS ETF	6,958	3.14
9,627,793	Royal London Short Duration Global High Yield Bond Fund	7,184	3.24
34,500	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	1,521	0.69
		40,759	18.41
Non Equity Investment Instruments - 4.10% (31/3/2022 - 6.36%)			
1,318,751	HSBC Sterling Liquidity Fund	1,318	0.60
7,631,002	MI TwentyFour - Monument Bond Fund	7,751	3.50
		9,069	4.10
Asia Pacific (ex Japan) - 0.00% (31/3/2022 - 1.30%)			
ALTERNATIVE - 16.10% (31/3/2022 - 16.50%)			
1,182,583	BBGI Global Infrastructure	1,783	0.81
2,500,000	FTF Clearbridge Global Infrastructure Income Fund	3,225	1.46
1,271,832	GCP Infrastructure Investments	1,084	0.49
1,257,418	HICL Infrastructure	1,936	0.87
1,856,405	Hipgnosis Songs Fund	1,504	0.68
1,260,754	International Public Partnerships	1,823	0.82
22,559	Invesco Physical Gold ETC	3,487	1.57
28,903	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	2,886	1.30
34,856	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	3,220	1.45
1,904,000	LXI REIT	1,872	0.85
788,400	Pantheon Infrastructure	661	0.30
1,680,552	Renewables Infrastructure	2,097	0.95
2,800,000	Round Hill Music Royalty	1,472	0.66

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
214,300	Royal Mint Physical Gold ETC	3,402	1.54
64,500	UBS ETF CMCI Composite SF UCITS ETF	5,198	2.35
		35,650	16.10
	Portfolio of investments	215,021	97.13
	Net other assets	6,362	2.87
	Total net assets	221,383	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(13,795)		6,538
Revenue	3	5,836		4,606	
Expenses	4	(1,175)		(1,238)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		4,661		3,368	
Taxation	5	(280)		(184)	
Net revenue after taxation for the year			4,381		3,184
Total return before distributions			(9,414)		9,722
Distributions	7		(4,381)		(3,184)
Change in net assets attributable to unitholders from investment activities			(13,795)		6,538

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		233,824		220,728
Amounts received on creation of units	24,203		21,270	
Amounts paid on cancellation of units	(27,177)		(17,881)	
		(2,974)		3,389
Change in net assets attributable to unitholders from investment activities		(13,795)		6,538
Retained distribution on accumulation units		4,328		3,169
Closing net assets attributable to unitholders		221,383		233,824

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			215,021		227,698
Current assets					
Debtors	8	1,943		843	
Cash and bank balances	9	4,900		5,564	
Total other assets			6,843		6,407
Total assets			221,864		234,105
LIABILITIES					
Creditors					
Distribution payable		(29)		(15)	
Other creditors	10	(452)		(266)	
Total other liabilities			(481)		(281)
Total liabilities			(481)		(281)
Net assets attributable to unitholders			221,383		233,824

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Managed Conservative Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(13,793)	6,538
Currency losses	(2)	—
Net capital (losses)/gains	(13,795)	6,538

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	65	—
Money market deposit	31	—
Non-taxable overseas dividends	1,344	1,241
Rebate of fees from holdings in third party collective investment schemes	(55)	58
Taxable overseas dividends	879	799
UK franked dividends from collective investment schemes	1,919	1,206
UK REIT dividends	115	104
UK unfranked dividends from collective investment schemes	1,538	1,198
Total revenue	5,836	4,606

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,175	1,238
Total expenses	1,175	1,238

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	280	184
Total taxation	280	184

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	4,661	3,368
Corporation tax at 20% (31/3/2022 - 20%)	932	674
Effects of:		
Revenue not subject to tax	(652)	(490)
Total taxation (see note 5(a))	280	184

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Managed Conservative Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	1,705	1,450
Final distribution	2,668	1,747
	4,373	3,197
Add: Revenue deducted on cancellation of units	139	62
Less: Revenue received on creation of units	(131)	(75)
Net distribution for the year	4,381	3,184

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	748	291
Receivable for creation of units	819	552
Sales awaiting settlement	376	—
Total debtors	1,943	843

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	4,900	5,564

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	100	103
Amounts payable on cancellation of units	204	46
Corporation tax payable	148	117
Total other creditors	452	266

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Managed Conservative Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	15,313	15,313
Total	—	15,313	15,313

The currency profile for the Managed Conservative Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	18,026	18,026
Total	—	18,026	18,026

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	215,021	215,021
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	227,698	227,698
Investment liabilities	—	—	—	—

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	55,515	—
Level 2: Observable market data	159,506	—
Level 3: Unobservable data	—	—
	215,021	—

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	68,054	—
Level 2: Observable market data	159,644	—
Level 3: Unobservable data	—	—
	227,698	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	22,445	—	—	—	—
Total	22,445	—		—	
Total purchases including commission and taxes	22,445				
Sales					
Collective investment schemes	23,436	2	0.01	—	—
Total	23,436	2		—	
Total sales net of commissions and taxes	23,434				
Total transaction costs		2		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	947	–	–	3	0.32
Collective investment schemes	30,460	1	–	–	–
Total	31,407	1		3	
Total purchases including commission and taxes	31,411				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	25,743	–	–	–	–
Total	25,743	–		–	
Total sales net of commissions and taxes	25,743				
Total transaction costs		1		3	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Managed Conservative Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Managed Conservative Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Managed Conservative Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Managed Conservative Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.20% (31/3/2022 - 0.20%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Managed Conservative Fund at the year end in respect of fees paid to the Manager was £99,553 (31/3/2022 - £102,619).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Managed Conservative Fund	76.92	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	X Income units	X Accumulation units
Opening units	955,559	93,607,165
Units created	167,547	10,107,972
Units cancelled	(32,536)	(11,486,132)
Units converted	132,835	(111,195)
Closing units	1,223,405	92,117,810

Notes to the Financial statements

continued

15. Unit movement continued

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
X Income				
Group 1	2.3989	–	2.3989	1.5737
Group 2	1.6628	0.7361	2.3989	1.5737
X Accumulation				
Group 1	2.8644	–	2.8644	1.8504
Group 2	1.1995	1.6649	2.8644	1.8504

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
X Income				
Group 1	1.5476	–	1.5476	1.2963
Group 2	1.1309	0.4167	1.5476	1.2963
X Accumulation				
Group 1	1.8329	–	1.8329	1.5154
Group 2	1.0713	0.7616	1.8329	1.5154

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Managed Balanced Fund

For the year ended 31 March 2023

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 over the medium term (i.e. more than 5 years).

The Managed Balanced Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Managed" fund range, this means the Managed Balanced Fund will achieve this exposure through investment in actively and passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager), closed ended funds and exchange traded funds.

The Managed Balanced Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a balanced risk and volatility level and in response to changing market conditions. However, the Managed Balanced Fund operates a balanced strategy, meaning that the allocation to equities will remain within a 40%-85% range, consistent with its risk/return profile

The underlying equity component of the Managed Balanced Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Managed Balanced Fund may also invest in other transferable securities money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Managed Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Managed Balanced Fund in cash.

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

The Managed Balanced Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Managed Balanced Fund use of derivatives will be limited.

Investment Report

Market commentary

In the 12 months to the 31st March 2023 the Close Managed Balanced fund (X Acc) fell -4.9%, whilst the IA Mixed Investment (40%-85% Shares) sector fell -4.5%.

The reporting period saw inflation rising sharply, reaching double digits in several advanced economies, leading to a sell-off in assets with a sensitivity to rising interest rates. Particularly badly hit were fixed income securities, including developed market government bonds, which underperformed equities. Russia's invasion of Ukraine played a significant role in elevating natural gas and several soft commodity prices, meaning that energy as an asset class and a sector within global equities had a strong 12 months. The path of equity returns more generally was patchy as sporadic market hopes that inflation would either slow or lead to imminent interest rate cuts, led to rallies in areas such as technology stocks, only to be dashed by contrary economic data points. As a result the US produced a negative return for the reporting period (reversing a recent trend), whereas the UK and Europe actually managed a small positive, driven by large cap exposure to energy and financials. Elsewhere in the world, China continued with its strict coronavirus restrictions until the autumn, meaning that much of Asia struggled to shrug off doubt around how the economies would recover once China reopened, on top of which, a strong US dollar made for a difficult headwind for emerging market assets.

On a regional basis, over the year, Europe was the strongest market with a return of 9.5%, followed by the UK 5.6%, Japan 1.3%, the US -1.7% and Asia ex-Japan with -2.6%. The weakest performance came from emerging markets, which delivered -4.5%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -16.3%. For the majority of the reporting period Managed Balanced lagged the IA Mixed Investment (40%-85% Shares) Sector, with defensive and income paying equities generally doing better than their more growth focused counterparts. We had some decent positive returns from funds such as the Alliance Bernstein Europe ex-UK fund, which returned 8.9% for the 12 months to end of March 2023. In the UK we also had exposure to the JPM UK Equity Plus, which delivered 1.6% and the Schroder Income fund, which returned 1.3%. Sadly, however, bonds did not create diversification and it was generally not possible to generate a positive total return from fixed income, which was a drag on performance over the 12 month reporting period. That said, we did get some strong returns from one of our alternative funds and decent performance from another. The MontLake Invenomic US Equity Long/Short, which was short US tech for a portion of the year returned 26.6% and the KLS Neiderhoffer Smart Alpha, which aims to be negatively correlated to equities and bonds delivered 4.1% for the reporting period. Over the course of the reporting period we exited a China government bond holding following the fund winding down. It was probably good timing and we had made a small positive return holding the strategy since it launched. We sold out of Lindsell Train Global Equity, replacing it with Clearbridge Global Listed Infrastructure Income; and we also sold our short dated corporate bond index fund, in favour of the Fidelity Short Dated Corporate Bond fund, which has a similar credit and duration profile, while demonstrating over time that it has delivered returns over the index. In the US we diversified our allocation with the Premier Miton US Opportunities fund, which has more of a value tilt and has small and mid-cap exposure. At the turn of the year we sold the Neuberger Berman Uncorrelated Strategies fund following a change to how the strategy allocates fees. Elsewhere we mainly trimmed equity positions in the UK and US as they crept up relative to other asset classes and topped up our fixed interest positions on weakness, and began trimming exposure to the European Opportunities Trust for performance and liquidity reasons.

During the reporting period we have moved towards a neutral position in terms of our long term asset allocation towards equities, bonds, and alternatives. We can see pitfalls and opportunities in all three areas, perhaps more than at any point in recent times. Within equities we perceive there to be headwinds to areas of the market that rely on low interest rates to out-perform, and so have moved to allocate more to value funds, which should do better in an environment where interest rates stay higher than they have been for the last 10 years. Meanwhile in bonds we have essentially adopted a bar-bell approach of having both long and short duration funds, as we see the near term outlook for rates and inflation to be very uncertain. In terms of alternatives, we want to maintain an exposure to broad commodities and gold, as well as hedge-fund-like managers who are able to deliver uncorrelated returns to equities and bonds.

Investment Report

continued

Fund Performance

Performance for the Managed Balanced Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Managed Balanced Fund X Accumulation	(4.9%)	3.5%	26.3%	(6.2%)	4.4%
IA Mixed Investments 40-85% Sector	(4.5%)	5.2%	26.4%	(8.0%)	4.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Managed Balanced Fund currently has one type of unit class in issue; X Accumulation. The risk and reward profile is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
lower risks/ rewards					higher risks/ rewards	

The Managed Balanced Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Managed Balanced Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Managed Balanced Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Managed Balanced Fund carries the following risks:

Currency risk: The Managed Balanced Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Default risk: The Managed Balanced Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Managed Balanced Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Emerging Markets risk: The Managed Balanced Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Managed Balanced Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Managed Balanced Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Managed Balanced Fund's ability to meet redemption requests may also be affected.

Investment risk: The Managed Balanced Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Managed Balanced Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Investment Report

continued

Risk and Reward Profile continued

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Managed Balanced Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Managed Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.58% (31/3/2022 - 0.59%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	290.38	281.17	224.84
Return before operating charges	(10.38)	12.49	59.30
Operating charges	(2.98)	(3.28)	(2.97)
Return after operating charges	(13.36)	9.21	56.33
Distributions	(4.14)	(2.58)	(2.74)
Retained distributions on accumulation units	4.14	2.58	2.74
Closing net asset value per unit*	277.02	290.38	281.17
After direct transaction costs of**	0.00	(0.01)	(0.04)
Performance			
Return after charges	(4.60%)	3.28%	25.05%
Other information			
Closing net asset value £'000	416,635	386,909	345,657
Closing number of units	150,401,488	133,243,466	122,935,758
Operating charges	1.08%	1.11%	1.12%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	291.20	309.60	290.70
Lowest unit price	260.20	273.30	221.30

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 62.41% (31/3/2022 - 69.20%)			
United Kingdom - 20.65% (31/3/2022 - 24.22)			
1,048,000	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	6,663	1.60
2,305,851	iShares Core FTSE 100 UCITS ETF	17,257	4.14
9,320,000	JPM UK Equity Plus Fund	12,293	2.95
3,433,966	Liontrust Special Situations Fund	16,394	3.93
10,871,480	Ninety One Funds Series I - UK Alpha Fund	16,124	3.87
18,560,000	Schroder Income Fund	13,996	3.36
2,810,000	Thesis - TM Tellworth UK Smaller Companies Fund	3,318	0.80
		86,045	20.65
Europe - 6.97% (31/3/2022 - 7.41%)			
139,163	Barings Europe Select Trust	6,350	1.52
2,870,000	BlackRock European Dynamic Fund	7,902	1.90
8,900,000	ES Alliancebernstein Europe Ex UK Equity Fund	11,623	2.79
420,080	European Opportunities Trust	3,168	0.76
		29,043	6.97
Asia Pacific (ex Japan) - 5.38% (31/3/2022 - 5.87%)			
3,650,000	Allianz China A Shares Equity	3,226	0.78
4,000,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	4,349	1.04
36,627	Schroder ISF Asian Total Return	14,810	3.56
		22,385	5.38
Japan - 1.56% (31/3/2022 - 1.82%)			
60,000	SPARX Japan Sustainable Equity Fund	6,487	1.56
North America - 20.02% (31/3/2022 - 19.67%)			
1,027,919	Baillie Gifford Overseas Growth Funds ICVC - American Fund	10,485	2.52
911,093	Brown Advisory US Flexible Equity Fund	17,942	4.31
261,900	Lyxor Nasdaq-100 UCITS ETF	11,065	2.65
38,000	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	6,581	1.58
2,860,000	Premier Miton US Opportunities Fund	9,956	2.39
675,070	Threadneedle Lux - US Disciplined Core Equities	9,134	2.19
292,171	Vanguard S&P 500 UCITS ETF	18,258	4.38
		83,421	20.02

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
45,401	Emerging Markets - 2.24% (31/3/2022 - 2.61%) Redwheel Global Emerging Markets Fund	9,339	2.24
834,468	Global - 5.59% (31/3/2022 - 7.60%) Brown Advisory Global Leaders Fund	14,086	3.38
3,210,000	ES River and Mercantile Global Recovery Fund	9,191	2.21
		23,277	5.59
	FIXED INTEREST - 22.40% (31/3/2022 - 13.23%)		
9,100,000	Dynamic Bonds - 7.43% (31/3/2022 - 3.41%) Janus Henderson Strategic Bond Fund	10,692	2.57
112,012	Nomura Funds Ireland - Global Dynamic Bond Fund	10,541	2.53
11,520,000	Schroder Strategic Credit Fund	9,730	2.33
		30,963	7.43
8,394,000	United Kingdom Gilts & Corporate Bonds - 12.32% (31/3/2022 - 9.04%) Allianz Strategic Bond Fund	8,255	1.98
13,986,000	Artemis Corporate Bond Fund	12,491	3.00
7,898,622	BlackRock Sustainable Sterling Strategic Bond Fund	8,209	1.97
1,187,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	9,778	2.35
98,947	Lyxor Core UK Government Bond DR UCITS ETF	10,535	2.53
46,400	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	2,045	0.49
		51,313	12.32
11,061,255	Non Equity Investment Instruments - 2.65% (31/3/2022 - 0.00%) HSBC Sterling Liquidity Fund	11,061	2.65
	Asia Pacific (ex Japan) - 0.00% (31/3/2022 - 0.78%)		
1,505,432	ALTERNATIVE - 12.72% (31/3/2022 - 13.70%) BBGI Global Infrastructure	2,270	0.54
4,300,000	FTF Clearbridge Global Infrastructure Income Fund	5,547	1.33
2,038,779	GCP Infrastructure Investments	1,737	0.42
1,539,237	HICL Infrastructure	2,370	0.57
1,550,000	Hipgnosis Songs Fund	1,256	0.30
1,577,995	International Public Partnerships	2,282	0.55
36,507	Invesco Physical Gold ETC	5,642	1.35
45,116	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	4,505	1.08
49,454	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	4,569	1.10

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
1,296,000	Pantheon Infrastructure	1,086	0.26
2,408,458	Renewables Infrastructure	3,006	0.72
5,300,000	Round Hill Music Royalty	2,786	0.67
352,500	Royal Mint Physical Gold ETC	5,596	1.34
128,500	UBS ETF CICI Composite SF UCITS ETF	10,356	2.49
		53,008	12.72
	Portfolio of investments	406,342	97.53
	Net other assets	10,293	2.47
	Total net assets	416,635	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(23,534)		7,833
Revenue	3	7,927		5,297	
Expenses	4	(2,025)		(1,975)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		5,902		3,322	
Taxation	5	–		–	
Net revenue after taxation for the year			5,902		3,322
Total return before distributions			(17,632)		11,155
Distributions	7		(5,902)		(3,322)
Change in net assets attributable to unitholders from investment activities			(23,534)		7,833

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			386,909		345,657
Amounts received on creation of units		81,169		46,424	
Amounts paid on cancellation of units		(34,000)		(16,391)	
			47,169		30,033
Dilution adjustment			–		(6)
Change in net assets attributable to unitholders from investment activities			(23,534)		7,833
Retained distribution on accumulation units	7		6,091		3,392
Closing net assets attributable to unitholders			416,635		386,909

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			406,342		371,951
Current assets					
Debtors	8	6,537		1,892	
Cash and bank balances	9	7,057		13,230	
Total other assets			13,594		15,122
Total assets			419,936		387,073
LIABILITIES					
Creditors					
Other creditors	10	(3,301)		(164)	
Total other liabilities			(3,301)		(164)
Total liabilities			(3,301)		(164)
Net assets attributable to unitholders			416,635		386,909

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Managed Balanced Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(23,529)	7,828
Currency (losses)/gains	(5)	5
Net capital (losses)/gains	(23,534)	7,833

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	129	—
Money market deposit	92	—
Non-taxable overseas dividends	2,557	2,217
Rebate of fees from holdings in third party collective investment schemes	8	4
Taxable overseas dividends	616	514
UK franked dividends from collective investment schemes	3,144	1,789
UK unfranked dividends from collective investment schemes	1,381	773
Total revenue	7,927	5,297

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	2,025	1,975
Total expenses	2,025	1,975

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Corporation tax	—	—
Total taxation	—	—

b) Factors affecting taxation (credit)/charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	5,902	3,322
Corporation tax at 20% (31/3/2022 - 20%)	1,180	664
Effects of:		
Movement in unrecognised tax losses	(40)	137
Revenue not subject to tax	(1,140)	(801)
Total taxation (see note 5(a))	—	—

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Managed Balanced Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £96,546 (31/3/2022 - £136,832) due to tax losses of £482,732 (31/3/2022 - £684,158). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	2,418	1,590
Final distribution	3,673	1,802
	6,091	3,392
Add: Revenue deducted on cancellation of units	134	34
Less: Revenue received on creation of units	(323)	(104)
Net distribution for the year	5,902	3,322

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	1,230	186
Receivable for creation of units	2,354	1,706
Sales awaiting settlement	2,953	—
Total debtors	6,537	1,892

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	7,057	13,230

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	182	164
Amounts payable on cancellation of units	1,064	—
Purchases awaiting settlement	2,055	—
Total other creditors	3,301	164

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Managed Balanced Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	26,371	26,371
Total	—	26,371	26,371

The currency profile for the Managed Balanced Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	28,579	28,579
Total	—	28,579	28,579

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	406,342	406,342
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	371,951	371,951
Investment liabilities	–	–	–	–

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	100,715	–
Level 2: Observable market data	305,627	–
Level 3: Unobservable data	–	–
	406,342	–

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	116,772	–
Level 2: Observable market data	255,179	–
Level 3: Unobservable data	–	–
	371,951	–

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	88,574	1	–	–	–
Total	88,574	1		–	
Total purchases including commission and taxes	88,575				
Sales					
Collective investment schemes	43,160	5	0.01	–	–
Total	43,160	5		–	
Total sales net of commissions and taxes	43,155				
Total transaction costs		6		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	1,080	—	—	6	0.56
Collective investment schemes	58,165	1	—	—	—
Total	59,245	1		6	
Total purchases including commission and taxes	59,252				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	36,088	1	—	—	—
Total	36,088	1		—	
Total sales net of commissions and taxes	36,087				
Total transaction costs		2		6	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Managed Balanced Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Managed Balanced Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Managed Balanced Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Managed Balanced Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.19% (31/3/2022 - 0.20%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Managed Balanced Fund at the year end in respect of fees paid to the Manager was £181,656 (31/3/2022 - £164,580).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Managed Balanced Fund	65.61	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	X Accumulation units
Opening units	133,243,466
Units created	29,569,977
Units cancelled	(12,411,955)
Closing units	150,401,488

Notes to the Financial statements

continued

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
X Accumulation				
Group 1	2.4419	–	2.4419	1.3522
Group 2	0.9650	1.4769	2.4419	1.3522

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
X Accumulation				
Group 1	1.7016	–	1.7016	1.2279
Group 2	1.0640	0.6376	1.7016	1.2279

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Managed Growth Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Managed Growth Fund ("the Managed Growth Fund") is to generate capital growth over the medium term (i.e. more than 5 years).

The Managed Growth Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Managed" fund range, this means the Managed Growth Fund will achieve this exposure through investment in actively and passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager), closed ended funds and exchange traded funds.

The Managed Growth Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band (which is consistent with a growth objective). Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a growth risk and volatility level and in response to changing market conditions. However, the allocation to equities will not normally fall below 60%, consistent with its risk/return profile.

The underlying equity component of the Managed Growth Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Managed Growth Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Managed Growth Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Managed Growth Fund in cash.

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

The Managed 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. It is expected that the Managed Growth Fund use of derivatives will be limited.

Investment Report

Market commentary

In the 12 months to the 31st March 2023 the Close Managed Growth fund (X Acc) fell 6.2%, whilst the IA Flexible Investment sector fell -4.0%. The reporting period saw inflation rising sharply, reaching double digits in several advanced economies, leading to a sell-off in assets with a sensitivity to rising interest rates. Particularly badly hit were fixed income securities, including developed market government bonds, which underperformed equities. Russia's invasion of Ukraine played a significant role in elevating natural gas and several soft commodity prices, meaning that energy as an asset class and a sector within global equities had a strong 12 months. The path of equity returns more generally was patchy as sporadic market hopes that inflation would either slow or lead to imminent interest rate cuts, led to rallies in areas such as technology stocks, only to be dashed by contrary economic data points. As a result the US produced a negative return for the reporting period (reversing a recent trend), whereas the UK and Europe actually managed a small positive, driven by large cap exposure to energy and financials. Elsewhere in the world, China continued with its strict coronavirus restrictions until the autumn, meaning that much of Asia struggled to shrug off doubt around how the economies would recover once China reopened, on top of which, a strong US dollar made for a difficult headwind for emerging market assets.

On a regional basis, over the year, Europe was the strongest market with a return of 9.5%, followed by the UK 5.6%, Japan 1.3%, the US -1.7% and Asia ex-Japan with -2.6%. The weakest performance came from emerging markets, which delivered -4.5%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -16.3%. For the majority of the reporting period Managed Growth lagged the IA Flexible Sector, with defensive and income paying equities generally doing better than their more growth focused counterparts. We had some decent positive returns from funds such as the Alliance Bernstein Europe ex-UK fund, which returned 8.9% for the 12 months to end of March 2023. In the UK we also had exposure to the JPM UK Equity Plus, which delivered 1.6% and the Schroder Recovery fund, which returned 4.2%. Our value exposure in Asia was also a positive contributor in the form of the Invesco Asian fund, which returned 4.7%. Sadly, however, bonds did not create diversification and it was generally not possible to generate a positive total return from fixed income, which was a drag on performance over the 12 month reporting period. That said, we did get some strong returns from one of our alternative funds and decent performance from another. The MontLake Invenomic US Equity Long/Short, which was short US tech for a portion of the year returned 26.6% and the KLS Neiderhoffer Smart Alpha, which aims to be negatively correlated to equities and bonds delivered 4.1% for the reporting period. Over the course of the reporting period we exited a China government bond holding following the fund winding down. It was probably good timing and we had made a small positive return holding the strategy since it launched. We sold out of Lindsell Train Global Equity, replacing it with Clearbridge Global Listed Infrastructure Income; and we also sold our short dated corporate bond index fund, in favour of the Fidelity Short Dated Corporate Bond fund, which has a similar credit and duration profile, while demonstrating over time that it has delivered returns over the index. In the US we diversified our allocation with the Premier Miton US Opportunities fund, which has more of a value tilt and has small and mid-cap exposure. At the turn of the year we sold the Neuberger Berman Uncorrelated Strategies fund following a change to how the strategy allocates fees. Elsewhere we mainly trimmed equity positions in the UK and US as they crept up relative to other asset classes and topped up our fixed interest positions on weakness, and began trimming exposure to the European Opportunities Trust for performance and liquidity reasons.

During the reporting period we have moved towards a neutral position in terms of our long term asset allocation towards equities, bonds, and alternatives. We can see pitfalls and opportunities in all three areas, perhaps more than at any point in recent times. Within equities we perceive there to be headwinds to areas of the market that rely on low interest rates to out-perform, and so have moved to allocate more to value funds, which should do better in an environment where interest rates stay higher than they have been for the last 10 years. Meanwhile in bonds we have essentially adopted a bar-bell approach of having both long and short duration funds, as we see the near term outlook for rates and inflation to be very uncertain. In terms of alternatives, we want to maintain an exposure to broad commodities and gold, as well as hedge-fund-like managers who are able to deliver uncorrelated returns to equities and bonds.

Investment Report

continued

Fund Performance

Performance for the Managed Growth Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Managed Growth Fund X Accumulation	(6.2%)	3.0%	34.8%	(6.3%)	4.4%
IA Flexible Investment Sector	(4.0%)	5.0%	29.1%	(8.1%)	3.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Managed Growth Fund currently has one type of unit class in issue; X Accumulation. The risk and reward profile is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
lower risks/ rewards				higher risks/ rewards		

The Managed Growth Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Managed Growth Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Managed Growth Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

Investing in the Managed Growth Fund carries the following risks:

Currency risk: The Managed Growth Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Default risk: The Managed Growth Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Managed Growth Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Emerging Markets risk: The Managed Growth Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Managed Growth Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Managed Growth Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Managed Growth Fund's ability to meet redemption requests may also be affected.

Investment risk: The Managed Growth Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Managed Growth Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Managed Growth Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Managed Growth Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Growth Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.58% (31/3/2022 - 0.59%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	326.30	318.36	238.88
Return before operating charges	(15.41)	11.60	82.66
Operating charges	(3.31)	(3.66)	(3.18)
Return after operating charges	(18.72)	7.94	79.48
Distributions	(3.42)	(2.06)	(2.22)
Retained distributions on accumulation units	3.42	2.06	2.22
Closing net asset value per unit*	307.58	326.30	318.36
After direct transaction costs of**	(0.01)	0.00	(0.03)
Performance			
Return after charges	(5.74%)	2.49%	33.27%
Other information			
Closing net asset value £'000	101,373	98,600	84,211
Closing number of units	32,958,481	30,217,947	26,451,458
Operating charges	1.08%	1.09%	1.08%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	327.30	355.80	330.80
Lowest unit price	288.00	303.50	233.80

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 77.01% (31/3/2022 - 82.29%)			
United Kingdom - 19.53% (31/3/2022 - 24.32%)			
373,500	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	2,375	2.34
589,689	iShares Core FTSE 100 UCITS ETF	4,413	4.35
790,852	Liontrust Special Situations Fund	3,776	3.73
2,548,678	Ninety One Funds Series I - UK Alpha Fund	3,780	3.73
3,986,000	Schroder Recovery Fund	3,541	3.49
500,000	Seraphim Space Investment Trust	183	0.18
1,464,000	Thesis - TM Tellworth UK Smaller Companies Fund	1,728	1.71
		19,796	19.53
Europe - 10.90% (31/3/2022 - 11.57%)			
47,886	Barings Europe Select Trust	2,185	2.16
16,900	Berenberg Europe EX UK Focus Fund	1,352	1.33
811,000	BlackRock European Dynamic Fund	2,233	2.20
3,217,800	ES Alliancebernstein Europe Ex UK Equity Fund	4,202	4.14
143,635	European Opportunities Trust	1,083	1.07
		11,055	10.90
Asia Pacific (ex Japan) - 8.79% (31/3/2022 - 9.08%)			
1,500,000	Allianz China A Shares Equity	1,326	1.31
478,767	Invesco Far Eastern Investment Series - Asian Fund	2,750	2.71
1,250,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	1,359	1.34
8,603	Schroder ISF Asian Total Return	3,478	3.43
		8,913	8.79
Japan - 2.38% (31/3/2022 - 2.66%)			
22,300	SPARX Japan Sustainable Equity Fund	2,411	2.38
North America - 24.47% (31/3/2022 - 23.06%)			
294,680	Baillie Gifford Overseas Growth Funds ICVC - American Fund	3,006	2.97
245,649	Brown Advisory US Flexible Equity Fund	4,837	4.77
88,940	Lyxor Nasdaq-100 UCITS ETF	3,758	3.71
7,500	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	1,299	1.28
979,000	Premier Miton US Opportunities Fund	3,408	3.36

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
North America continued			
287,297	Threadneedle Lux - US Disciplined Core Equities	3,887	3.83
73,758	Vanguard S&P 500 UCITS ETF	4,609	4.55
		24,804	24.47
Emerging Markets - 2.57% (31/3/2022 - 2.86%)			
12,652	Redwheel Global Emerging Markets Fund	2,603	2.57
Global - 8.37% (31/3/2022 - 8.74%)			
185,342	Brown Advisory Global Leaders Fund	3,129	3.09
565,000	Chrysalis Investments	331	0.33
1,221,000	ES River and Mercantile Global Recovery Fund	3,496	3.45
224,914	Scottish Mortgage Investment Trust	1,526	1.50
		8,482	8.37
FIXED INTEREST - 10.04% (31/3/2022 - 5.15%)			
Dynamic Bonds - 1.67% (31/3/2022 - 0.88%)			
1,440,000	Janus Henderson Strategic Bond Fund	1,692	1.67
United Kingdom Gilts & Corporate Bonds - 5.77% (31/3/2022 - 3.76%)			
2,025,000	Artemis Corporate Bond Fund	1,809	1.78
1,001,522	BlackRock Sustainable Sterling Strategic Bond Fund	1,041	1.03
137,758	Fidelity Investment Funds - Short Dated Corporate Bond Fund	1,135	1.12
14,881	Lyxor Core UK Government Bond DR UCITS ETF	1,584	1.56
6,500	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	286	0.28
		5,855	5.77
Non Equity Investment Instruments - 2.60% (31/3/2022 - 0.00%)			
2,633,685	HSBC Sterling Liquidity Fund	2,634	2.60
Asia Pacific (ex Japan) - 0.00% (31/3/2022 - 0.51%)			
ALTERNATIVE - 10.55% (31/3/2022 - 9.79%)			
267,591	BBGI Global Infrastructure	404	0.40
1,400,000	FTF Clearbridge Global Infrastructure Income Fund	1,806	1.78
391,927	GCP Infrastructure Investments	334	0.33
317,749	HICL Infrastructure	489	0.48
200,000	International Public Partnerships	289	0.29
7,418	Invesco Physical Gold ETC	1,146	1.13

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
ALTERNATIVE continued			
8,230	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	822	0.81
7,187	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	664	0.65
334,800	Pantheon Infrastructure	281	0.28
510,230	Renewables Infrastructure	637	0.63
1,180,000	Round Hill Music Royalty	620	0.61
72,000	Royal Mint Physical Gold ETC	1,143	1.13
25,600	UBS ETF CICI Composite SF UCITS ETF	2,063	2.03
		10,698	10.55
Portfolio of investments		98,943	97.60
Net other assets		2,430	2.40
Total net assets		101,373	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(6,745)		1,138
Revenue	3	1,536		1,068	
Expenses	4	(475)		(478)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		1,061		590	
Taxation	5	–		–	
Net revenue after taxation for the year			1,061		590
Total return before distributions			(5,684)		1,728
Distributions	7		(1,061)		(590)
Change in net assets attributable to unitholders from investment activities			(6,745)		1,138

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			98,600		84,211
Amounts received on creation of units		18,618		18,116	
Amounts paid on cancellation of units		(10,195)		(5,473)	
			8,423		12,643
Change in net assets attributable to unitholders from investment activities			(6,745)		1,138
Retained distribution on accumulation units	7		1,095		608
Closing net assets attributable to unitholders			101,373		98,600

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			98,943		95,872
Current assets					
Debtors	8	777		428	
Cash and bank balances	9	1,896		2,340	
Total other assets			2,673		2,768
Total assets			101,616		98,640
LIABILITIES					
Creditors					
Other creditors	10	(243)		(40)	
Total other liabilities			(243)		(40)
Total liabilities			(243)		(40)
Net assets attributable to unitholders			101,373		98,600

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Managed Growth Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(6,744)	1,138
Currency losses	(1)	—
Net capital (losses)/gains	(6,745)	1,138

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	29	—
Money market deposit	18	—
Non-taxable overseas dividends	605	517
Rebate of fees from holdings in third party collective investment schemes	3	3
Taxable overseas dividends	44	45
UK franked dividends from collective investment schemes	736	440
UK unfranked dividends from collective investment schemes	101	63
Total revenue	1,536	1,068

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	475	478
Total expenses	475	478

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Corporation tax	—	—
Total taxation	—	—

b) Factors affecting taxation (credit)/charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	1,061	590
Corporation tax at 20% (31/3/2022 - 20%)	212	118
Effects of:		
Movement in unrecognised tax losses	56	73
Revenue not subject to tax	(268)	(191)
Total taxation (see note 5(a))	—	—

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Managed Growth Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £273,628 (31/3/2022 - £217,687) due to tax losses of £1,368,142 (31/3/2022 - £1,088,435). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	486	261
Final distribution	609	347
	1,095	608
Add: Revenue deducted on cancellation of units	29	7
Less: Revenue received on creation of units	(63)	(25)
Net distribution for the year	1,061	590

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	64	31
Receivable for creation of units	412	397
Sales awaiting settlement	301	—
Total debtors	777	428

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	1,896	2,340

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	43	40
Amounts payable on cancellation of units	200	—
Total other creditors	243	40

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Managed Growth Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	28	6,604	6,632
Total	28	6,604	6,632

The currency profile for the Managed Growth Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	7,098	7,098
Total	—	7,098	7,098

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	98,943	98,943
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	95,872	95,872
Investment liabilities	–	–	–	–

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	25,179	–
Level 2: Observable market data	73,764	–
Level 3: Unobservable data	–	–
	98,943	–

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	29,683	–
Level 2: Observable market data	66,189	–
Level 3: Unobservable data	–	–
	95,872	–

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	18,480	–	–	1	0.01
Total	18,480	–		1	
Total purchases including commission and taxes	18,481				
Sales					
Collective investment schemes	11,811	1	0.01	–	–
Total	11,811	1		–	
Total sales net of commissions and taxes	11,810				
Total transaction costs		1		1	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	1,035	—	—	—	—
Collective investment schemes	22,585	—	—	—	—
Total	23,620	—		—	
Total purchases including commission and taxes	23,620				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	8,649	—	—	—	—
Total	8,649	—		—	
Total sales net of commissions and taxes	8,649				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Managed Growth Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Managed Growth Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Managed Growth Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Managed Growth Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.20% (31/3/2022 - 0.21%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Managed Growth Fund at the year end in respect of fees paid to the Manager was £42,708 (31/3/2022 - £40,321).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Managed Growth Fund	61.76	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	X Accumulation units
Opening units	30,217,947
Units created	6,090,810
Units cancelled	(3,350,276)
Closing units	32,958,481

Notes to the Financial statements

continued

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
X Accumulation				
Group 1	1.8474	–	1.8474	1.1477
Group 2	0.6897	1.1577	1.8474	1.1477

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
X Accumulation				
Group 1	1.5714	–	1.5714	0.9133
Group 2	0.8814	0.6900	1.5714	0.9133

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund)

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Sustainable Select Fixed Income Fund (Formerly Close Select Fixed Income Fund) ("the Select Fund") is to generate income while maintaining its capital value over the medium term (i.e. more than 5 years). The Fund also seeks to maintain a weighted average carbon intensity (tonnes of Scope 1 and 2 CO₂e per US\$m of revenue) below a benchmark of the ICE BofA Global Corporate Index, targeting a level 50% below this benchmark by 2030 from 2019 baseline, and net zero by emissions by 2050.

The Select Fund has a focus on income producing assets and will hold at least 80% of its portfolio in sterling denominated (or hedged back to sterling) fixed interest securities (mainly corporate bonds, although the Fund may also hold government bonds) and deposits (including money market instruments).

The Investment Adviser operates a selective strategy meaning that it has discretion to pick the most appropriate holdings from a wide range of fixed income securities across different sectors, rather than being constrained by sector. Consequently, the Select Fund may at any one time hold a relatively small number of stocks as chosen by the Manager from a wide range of fixed income securities across different sectors.

The fixed interest securities in which the Select Fund invests may be investment grade, sub-investment grade or unrated. Investment grade securities for the purposes of this Select Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Fund uses a sustainable investment process to ensure that it is invested in a way that contributes to reducing greenhouse gas emissions. The investment universe is identified by the Investment Adviser using both quantitative and qualitative assessments.

Firstly, the Investment Adviser applies a quantitative screening process to exclude companies that derive more than 10% of their annual revenues from activities related to thermal coal. The Investment Adviser then applies its qualitative assessment in order to identify and select companies considered by the Investment

Adviser as having operations and/or business models that aim to minimise their harmful effects on society and the environment. As part of this assessment, the Investment Adviser also considers whether companies follow good governance practices (e.g. with respect to sound management and company board, corporate culture, capital allocation and remuneration policies).

There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Select Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Select Fund in cash.

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. The Select Fund may also invest in international non-Sterling fixed income securities.

The Select Fund may use derivatives for efficient portfolio management.

Investment Report

Market commentary

Fund Performance

The Sustainable Select Fixed Income fund (X Income share class) returned -4.0% in the 12 months to 31st March 2023. Over the same time period, the IA Strategic Bond sector returned -5.7%.

Macro Backdrop

The Bank of England raised rates to 4.25% (from 0.75%), and commenced Quantitative Tightening (i.e. selling bonds) in September 2022. The Federal Reserve raised rates to 5.00% (from 0.50%), and commenced Quantitative Tightening at c. USD 95bn per month (unwinding the USD 9trn of debt on the Fed's balance sheet). The European Central Bank raised the Depo Rate to 3.00% (from -0.50%) and commenced Quantitative Tightening at a rate of EUR 15bn per month.

In the UK, the Composite Purchasing Managers Index (PMI) data weakened slightly to 52.2 (Feb-23 = 53.1), while consensus 2023 GDP growth forecasts improved to -0.4% (Jan-23 = -0.9% / Feb-23 = -0.7%). CPI inflation increased to +10.4% in Feb-23 (Jan-23 = 10.1%) though was largely attributed to exceptional items including elevated food prices. Forecasts indicate inflation will continue to decline throughout 2023 to c. +3.6% in Q4 2023. Unemployment remained strong at 3.7%.

In the US, Composite PMI data improved to 53.3 (Feb-23 = 50.1), while consensus 2023 GDP growth forecasts improved to +1.0% (Feb-23 = +0.7%). US inflation declined for the eighth consecutive month to +6.0% (peak in Jun-22 = +9.1%), and forecasts indicate inflation will decline to +3.3% in Q4 2023. Unemployment increased to (a still very strong) 3.6%.

In the Eurozone, Composite PMI data improved to 54.1 (Feb-23 = 52.0), while consensus 2023 GDP growth forecasts improved to +0.5% (Feb-23 = +0.4% / Jan-23 = 0%). Eurozone inflation declined to +6.9% (Feb-23 = +8.5%), and forecasts indicate inflation will decline to +3.0% in Q4 2023, albeit forecasts are volatile given ongoing concerns over Russian gas supplies. Unemployment remained stable at 6.6%.

Portfolio Activity

On the portfolio construction side, the yield-to-call is 8.0%; duration is 4.7 years; the average rating of the fund is BBB+; cash levels are 3%; and the unrated portion of the fund is 3%.

Outlook & Strategy

Sovereign bond yields are volatile and reactive to macro data – and offer fair value in the UK, US and Eurozone.

Sterling Investment Grade bonds are Slightly Cheap versus all historical timeframes, with sterling 'BBB' credit spreads at 233bps, versus their 5yr average of 187bps; 10yr average of 188bps; and 20yr average of 216bps.

Sterling High Yield spreads are Slightly Cheap versus all historical timeframes, with 'BB' spreads at 456bps (5yr average = 370bps; 10yr average = 349bps; 20yr average = 430bps).

In order to ensure capital preservation and deliver a good level of monthly income, we continue to seek out the best risk/reward ideas across investment grade, high yield and unrated sectors. We maintain our focus on stock selection reinforced by in-depth credit research.

Investment Report

continued

Fund Performance

Performance for the Select Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Select Fund X Income	(4.0%)	(1.1%)	15.2%	(2.8%)	3.1%
IA Sterling Strategic Bond Sector*	(5.7%)	(2.2%)	12.4%	(1.4%)	2.1%

Source: Produced by CAM (UK) Ltd using Financial Express.

*The Fund became a constituent of the sector on 16 November 2017.

The percentage growth in prices is calculated using the published dealing price of units in the X Income 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.

Risk and Reward Profile

The Select Fund currently has three types of unit class in issue; I Income, X Income, and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
lower risks/ rewards				higher risks/ rewards		

The Select Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Select Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Select Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Select Fund carries the following risks:

Counterparty risk: The Select Fund could lose money if a counterparty with which it transacts becomes unwilling or unable to meet its obligations to the Select Fund.

Currency risk: The Select Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Select Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Default risk: The Select Fund may invest in bonds which provide a fixed or variable return and which are a form of loan, the value of which depends on the issuer being able to make its payments. There is a risk that the issuer will fail to do so. Although the Select Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

Derivatives risk: The Select Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

Focus risk: The Select Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Investment risk: The Select Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Investment Report

continued

Risk and Reward Profile continued

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Select Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Comparative tables

For the year ended I Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	99.62	104.55	93.95
Return before operating charges	(3.45)	(0.57)	15.00
Operating charges	(0.12)	(0.14)	(0.13)
Return after operating charges	(3.57)	(0.71)	14.87
Distributions	(4.81)	(4.22)	(4.27)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	91.24	99.62	104.55
After direct transaction costs of**	(0.00)	0.00	(0.01)
Performance			
Return after charges	(3.58%)	(0.68%)	15.83%
Other information			
Closing net asset value £'000	114,153	52,243	76,790
Closing number of units	125,114,312	52,440,388	73,446,738
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	100.00	106.90	105.20
Lowest unit price	86.33	99.88	94.35

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	99.56	104.48	93.89
Return before operating charges	(3.44)	(0.57)	15.00
Operating charges	(0.45)	(0.50)	(0.49)
Return after operating charges	(3.89)	(1.07)	14.51
Distributions	(4.49)	(3.85)	(3.92)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	91.18	99.56	104.48
After direct transaction costs of**	(0.00)	0.00	(0.01)
Performance			
Return after charges	(3.91%)	(1.02%)	15.45%
Other information			
Closing net asset value £'000	165,322	82,559	70,317
Closing number of units	181,308,512	82,922,137	67,299,664
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	99.99	106.80	105.10
Lowest unit price	86.27	99.80	94.28

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	112.50	113.79	98.39
Return before operating charges	(3.86)	(0.73)	15.92
Operating charges	(0.52)	(0.56)	(0.52)
Return after operating charges	(4.38)	(1.29)	15.40
Distributions	(5.18)	(4.26)	(4.18)
Retained distributions on accumulation units	5.18	4.26	4.18
Closing net asset value per unit*	108.12	112.50	113.79
After direct transaction costs of**	(0.00)	0.00	(0.01)
Performance			
Return after charges	(3.89%)	(1.13%)	15.65%
Other information			
Closing net asset value £'000	125,144	26,951	18,723
Closing number of units	115,747,885	23,956,603	16,454,027
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	113.30	117.70	114.20
Lowest unit price	99.78	112.30	98.79

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 97.34% (31/3/2022 - 93.47%)			
Sterling Denominated Fixed Rate Corporate Bonds - 49.97% (31/3/2022 - 50.33%)			
£10,470,000	abrdn 5.25% Perpetual	8,219	2.03
£1,834,000	Admiral 5.5% 25/7/2024	1,811	0.45
£5,100,000	Aviva 4% 3/6/2055	3,973	0.98
£10,754,000	Aviva 6.875% Perpetual	9,273	2.29
£5,000,000	Barclays 8.407% 14/11/2032	5,162	1.28
£5,000,000	Barclays 8.875% Perpetual	4,489	1.11
£10,906,000	Bupa Finance 4% Perpetual	6,966	1.72
£5,820,000	Bupa Finance 4.125% 14/6/2035	4,602	1.14
£2,589,000	Bupa Finance 5% 8/12/2026	2,485	0.61
£8,800,000	Co-Operative 7.5% 8/7/2026	8,118	2.01
£3,800,750	Co-Operative 11% 22/12/2025	3,975	0.98
£8,000,000	Ford Motor Credit 6.86% 5/6/2026	7,972	1.97
£4,379,000	Hiscox 6.125% 24/11/2045	4,227	1.05
£3,400,000	HSBC 8.201% 16/11/2034	3,583	0.89
£2,000,000	Jupiter Fund Management 8.875% 27/7/2030	2,037	0.50
£12,438,000	Just 5% Perpetual	8,104	2.00
£5,059,000	Just 9% 26/10/2026	5,364	1.33
£2,000,000	Legal & General 4.5% 1/11/2050	1,735	0.43
£2,000,000	Legal & General 5.375% 27/10/2045	1,950	0.48
£8,800,000	Legal & General 5.625% Perpetual	6,854	1.69
£7,000,000	Lloyds Banking 6.625% 2/6/2033	7,020	1.74
£6,200,000	Lloyds Banking 7.875% Perpetual	5,519	1.36
£13,700,000	Nationwide Building Society 5.75% Perpetual	10,968	2.71
£14,500,000	NatWest 7.416% 6/6/2033	14,609	3.61
£10,754,000	Paragon Banking 4.375% 25/9/2031	9,347	2.31
£3,500,000	Paragon Banking 6% 28/8/2024	3,451	0.85
£3,300,000	Pension Insurance 4.625% 7/5/2031	2,759	0.68
£4,200,000	Pension Insurance 7.375% Perpetual	3,654	0.90
£5,186,000	Phoenix 5.625% 28/4/2031	4,681	1.16
£1,500,000	Phoenix 5.75% Perpetual	1,192	0.30
£3,800,000	Phoenix 5.867% 13/6/2029	3,521	0.87
£1,500,000	Rothsay Life 3.375% 12/7/2026	1,370	0.34
£4,200,000	Rothsay Life 5% Perpetual	2,774	0.69

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Fixed Rate Corporate Bonds continued			
£4,000,000	Rothsay Life 5.5% 17/9/2029	3,900	0.96
£6,150,000	Rothsay Life 6.875% Perpetual	5,196	1.28
£4,200,000	Society of Lloyd's 4.875% 7/2/2047	3,902	0.96
£7,200,000	Travis Perkins 3.75% 17/2/2026	6,476	1.60
£11,850,000	Virgin Money UK 5.125% 11/12/2030	10,968	2.71
		202,206	49.97
Sterling Denominated Fixed Rate Government Bonds - 4.13% (31/3/2022 - 0.00%)			
£12,000,000	United Kingdom Gilt 1.125% 31/1/2039	8,168	2.02
£11,000,000	United Kingdom Gilt 1.75% 7/9/2037	8,537	2.11
		16,705	4.13
Sterling Denominated Floating Rate Corporate Bonds - 1.15% (31/3/2022 - 2.63%)			
£5,200,000	Nationwide Building Society 5.875% FRN Perpetual	4,667	1.15
Euro Denominated Fixed Rate Corporate Bonds - 27.60% (31/3/2022 - 8.43%)			
€9,600,000	Bank of Ireland 6.75% 1/3/2033	8,567	2.12
€12,400,000	Cooperatieve Rabobank UA 3.1% Perpetual	8,267	2.04
€19,700,000	EDP - Energias de Portugal 1.5% 14/3/2082	14,475	3.58
€20,200,000	Enel 1.375% Perpetual	14,277	3.53
€2,400,000	Engie 1.5% Perpetual	1,695	0.42
€5,000,000	Holcim Finance Luxembourg 3% Perpetual	4,221	1.04
€8,000,000	Iberdrola International 1.45% Perpetual	5,975	1.48
€9,700,000	Iberdrola International 1.825% Perpetual	6,531	1.61
€12,000,000	International Personal Finance 9.75% 12/11/2025	8,883	2.19
€17,500,000	Orange 1.375% Perpetual	12,147	3.00
€13,800,000	Pershing Square 1.375% 1/10/2027	10,149	2.51
€5,300,000	Swiss Re Finance UK 2.714% 4/6/2052	3,591	0.89
€6,500,000	Trafigura Pte 7.5% Perpetual	5,611	1.39
€9,700,000	Volkswagen International Finance 3.875% Perpetual	7,276	1.80
		111,665	27.60
Euro Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2022 - 1.37%)			
United States Dollar Denominated Fixed Rate Corporate Bonds - 9.00% (31/3/2022 - 29.65%)			
\$10,550,000	Beazley Insurance DAC 5.5% 10/9/2029	7,726	1.91
\$2,650,000	Beazley Insurance DAC 5.875% 4/11/2026	2,063	0.51

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States Dollar Denominated Fixed Rate Corporate Bonds continued			
\$156,000	Louis Dreyfus Finance 5.25% 13/6/2023	125	0.03
\$7,250,000	Perenti Finance Pty 6.5% 7/10/2025	5,667	1.40
\$2,400,000	Pershing Square 3.25% 15/11/2030	1,499	0.37
\$4,500,000	Phoenix 4.75% 4/9/2031	3,257	0.81
\$10,716,000	Trafigura Pte 5.875% Perpetual	7,583	1.87
\$13,800,000	UBS 3.875% Perpetual	8,494	2.10
		36,414	9.00
United States Dollar Denominated Fixed Rate Government Bonds - 4.13% (31/3/2022 - 0.00%)			
\$10,000,000	United States Treasury Bond 3.5% 15/2/2039	7,979	1.97
\$10,000,000	United States Treasury Bond 4.25% 15/5/2039	8,712	2.16
		16,691	4.13
United States Dollar Denominated Floating Rate Corporate Bonds - 1.36% (31/3/2022 - 1.06%)			
\$9,000,000	Zurich Finance Ireland Designated Activity 3% FRN 19/4/2051	5,515	1.36
DERIVATIVES* - 0.73% (31/3/2022 - (0.02%))			
Open Forward Currency Contracts - 0.73% (31/3/2022 - (0.02%))			
£120,141,517	Bought GBP 120,141,517 : Sold EUR 135,270,376	1,242	0.31
£47,858,983	Bought GBP 47,858,983 : Sold USD 57,033,438	1,742	0.43
US\$2,855,429	Bought USD 2,855,429 : Sold GBP 2,340,724	(32)	(0.01)
		2,952	0.73
Portfolio of investments		396,815	98.07
Net other assets		7,804	1.93
Total net assets		404,619	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £41,992.

Financial statements

Statement of total return for the year ended 31 March 2023

			Year to 31/3/2023		Year to 31/3/2022
	Notes	GBP £'000	GBP £'000	GBP £'000	GBP £'000
Income					
Net capital losses	2		(18,737)		(8,333)
Revenue	3	10,850		7,000	
Expenses	4	(713)		(572)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation for the year		10,135		6,428	
Taxation	5	(12)		–	
Net revenue after taxation for the year			10,123		6,428
Total return before distributions			(8,614)		(1,905)
Distributions	7		(10,123)		(6,428)
Change in net assets attributable to unitholders from investment activities			(18,737)		(8,333)

Statement of change in net assets attributable to unitholders for the year ended 31 March 2023

		Year to 31/3/2023		Year to 31/3/2022
	GBP £'000	GBP £'000	GBP £'000	GBP £'000
Opening net assets attributable to unitholders		161,753		165,830
Amounts received on creation of units	311,267		46,017	
Amounts paid on cancellation of units	(51,768)		(42,769)	
		259,499		3,248
Dilution adjustment		222		166
Change in net assets attributable to unitholders from investment activities		(18,737)		(8,333)
Retained distribution on accumulation units		1,882		842
Closing net assets attributable to unitholders		404,619		161,753

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			396,847		151,234
Current assets					
Debtors	8	41,598		3,405	
Cash and bank balances	9	5,081		7,962	
Total other assets			46,679		11,367
Total assets			443,526		162,601
LIABILITIES					
Investment liabilities			(32)		(76)
Creditors					
Distribution payable		(1,296)		(496)	
Other creditors	10	(37,579)		(276)	
Total other liabilities			(38,875)		(772)
Total liabilities			(38,907)		(848)
Net assets attributable to unitholders			404,619		161,753

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Select Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital losses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital losses on investments during the year comprise:		
Currency losses	(293)	(1,515)
Losses on forward currency contracts	(4,659)	(879)
Losses on non-derivative securities	(13,785)	(5,939)
Net capital losses	(18,737)	(8,333)

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	43	—
Interest from overseas fixed interest securities	4,561	3,455
Interest from UK fixed interest securities	6,246	3,545
Total revenue	10,850	7,000

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	713	572
Total expenses	713	572

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	12	—
Total taxation	12	—

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	10,135	6,428
Corporation tax at 20% (31/3/2022 - 20%)	2,027	1,286
Effects of:		
Movement in unrecognised tax losses	2	—
Overseas tax	12	—
Relief on overseas tax expensed	(2)	—
Tax deductible interest distributions	(2,027)	(1,286)
Total taxation (see note 5(a))	12	—

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Select Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £2,486 (31/3/2022 - £nil) due to tax losses of £12,431 (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	2	—
	2	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
1st Interim distribution	593	534
2nd Interim distribution	565	507
3rd Interim distribution	626	531
4th Interim distribution	610	533
5th Interim distribution	752	547
6th Interim distribution	742	531
7th Interim distribution	827	531
8th Interim distribution	877	543
9th Interim distribution	990	548
10th Interim distribution	989	517
11th Interim distribution	994	505
Final distribution	1,857	592
	10,422	6,419
Add: Revenue deducted on cancellation of units	110	84
Less: Revenue received on creation of units	(409)	(75)
Net distribution for the year	10,123	6,428

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	6,197	2,930
Receivable for creation of units	3,095	475
Sales awaiting settlement	32,306	—
Total debtors	41,598	3,405

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2023	As at 31/3/2022
	GBP	GBP
	£'000	£'000
Cash and bank balances	5,081	7,962

10. Other creditors

	As at 31/3/2023	As at 31/3/2022
	GBP	GBP
	£'000	£'000
Accrued expenses	120	51
Amounts payable on cancellation of units	1,928	225
Purchases awaiting settlement	35,531	—
Total other creditors	37,579	276

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Select Fund's net assets at 31 March 2023 was:

	Monetary exposures	Net foreign currency assets Non-monetary exposures	Total
	GBP	GBP	GBP
	£'000	£'000	£'000
Euro	—	5,484	5,484
US Dollar	—	2,521	2,521
Total	—	8,005	8,005

The currency profile for the Select Fund's net assets at 31 March 2022 was:

	Monetary exposures	Net foreign currency assets Non-monetary exposures	Total
	GBP	GBP	GBP
	£'000	£'000	£'000
Euro	—	1,084	1,084
US Dollar	—	2,731	2,731
Total	—	3,815	3,815

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	10,182	383,681	2,984	396,847
Investment liabilities	–	–	(32)	(32)

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	8,190	142,999	45	151,234
Investment liabilities	–	–	(76)	(76)

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	–	–
Level 2: Observable market data	396,847	(32)
Level 3: Unobservable data	–	–
	396,847	(32)
31/3/2022		
Level 1: Quoted prices	–	–
Level 2: Observable market data	151,234	(76)
Level 3: Unobservable data	–	–
	151,234	(76)

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2023	% of net assets as at 31/3/2022
Investment Grade	48.62	23.24
Below Investment Grade	23.96	34.04
Not Rated	24.76	36.19
	97.34	93.47

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	373,564	—	—	—	—
Total	373,564	—		—	
Total purchases including commission and taxes	373,564				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	116,962	1	—	—	—
Total	116,962	1		—	
Total sales net of commissions and taxes	116,961				
Total transaction costs		1		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	45,169	—	—	—	—
Total	45,169	—		—	
Total purchases including commission and taxes	45,169				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	37,691	—	—	—	—
Total	37,691	—		—	
Total sales net of commissions and taxes	37,691				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Select Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Select Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Dealing spread costs suffered by the Select Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.95% (31/3/2022 - 0.82%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Select Fund at the year end in respect of fees paid to the Manager was £120,233 (31/3/2022 - £50,680).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Select Fund	57.92	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2023

	I Income units	X Income units	X Accumulation units
Opening units	52,440,388	82,922,137	23,956,603
Units created	79,822,454	136,582,698	100,851,816
Units cancelled	(6,949,181)	(38,337,699)	(9,109,804)
Units converted	(199,349)	141,376	49,270
Closing units	125,114,312	181,308,512	115,747,885

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 March 2023

Group 2: units purchased between 1 March 2023 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/4/2023	Distribution Paid per Unit on 30/4/2022
I Income				
Group 1	0.4379	–	0.4379	0.3852
Group 2	0.3531	0.0848	0.4379	0.3852
X Income				
Group 1	0.4126	–	0.4126	0.3550
Group 2	0.3966	0.0160	0.4126	0.3550
X Accumulation				
Group 1	0.4848	–	0.4848	0.3999
Group 2	0.4557	0.0291	0.4848	0.3999

11th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 February 2023

Group 2: units purchased between 1 February 2023 and 28 February 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/3/2023	Distribution Paid per Unit on 31/3/2022
I Income				
Group 1	0.3783	–	0.3783	0.3254
Group 2	0.2422	0.1361	0.3783	0.3254
X Income				
Group 1	0.3547	–	0.3547	0.2978
Group 2	0.2240	0.1307	0.3547	0.2978
X Accumulation				
Group 1	0.4144	–	0.4144	0.3345
Group 2	0.1862	0.2282	0.4144	0.3345

Distribution tables

continued

10th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2023

Group 2: units purchased between 1 January 2023 and 31 January 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2023	Distribution Paid per Unit on 28/2/2022
I Income				
Group 1	0.4028	–	0.4028	0.3388
Group 2	0.2564	0.1464	0.4028	0.3388
X Income				
Group 1	0.3750	–	0.3750	0.3075
Group 2	0.0814	0.2936	0.3750	0.3075
X Accumulation				
Group 1	0.4386	–	0.4386	0.3442
Group 2	0.2110	0.2276	0.4386	0.3442

9th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 December 2022

Group 2: units purchased between 1 December 2022 and 31 December 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/1/2023	Distribution Paid per Unit on 31/1/2022
I Income				
Group 1	0.4278	–	0.4278	0.3443
Group 2	0.2894	0.1384	0.4278	0.3443
X Income				
Group 1	0.4000	–	0.4000	0.3129
Group 2	0.2056	0.1944	0.4000	0.3129
X Accumulation				
Group 1	0.4666	–	0.4666	0.3492
Group 2	0.2856	0.1810	0.4666	0.3492

Distribution tables

continued

8th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 November 2022

Group 2: units purchased between 1 November 2022 and 30 November 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/12/2022	Distribution Paid per Unit on 31/12/2021
I Income				
Group 1	0.3920	–	0.3920	0.3454
Group 2	0.2163	0.1757	0.3920	0.3454
X Income				
Group 1	0.3658	–	0.3658	0.3152
Group 2	0.2216	0.1442	0.3658	0.3152
X Accumulation				
Group 1	0.4249	–	0.4249	0.3506
Group 2	0.2600	0.1649	0.4249	0.3506

7th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 October 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
I Income				
Group 1	0.4097	–	0.4097	0.3582
Group 2	0.1272	0.2825	0.4097	0.3582
X Income				
Group 1	0.3826	–	0.3826	0.3268
Group 2	0.1923	0.1903	0.3826	0.3268
X Accumulation				
Group 1	0.4422	–	0.4422	0.3626
Group 2	0.1789	0.2633	0.4422	0.3626

Distribution tables

continued

6th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 September 2022

Group 2: units purchased between 1 September 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/10/2022	Distribution Paid per Unit on 31/10/2021
I Income				
Group 1	0.4062	–	0.4062	0.3504
Group 2	0.0872	0.3190	0.4062	0.3504
X Income				
Group 1	0.3796	–	0.3796	0.3195
Group 2	0.1098	0.2698	0.3796	0.3195
X Accumulation				
Group 1	0.4371	–	0.4371	0.3534
Group 2	0.1405	0.2966	0.4371	0.3534

5th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased between 1 August 2022 and 31 August 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/9/2022	Distribution Paid per Unit on 30/9/2021
I Income				
Group 1	0.4196	–	0.4196	0.3611
Group 2	0.2624	0.1572	0.4196	0.3611
X Income				
Group 1	0.3915	–	0.3915	0.3293
Group 2	0.2490	0.1425	0.3915	0.3293
X Accumulation				
Group 1	0.4486	–	0.4486	0.3631
Group 2	0.1848	0.2638	0.4486	0.3631

Distribution tables

continued

4th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2022

Group 2: units purchased between 1 July 2022 and 31 July 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2022	Distribution Paid per Unit on 31/8/2021
I Income				
Group 1	0.3728	–	0.3728	0.3535
Group 2	0.1881	0.1847	0.3728	0.3535
X Income				
Group 1	0.3447	–	0.3447	0.3219
Group 2	0.2455	0.0992	0.3447	0.3219
X Accumulation				
Group 1	0.3937	–	0.3937	0.3535
Group 2	0.1803	0.2134	0.3937	0.3535

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 June 2022

Group 2: units purchased between 1 June 2022 and 30 June 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
I Income				
Group 1	0.4049	–	0.4049	0.3610
Group 2	0.2390	0.1659	0.4049	0.3610
X Income				
Group 1	0.3772	–	0.3772	0.3302
Group 2	0.1797	0.1975	0.3772	0.3302
X Accumulation				
Group 1	0.4292	–	0.4292	0.3618
Group 2	0.1914	0.2378	0.4292	0.3618

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased between 1 May 2022 and 31 May 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/6/2022	Distribution Paid per Unit on 30/6/2021
I Income				
Group 1	0.3722	–	0.3722	0.3451
Group 2	0.1719	0.2003	0.3722	0.3451
X Income				
Group 1	0.3429	–	0.3429	0.3134
Group 2	0.1621	0.1808	0.3429	0.3134
X Accumulation				
Group 1	0.3888	–	0.3888	0.3422
Group 2	0.1657	0.2231	0.3888	0.3422

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 April 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/5/2022	Distribution Paid per Unit on 31/5/2021
I Income				
Group 1	0.3887	–	0.3887	0.3512
Group 2	0.1931	0.1956	0.3887	0.3512
X Income				
Group 1	0.3597	–	0.3597	0.3194
Group 2	0.1902	0.1695	0.3597	0.3194
X Accumulation				
Group 1	0.4066	–	0.4066	0.3481
Group 2	0.1728	0.2338	0.4066	0.3481

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Tactical Select Passive Conservative Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Tactical Select Passive Conservative Fund ("the Tactical Conservative Fund") is to deliver some capital growth with some income over the medium term (i.e. more than 5 years).

The Tactical Conservative Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Tactical Select Passive" fund range, this means the Tactical Conservative Fund will achieve this exposure almost exclusively through a disciplined investment process and investment in passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager) and exchange traded funds.

The Tactical Conservative Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile.

The underlying equity component of the Tactical Conservative Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Tactical Conservative Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Conservative Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Conservative Fund in cash.

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

The Tactical Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Tactical Conservative Fund use of derivatives will be limited.

Investment Report

Market commentary

Since the Tactical Select Conservative Fund was launched on 17 October 2011, we have been implementing the asset allocation view set by asset allocation meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

Full year to end of March 2023 has seen high volatility across the asset classes with correlations converging to one. Subsequently, the Tactical Select Passive Conservative fund was down -5.3% for the period and underperformed its IA 20-60 peer group by -0.5%. However, it was really a period of two halves. The first half of the period (April to September 2022) was tough to broad equity markets due to higher inflation lead by oil and energy prices, which was pushed up by Russia invading Ukraine. This had more of an adverse effect on developed markets than emerging markets. However, as central banks combat inflation by hiking rates the fixed income asset class was the worst performing asset class. As such, fixed income was not the typical defensive asset class in 2022. Fortunately our asset allocation composes of more than just equities and fixed income, which meant with allocation to diversifiers like broad commodities, gold etc. the fund performance has been close to the peer group performance.

In the six months to September 2022 the Close Tactical Select Passive Conservative Fund was down -10.2% and underperformed the IA 20-60 peer group by circa -1.1%. The worse period was Q2 2022 when the fund was down -6.69% for the quarter underperforming the IA 20-60 peer group by -0.39%. The following quarter normalised somewhat but kept on the downward trend. This meant that for Q3 2022 the fund was still negative at -3.8% while underperforming the IA 20-60 peer group by -0.8%. The next half year (October 2022 to March 2023) saw a decent rebound where the fund managed to outperform the peer group by +0.7% while up +5.4%. Most of the performance came from Q4 2022 as a relief rally towards the end of the year where tech and growth that has suffered throughout the year bounced back. The fund did +3.3% over that period outperforming the peer group by +0.2%. The tech rebound continued to 2023 and had another leg up with long duration bond picking up as well which lead to positive +2.1% Q1 2023 performance.

Clear winner for year 2022 has been the energy companies. Oil rocketed at the beginning of the year with gas prices going up following the Russian invasion. The combination of these two and opening up of Covid-19 restrictions has pushed inflation to levels we have not seen for decades. As central banks in the west combats the high inflation with increasing rates; affecting both fixed income and the broad market and especially tech has hurt. As such fixed income has actually had worse performance than many of our equity investments. What has really stood out this year is our diversifiers and allocation to broad commodities, which benefitted from higher oil prices and lower supply of agricultural products due to the Russian invasion. Gold has also been good hedge against the uncertainties, but have not kept up with inflation. In general our diversifiers and have had low correlation to both equities and fixed income and thus have shown why they are a valuable part of multi-asset investing. What makes 2022 a peculiar year is that our highest risk profile has actually done better in a year like this, when conventional wisdom dictates that lowest risk profile would do best in a negative year like this.

As uncertainty with regards to rate hikes, inflation and macroeconomics continues, we have taken more of a barbell approach within both equities and our fixed income allocations. In fixed income we have added JPM GBP Ultrashort Income UCITS ETF to balance our UK inflation linked gilts holdings. In equities we have invested to SPDR S&P US Healthcare UCITS ETF while divesting from SPDR S&P US Communication Services UCITS ETF in order to get more exposure to Value stocks.

Investment Report

continued

Fund Performance

Performance for the Tactical Conservative Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Tactical Conservative Fund X Accumulation	(5.3%)	3.5%	15.6%	(6.1%)	4.1%
IA Mixed Investments 20-60% Sector	(4.8%)	2.7%	19.8%	(7.2%)	2.9%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Tactical Conservative Fund currently has two types of unit class in issue; X Income and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Tactical Conservative Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.

The SRRI table demonstrates where the Tactical Conservative Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Tactical Conservative Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Conservative Fund carries the following risks:

Currency risk: The Tactical Conservative Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Emerging Markets risk: The Tactical Conservative Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Tactical Conservative Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Tactical Conservative Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Tactical Conservative Fund's ability to meet redemption requests may also be affected.

Investment risk: The Tactical Conservative Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Tactical Conservative Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Tactical Conservative Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Tactical Conservative Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.17% (31/3/2022 - 0.16%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended X Income units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	241.90	237.62	208.20
Return before operating charges	(11.02)	8.97	33.80
Operating charges	(1.10)	(1.18)	(1.11)
Return after operating charges	(12.12)	7.79	32.69
Distributions	(4.21)	(3.51)	(3.27)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	225.57	241.90	237.62
After direct transaction costs of**	(0.01)	(0.01)	(0.02)
Performance			
Return after charges	(5.01%)	3.28%	15.70%
Other information			
Closing net asset value £'000	7,788	7,087	6,703
Closing number of units	3,452,456	2,929,650	2,820,738
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.01%	0.01%
Prices*			
Highest unit price	242.80	254.10	243.60
Lowest unit price	211.60	235.40	206.30

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	286.75	277.65	239.89
Return before operating charges	(12.88)	10.49	39.04
Operating charges	(1.31)	(1.39)	(1.28)
Return after operating charges	(14.19)	9.10	37.76
Distributions	(5.02)	(4.12)	(3.78)
Retained distributions on accumulation units	5.02	4.12	3.78
Closing net asset value per unit*	272.56	286.75	277.65
After direct transaction costs of**	(0.01)	(0.01)	(0.02)
Performance			
Return after charges	(4.95%)	3.28%	15.74%
Other information			
Closing net asset value £'000	222,991	218,713	213,635
Closing number of units	81,813,123	76,274,376	76,942,904
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.01%	0.01%
Prices*			
Highest unit price	287.90	299.50	283.10
Lowest unit price	253.70	277.40	237.70

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 44.43% (31/3/2022 - 43.66%)			
United Kingdom - 17.84% (31/3/2022 - 18.29%)			
8,108,705	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	14,060	6.09
1,540,710	iShares Core FTSE 100 UCITS ETF	11,531	5.00
151,165	Vanguard FTSE 100 UCITS ETF	5,034	2.18
76,805	Vanguard FTSE 250 UCITS ETF	2,240	0.97
34,195	Vanguard FTSE UK All Share Index Unit Trust	8,299	3.60
		41,164	17.84
Europe - 8.34% (31/3/2022 - 4.58%)			
45,025	JPMorgan GBP Ultra-Short Income UCITS ETF	4,514	1.96
67,530	SPDR S&P U.S. Health Care Select Sector UCITS ETF	2,095	0.91
289,215	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	3,460	1.50
128,845	Vanguard FTSE Developed Europe ex UK UCITS ETF	4,050	1.75
130,355	Xtrackers Euro Stoxx 50 UCITS ETF	5,132	2.22
		19,251	8.34
Asia Pacific (ex Japan) - 3.03% (31/3/2022 - 3.34%)			
2,212,435	HSBC Index Tracker Investment Funds - Pacific Index Fund	6,994	3.03
Japan - 0.86% (31/3/2022 - 0.89%)			
47,000	Amundi Prime Japan UCITS ETF DR (D)	963	0.42
934,310	HSBC Index Tracker Investment Funds - Japan Index Fund	1,028	0.44
		1,991	0.86
North America - 10.06% (31/3/2022 - 12.00%)			
202,320	First Trust US Equity Income UCITS ETF	4,580	1.99
9,550	Invesco Technology S&P US Select Sector UCITS ETF	2,864	1.24
59,790	Lyxor Nasdaq-100 UCITS ETF	2,526	1.09
87,630	SPDR S&P U.S. Financials Select Sector UCITS ETF	2,582	1.12
79,790	Vanguard S&P 500 UCITS ETF	4,986	2.16
9,345	Vanguard US Equity Index Fund	5,676	2.46
		23,214	10.06
Emerging Markets - 2.68% (31/3/2022 - 2.85%)			
1,602,700	Amundi MSCI Emerging Markets UCITS ETF	6,175	2.68

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
137,675	Global - 1.62% (31/3/2022 - 1.71%) VanEck Video Gaming and eSports UCITS ETF	3,738	1.62
FIXED INTEREST - 39.79% (31/3/2022 - 41.65%)			
3,489,412	United Kingdom Gilts & Corporate Bonds - 39.79% (31/3/2022 - 41.65%) Close Sustainable Select Fixed Income Fund ⁺	3,205	1.39
14,882,890	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	12,110	5.25
56,945	Invesco UK Gilt 1-5 Year UCITS ETF	2,130	0.92
31,460	iShares Core GBP Bond UCITS ETF	3,816	1.66
120,895	iShares GBP Bond 0-5yr UCITS ETF	11,726	5.08
90,545	JPMorgan BetaBuilders UK Gilt 1-5 YR UCITS ETF	8,513	3.69
1,133,155	L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	10,459	4.53
77,105	Lyxor Core UK Government Bond DR UCITS ETF	8,209	3.56
40,910	Lyxor Core UK Government Inflation-Linked Bond DR UCITS ETF	6,261	2.71
808,580	Lyxor UK Government Bond 0-5Y DR UCITS ETF	13,439	5.82
425,670	SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF	11,949	5.18
		91,817	39.79
24,240	ALTERNATIVE - 10.12% (31/3/2022 - 9.90%) Invesco Physical Gold ETC	3,746	1.62
217,240	iShares Global Infrastructure UCITS ETF	5,337	2.31
255,630	L&G Cyber Security UCITS ETF	4,034	1.75
235,890	Royal Mint Physical Gold ETC	3,745	1.62
80,660	UBS ETF CICI Composite SF UCITS ETF	6,500	2.82
		23,362	10.12
	Portfolio of investments	217,706	94.34
	Net other assets	13,073	5.66
	Total net assets	230,779	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

⁺Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(15,176)		4,228
Revenue	3	5,073		4,219	
Expenses	4	(708)		(727)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		4,365		3,492	
Taxation	5	(298)		(247)	
Net revenue after taxation for the year			4,067		3,245
Total return before distributions			(11,109)		7,473
Distributions	7		(4,067)		(3,245)
Change in net assets attributable to unitholders from investment activities			(15,176)		4,228

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders		225,800		220,338
Amounts received on creation of units	41,419		20,237	
Amounts paid on cancellation of units	(25,291)		(22,136)	
		16,128		(1,899)
Dilution adjustment		(3)		4
Change in net assets attributable to unitholders from investment activities		(15,176)		4,228
Retained distribution on accumulation units		4,030		3,129
Closing net assets attributable to unitholders		230,779		225,800

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			217,706		214,979
Current assets					
Debtors	8	853		1,305	
Cash and bank balances	9	12,690		9,727	
Total other assets			13,543		11,032
Total assets			231,249		226,011
LIABILITIES					
Creditors					
Distribution payable		(62)		(41)	
Other creditors	10	(408)		(170)	
Total other liabilities			(470)		(211)
Total liabilities			(470)		(211)
Net assets attributable to unitholders			230,779		225,800

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Tactical Conservative Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(15,181)	4,232
Currency gains/(losses)	5	(4)
Net capital (losses)/gains	(15,176)	4,228

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	132	—
Non-taxable overseas dividends	1,966	1,543
Rebate of fees from holdings in third party collective investment schemes	7	—
Taxable overseas dividends	1,517	1,455
UK franked dividends from collective investment schemes	907	714
UK unfranked dividends from collective investment schemes	544	507
Total revenue	5,073	4,219

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	708	727
Total expenses	708	727

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	298	247
Total taxation	298	247

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	4,365	3,492
Corporation tax at 20% (31/3/2022 - 20%)	873	698
Effects of:		
Revenue not subject to tax	(575)	(451)
Total taxation (see note 5(a))	298	247

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Tactical Conservative Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	2,352	1,920
Final distribution	1,811	1,311
	4,163	3,231
Add: Revenue deducted on cancellation of units	122	88
Less: Revenue received on creation of units	(218)	(74)
Net distribution for the year	4,067	3,245

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	194	98
Receivable for creation of units	659	1,207
Total debtors	853	1,305

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	12,690	9,727

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	62	60
Amounts payable on cancellation of units	171	–
Corporation tax payable	175	110
Total other creditors	408	170

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Tactical Conservative Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	–	25,273	25,273
Total	–	25,273	25,273

The currency profile for the Tactical Conservative Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	29	23,477	23,506
Total	29	23,477	23,506

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	217,706	217,706
Investment liabilities	–	–	–	–

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	214,979	214,979
Investment liabilities	–	–	–	–

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	166,334	–
Level 2: Observable market data	51,372	–
Level 3: Unobservable data	–	–
	217,706	–

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	160,270	–
Level 2: Observable market data	54,709	–
Level 3: Unobservable data	–	–
	214,979	–

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	31,005	5	0.02	–	–
Total	31,005	5		–	
Total purchases including commission and taxes	31,010				
Sales					
Collective investment schemes	13,992	2	0.01	–	–
Total	13,992	2		–	
Total sales net of commissions and taxes	13,990				
Total transaction costs		7		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	29,961	6	0.02	–	–
Total	29,961	6		–	
Total purchases including commission and taxes	29,967				
Sales					
Collective investment schemes	29,702	6	0.02	–	–
Total	29,702	6		–	
Total sales net of commissions and taxes	29,696				
Total transaction costs		12		–	
Total transaction costs as a % of average net assets		0.01%		0.00%	

The above analysis covers any direct transaction costs suffered by the Tactical Conservative Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Tactical Conservative Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Tactical Conservative Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.13% (31/3/2022 - 0.14%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Tactical Conservative Fund at the year end in respect of fees paid to the Manager was £61,920 (31/3/2022 - £59,969).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Tactical Conservative Fund	69.75	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	X Income units	X Accumulation units
Opening units	2,929,650	76,274,376
Units created	897,483	14,572,733
Units cancelled	(323,024)	(9,077,563)
Units converted	(51,653)	43,577
Closing units	3,452,456	81,813,123

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

Notes to the Financial statements

continued

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
X Income				
Group 1	1.7830	–	1.7830	1.4124
Group 2	0.7362	1.0468	1.7830	1.4124
X Accumulation				
Group 1	2.1374	–	2.1374	1.6644
Group 2	1.1208	1.0166	2.1374	1.6644

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
X Income				
Group 1	2.4277	–	2.4277	2.0978
Group 2	1.5906	0.8371	2.4277	2.0978
X Accumulation				
Group 1	2.8777	–	2.8777	2.4511
Group 2	1.1943	1.6834	2.8777	2.4511

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Tactical Select Passive Balanced Fund

For the year ended 31 March 2023

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 over the medium term (i.e. more than 5 years).

The Tactical Balanced Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Tactical Select Passive" fund range, this means the Tactical Balanced Fund will achieve this exposure almost exclusively through a disciplined investment process and investment in passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager) and exchange traded funds.

The Tactical Balanced Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a balanced risk and volatility level and in response to changing market conditions. However, the Tactical Balanced Fund operates a balanced strategy, meaning that the allocation to equities will remain within a 40%-85% range, consistent with its risk/return profile.

The underlying equity component of the Tactical Balanced Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Tactical Balanced Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Balanced Fund in cash.

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

The Tactical Balanced Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Tactical Balanced Fund's use of derivatives will be limited.

Investment Report

Market commentary

Since the Tactical Select Balanced Fund was launched on 17 October 2011, we have been implementing the asset allocation view set by asset allocation meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

Full year to end of March 2023 has seen high volatility across the asset classes with correlations converging to one. Subsequently, the Tactical Select Passive Balanced fund was down -4.0% for the period and actually outperformed its IA 40-85 peer group by +0.6%. However, it was really a period of two halves. The first half of the period (April to September 2022) was tough to broad equity markets due to higher inflation lead by oil and energy prices, which was pushed up by Russia invading Ukraine. This had more of an adverse effect on developed markets than emerging markets. However, as central banks combat inflation by hiking rates the fixed income asset class was the worst performing asset class. As such, fixed income was not the typical defensive asset class in 2022. Fortunately our asset allocation composes of more than just equities and fixed income, which meant with allocation to diversifiers like broad commodities, gold etc. the fund performance has been close to the peer group performance.

The Close Tactical Select Passive Balanced Fund was down -9.99% in the six months to September 2022 and outperformed the IA 40-85 peer group by circa +0.82%. The worse period was Q2 2022 when the fund was down -7.53% for the quarter underperforming the IA 40-85 peer group by -0.13%. The following quarter normalised somewhat but kept on the downward trend. This meant that for Q3 2022 the fund was still negative at -2.0% while being flat against the IA 40-85 peer group. The next half year (October 2022 to March 2023) saw a decent rebound where the fund managed to outperform the peer group by +0.8% while up +5.9%. Most of the performance came from Q4 2022 as a relief rally towards the end of the year where tech and growth that has suffered throughout the year bounced back. The fund did +3.3% over that period outperforming the peer group by +0.5%. The tech rebound continued to 2023 and had another leg up with long duration bond picking up as well which lead to positive +2.5% Q1 2023 performance.

Clear winner for year 2022 has been the energy companies. Oil rocketed at the beginning of the year with gas prices going up following the Russian invasion. The combination of these two and opening up of Covid-19 restrictions has pushed inflation to levels we have not seen for decades. As central banks in the west combats the high inflation with increasing rates; affecting both fixed income and the broad market and especially tech has hurt. As such fixed income has actually had worse performance than many of our equity investments. What has really stood out this year is our diversifiers and allocation to broad commodities, which benefitted from higher oil prices and lower supply of agricultural products due to the Russian invasion. Gold has also been good hedge against the uncertainties, but have not kept up with inflation. In general our diversifiers and have had low correlation to both equities and fixed income and thus have shown why they are a valuable part of multi-asset investing. What makes 2022 a peculiar year is that our highest risk profile has actually done better in a year like this, when conventional wisdom dictates that lowest risk profile would do best in a negative year like this.

As uncertainty with regards to rate hikes, inflation and macroeconomics continues, we have taken more of a barbell approach within both equities and our fixed income allocations. In fixed Income we have added JPM GBP Ultrashort Income UCITS ETF to balance our UK inflation linked gilts holdings. In equities we have invested to SPDR S&P US Healthcare UCITS ETF while divesting from SPDR S&P US Communication Services UCITS ETF in order to get more exposure to Value stocks.

Investment Report

continued

Fund Performance

Performance for the Tactical Balanced Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Tactical Balanced Fund X Accumulation	(4.0%)	5.8%	22.8%	(8.5%)	4.9%
IA Mixed Investments 40-85% Sector	(4.5%)	5.2%	26.4%	(8.0%)	4.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Tactical Balanced Fund currently has two types of unit class in issue; I Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Tactical Balanced Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Tactical Balanced Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Tactical Balanced Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Balanced Fund carries the following risks:

Currency risk: The Tactical Balanced Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Emerging Markets risk: The Tactical Balanced Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Tactical Balanced Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Tactical Balanced Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Tactical Balanced Fund's ability to meet redemption requests may also be affected.

Investment risk: The Tactical Balanced Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Tactical Balanced Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Tactical Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.17% (31/3/2022 - 0.16%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended I Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	112.34	106.33	86.58
Return before operating charges	(3.23)	6.30	20.02
Operating charges	(0.29)	(0.29)	(0.27)
Return after operating charges	(3.52)	6.01	19.75
Distributions	(2.37)	(1.88)	(1.64)
Retained distributions on accumulation units	2.37	1.88	1.64
Closing net asset value per unit*	108.82	112.34	106.33
After direct transaction costs of**	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	(3.13%)	5.65%	22.81%
Other information			
Closing net asset value £'000	2,084	1,603	1,803
Closing number of units	1,915,407	1,426,953	1,695,720
Operating charges	0.27%	0.26%	0.27%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	112.80	117.20	108.10
Lowest unit price	100.70	106.70	84.77

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	332.14	315.00	256.96
Return before operating charges	(9.41)	18.80	59.55
Operating charges	(1.62)	(1.66)	(1.51)
Return after operating charges	(11.03)	17.14	58.04
Distributions	(6.38)	(4.92)	(4.31)
Retained distributions on accumulation units	6.38	4.92	4.31
Closing net asset value per unit*	321.11	332.14	315.00
After direct transaction costs of**	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	(3.32%)	5.44%	22.59%
Other information			
Closing net asset value £'000	396,678	321,642	283,012
Closing number of units	123,534,420	96,838,440	89,845,748
Operating charges	0.51%	0.50%	0.51%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	333.60	346.80	320.50
Lowest unit price	297.40	315.50	251.50

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 64.73% (31/3/2022 - 64.63%)			
United Kingdom - 23.04% (31/3/2022 - 23.27%)			
197,055	Amundi Prime UK Mid & Small Cap	4,057	1.02
8,472,389	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	24,239	6.08
2,589,770	iShares Core FTSE 100 UCITS ETF	19,382	4.86
557,705	Vanguard FTSE 100 UCITS ETF	18,574	4.66
314,025	Vanguard FTSE 250 UCITS ETF	9,157	2.30
67,751	Vanguard FTSE UK All Share Index Unit Trust	16,443	4.12
		91,852	23.04
Europe - 13.94% (31/3/2022 - 8.59%)			
70,135	JPMorgan GBP Ultra-Short Income UCITS ETF	7,032	1.76
211,300	SPDR S&P U.S. Health Care Select Sector UCITS ETF	6,554	1.64
986,018	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	11,795	2.96
351,980	Vanguard FTSE Developed Europe ex UK UCITS ETF	11,064	2.78
315,230	Xtrackers Euro Stoxx 50 UCITS ETF	19,147	4.80
		55,592	13.94
Asia Pacific (ex Japan) - 3.64% (31/3/2022 - 4.71%)			
2,823,205	HSBC Index Tracker Investment Funds - Pacific Index Fund	14,506	3.64
Japan - 1.80% (31/3/2022 - 1.69%)			
171,140	Amundi Prime Japan UCITS ETF DR (D)	3,508	0.88
2,547,859	HSBC Index Tracker Investment Funds - Japan Index Fund	3,667	0.92
		7,175	1.80
North America - 17.26% (31/3/2022 - 20.77%)			
691,680	First Trust US Equity Income UCITS ETF	15,656	3.93
20,900	Invesco Technology S&P US Select Sector UCITS ETF	6,268	1.57
145,005	Lyxor Nasdaq-100 UCITS ETF	6,127	1.53
1,479,170	Schroder US Equity Income Maximiser Fund	1,254	0.32
204,635	SPDR S&P U.S. Financials Select Sector UCITS ETF	6,030	1.51
328,510	Vanguard S&P 500 UCITS ETF	20,529	5.15
17,750	Vanguard US Equity Index Fund	12,974	3.25
		68,838	17.26
Emerging Markets - 3.92% (31/3/2022 - 4.15%)			
4,061,315	Amundi MSCI Emerging Markets UCITS ETF	15,648	3.92

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
166,590	Global - 1.13% (31/3/2022 - 1.45%) VanEck Video Gaming and eSports UCITS ETF	4,523	1.13
FIXED INTEREST - 19.87% (31/3/2022 - 21.98%)			
United Kingdom Gilts & Corporate Bonds - 19.87% (31/3/2022 - 21.98%)			
2,454,185	Close Sustainable Select Fixed Income Fund ⁺	2,254	0.56
15,516,198	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	12,626	3.17
103,560	Invesco UK Gilt 1-5 Year UCITS ETF	3,874	0.97
106,365	iShares GBP Bond 0-5yr UCITS ETF	10,317	2.59
1,231,420	L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	11,366	2.85
62,686	Lyxor Core UK Government Bond DR UCITS ETF	6,674	1.67
48,540	Lyxor Core UK Government Inflation-Linked Bond DR UCITS ETF	7,429	1.86
730,700	Lyxor UK Government Bond 0-5Y DR UCITS ETF	12,144	3.05
446,945	SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF	12,546	3.15
		79,230	19.87
ALTERNATIVE - 9.81% (31/3/2022 - 9.74%)			
42,460	Invesco Physical Gold ETC	6,562	1.65
283,360	iShares Global Infrastructure UCITS ETF	6,961	1.75
468,665	L&G Cyber Security UCITS ETF	7,395	1.85
412,215	Royal Mint Physical Gold ETC	6,544	1.64
144,425	UBS ETF CICI Composite SF UCITS ETF	11,639	2.92
		39,101	9.81
Portfolio of investments		376,465	94.41
Net other assets		22,297	5.59
Total net assets		398,762	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

⁺Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(16,729)		11,133
Revenue	3	8,134		5,812	
Expenses	4	(1,157)		(1,067)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		6,977		4,745	
Taxation	5	(163)		(71)	
Net revenue after taxation for the year			6,814		4,674
Total return before distributions			(9,915)		15,807
Distributions	7		(6,814)		(4,674)
Change in net assets attributable to unitholders from investment activities			(16,729)		11,133

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			323,245		284,815
Amounts received on creation of units		115,074		39,487	
Amounts paid on cancellation of units		(30,100)		(16,948)	
			84,974		22,539
Dilution adjustment			(6)		(4)
Change in net assets attributable to unitholders from investment activities			(16,729)		11,133
Retained distribution on accumulation units	7		7,278		4,762
Closing net assets attributable to unitholders			398,762		323,245

Financial statements

continued

Balance sheet

as at 31 March 2023

		GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
	Notes				
ASSETS					
Fixed assets					
Investments			376,465		311,441
Current assets					
Debtors	8	4,049		622	
Cash and bank balances	9	19,462		11,504	
Total other assets			23,511		12,126
Total assets			399,976		323,567
LIABILITIES					
Creditors					
Other creditors	10	(1,214)		(322)	
Total other liabilities			(1,214)		(322)
Total liabilities			(1,214)		(322)
Net assets attributable to unitholders			398,762		323,245

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Tactical Balanced Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(16,743)	11,146
Currency gains/(losses)	14	(13)
Net capital (losses)/gains	(16,729)	11,133

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	252	—
Non-taxable overseas dividends	4,560	3,154
Rebate of fees from holdings in third party collective investment schemes	9	—
Taxable overseas dividends	1,164	780
UK franked dividends from collective investment schemes	1,602	1,236
UK unfranked dividends from collective investment schemes	547	642
Total revenue	8,134	5,812

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,157	1,067
Total expenses	1,157	1,067

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	163	71
Total taxation	163	71

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	6,977	4,745
Corporation tax at 20% (31/3/2022 - 20%)	1,395	949
Effects of:		
Revenue not subject to tax	(1,232)	(878)
Total taxation (see note 5(a))	163	71

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Tactical Balanced Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £nil (31/3/2022 - £nil) due to tax losses of £nil (31/3/2022 - £nil). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	4,042	3,064
Final distribution	3,236	1,698
	7,278	4,762
Add: Revenue deducted on cancellation of units	162	59
Less: Revenue received on creation of units	(626)	(147)
Net distribution for the year	6,814	4,674

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	272	128
Receivable for creation of units	3,777	494
Total debtors	4,049	622

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	19,462	11,504

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	113	90
Amounts payable on cancellation of units	993	204
Corporation tax payable	108	28
Total other creditors	1,214	322

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Tactical Balanced Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	53,113	53,113
Total	—	53,113	53,113

The currency profile for the Tactical Balanced Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	57	42,953	43,010
Total	57	42,953	43,010

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	376,465	376,465
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	311,441	311,441
Investment liabilities	–	–	–	–

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	288,502	–
Level 2: Observable market data	87,963	–
Level 3: Unobservable data	–	–
	376,465	–

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	224,179	–
Level 2: Observable market data	87,262	–
Level 3: Unobservable data	–	–
	311,441	–

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	95,803	16	0.02	–	–
Total	95,803	16		–	
Total purchases including commission and taxes	95,819				
Sales					
Collective investment schemes	17,048	1	0.01	–	–
Total	17,048	1		–	
Total sales net of commissions and taxes	17,047				
Total transaction costs		17		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	53,909	10	0.02	–	–
Total	53,909	10		–	
Total purchases including commission and taxes	53,919				
Sales					
Collective investment schemes	25,945	5	0.02	–	–
Total	25,945	5		–	
Total sales net of commissions and taxes	25,940				
Total transaction costs		15		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Tactical Balanced Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Tactical Balanced Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Tactical Balanced Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.13% (31/3/2022 - 0.14%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Tactical Balanced Fund at the year end in respect of fees paid to the Manager was £112,557 (31/3/2022 - £90,469).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Tactical Balanced Fund	63.37	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	I Accumulation units	X Accumulation units
Opening units	1,426,953	96,838,440
Units created	687,532	36,159,452
Units cancelled	(199,078)	(9,463,472)
Closing units	1,915,407	123,534,420

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

Notes to the Financial statements

continued

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
I Accumulation				
Group 1	0.9847	–	0.9847	0.6971
Group 2	0.4722	0.5125	0.9847	0.6971
X Accumulation				
Group 1	2.6040	–	2.6040	1.7431
Group 2	1.2371	1.3669	2.6040	1.7431

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
I Accumulation				
Group 1	1.3810	–	1.3810	1.1795
Group 2	0.8099	0.5711	1.3810	1.1795
X Accumulation				
Group 1	3.7734	–	3.7734	3.1765
Group 2	1.5831	2.1903	3.7734	3.1765

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Close Tactical Select Passive Growth Fund

For the year ended 31 March 2023

Fund objective and policy

The investment objective of the Close Tactical Select Passive Growth Fund ("the Tactical Growth Fund") is to generate capital growth over the medium term (i.e. more than 5 years).

The Tactical Growth Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Tactical Select Passive" fund range, this means the Tactical Growth Fund will achieve this exposure almost exclusively through a disciplined investment process and investment in passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager) and exchange traded funds.

The Tactical Growth Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band (which is consistent with a growth objective). In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a growth risk and volatility level and in response to changing market conditions. However, the allocation to equities will not normally fall below 60%, consistent with its risk/return profile.

The underlying equity component of the Tactical Growth Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The Tactical Growth Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Growth Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Growth Fund in cash.

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

The Tactical Growth Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management. It is expected that the Tactical Growth Fund use of derivatives will be limited.

Investment Report

Market commentary

Since the Tactical Select Growth Fund was launched on 17 October 2011, we have been implementing the asset allocation view set by asset allocation meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

Full year to end of March 2023 has seen high volatility across the asset classes with correlations converging to one. Subsequently, the Tactical Select Passive Growth fund was down -3.69% for the period and actually outperformed its IA Flexible peer group by +0.34%. However, it was really a period of two halves. The first half of the period (April to September 2022) was tough to broad equity markets due to higher inflation lead by oil and energy prices, which was pushed up by Russia invading Ukraine. This had more of an adverse effect on developed markets than emerging markets. However, as central banks combat inflation by hiking rates the fixed income asset class was the worst performing asset class. As such, fixed income was not the typical defensive asset class in 2022. Fortunately our asset allocation composes of more than just equities and fixed income, which meant with allocation to diversifiers like broad commodities, gold etc. the fund performance has been close to the peer group performance.

In the six months to September 2022 the Close Tactical Select Passive Growth Fund was down -9.04% and underperformed the IA Flexible peer group by circa -1.18%. The worse period was Q2 2022 when the fund was down -8.63% for the quarter underperforming the IA Flexible peer group by -1.70%. The following quarter normalised somewhat but kept on the downward trend. This meant that for Q3 2022 the Fund was only slightly negative at -0.45% while outperforming the IA Flexible peer group by +0.6%. The next half year (October 2022 to March 2023) saw a decent rebound where the Fund managed to outperform the peer group by +1.72% while up +5.88%. The performance in Q4 2022 was strong as a relief rally towards the end of the year where tech and growth that has suffered throughout the year bounced back. The Fund did +2.5% over that period and was in line with the peer group performance. The tech rebound continued to 2023 and had another leg up with long duration bond picking up as well which lead to positive +3.28% Q1 2023 performance and +1.65% outperformance of the peer group.

Clear winner for year 2022 has been the energy companies. Oil rocketed at the beginning of the year with gas prices going up following the Russian invasion. The combination of these two and opening up of Covid-19 restrictions has pushed inflation to levels we have not seen for decades. As central banks in the west combats the high inflation with increasing rates; affecting both fixed income and the broad market and especially tech has hurt. As such fixed income has actually had worse performance than many of our equity investments. What has really stood out this year is our diversifiers and allocation to broad commodities, which benefitted from higher oil prices and lower supply of agricultural products due to the Russian invasion. Gold has also been good hedge against the uncertainties, but have not kept up with inflation. In general our diversifiers and have had low correlation to both equities and fixed income and thus have shown why they are a valuable part of multi-asset investing. What makes 2022 a peculiar year is that our highest risk profile has actually done better in a year like this, when conventional wisdom dictates that lowest risk profile would do best in a negative year like this.

As inflation and unstable geopolitical landscape continues, we have been shortening our Fixed income duration and moved more towards value end of the equity spectrum. This has been done by increasing our allocation to First Trust US equity income UCITS ETF and US Financials Sector UCITS ETF.

Investment Report

continued

Fund Performance

Performance for the Tactical Growth Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Tactical Growth Fund X Accumulation	(3.7%)	7.7%	29.1%	(10.2%)	6.4%
IA Flexible Investment Sector	(4.0%)	5.0%	29.1%	(8.1%)	3.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation 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.

Risk and Reward Profile

The Tactical Growth Fund currently has two types of unit class in issue; I Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/
rewards

higher risks/
rewards

The Tactical Growth Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The SRRI table demonstrates where the Tactical Growth Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Tactical Growth Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

There have been no changes to the risk rating this period.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Growth Fund carries the following risks:

Currency risk: The Tactical Growth Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment.

Emerging Markets risk: The Tactical Growth Fund may invest in emerging markets which can involve a higher element of risk due to less well regulated markets and the potential for political and economic instability.

Focus risk: The Tactical Growth Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Funds of funds - Liquidity risk: The Tactical Growth Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Tactical Growth Fund's ability to meet redemption requests may also be affected.

Investment risk: The Tactical Growth Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

Liquidity risk: In extreme market conditions, some securities held by the Tactical Growth Fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the Tactical Growth Fund may need to be deferred or the Tactical Growth Fund suspended for a period of time.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

A more comprehensive list of the Tactical Growth Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Collective Investment Schemes

Collective Investment Schemes

The Tactical Growth Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Growth Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.18% (31/3/2022 - 0.18%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.

Comparative tables

For the year ended I Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	117.12	109.07	84.59
Return before operating charges	(2.95)	8.37	24.76
Operating charges	(0.30)	(0.32)	(0.28)
Return after operating charges	(3.25)	8.05	24.48
Distributions	(2.57)	(2.00)	(1.63)
Retained distributions on accumulation units	2.57	2.00	1.63
Closing net asset value per unit*	113.87	117.12	109.07
After direct transaction costs of**	(0.01)	0.00	(0.01)
Performance			
Return after charges	(2.77%)	7.38%	28.94%
Other information			
Closing net asset value £'000	2,542	2,233	2,608
Closing number of units	2,232,485	1,906,699	2,391,189
Operating charges	0.27%	0.28%	0.28%
Direct transaction costs**	0.01%	0.00%	0.01%
Prices*			
Highest unit price	117.70	122.60	111.10
Lowest unit price	105.30	109.20	82.06

For the year ended X Accumulation units	31/3/2023 pence per unit	31/3/2022 pence per unit	31/3/2021 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	364.49	340.08	264.30
Return before operating charges	(9.02)	26.22	77.34
Operating charges	(1.71)	(1.81)	(1.56)
Return after operating charges	(10.73)	24.41	75.78
Distributions	(7.40)	(5.53)	(4.46)
Retained distributions on accumulation units	7.40	5.53	4.46
Closing net asset value per unit*	353.76	364.49	340.08
After direct transaction costs of**	(0.02)	(0.01)	(0.02)
Performance			
Return after charges	(2.94%)	7.18%	28.67%
Other information			
Closing net asset value £'000	100,640	72,735	63,734
Closing number of units	28,448,498	19,955,358	18,740,822
Operating charges	0.49%	0.50%	0.50%
Direct transaction costs**	0.01%	0.00%	0.01%
Prices*			
Highest unit price	366.30	382.00	346.60
Lowest unit price	327.50	340.40	256.30

*Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and unit class returns before operating charges.

Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 75.90% (31/3/2022 - 80.81%)			
United Kingdom - 23.69% (31/3/2022 - 22.95%)			
73,825	Amundi Prime UK Mid & Small Cap	1,520	1.47
808	HSBC Index Tracker Investment Funds - FTSE 100 Index Fund	1	—
2,291,955	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	6,557	6.35
640,015	iShares Core FTSE 100 UCITS ETF	4,790	4.64
153,885	Vanguard FTSE 100 UCITS ETF	5,125	4.97
86,535	Vanguard FTSE 250 UCITS ETF	2,523	2.45
16,180	Vanguard FTSE UK All Share Index Unit Trust	3,927	3.81
		24,443	23.69
Europe - 14.84% (31/3/2022 - 11.69%)			
8,630	JPMorgan GBP Ultra-Short Income UCITS ETF	866	0.84
78,110	SPDR S&P U.S. Health Care Select Sector UCITS ETF	2,423	2.35
237,185	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	2,837	2.75
108,735	Vanguard FTSE Developed Europe ex UK UCITS ETF	3,418	3.31
94,980	Xtrackers Euro Stoxx 50 UCITS ETF	5,769	5.59
		15,313	14.84
Asia Pacific (ex Japan) - 5.27% (31/3/2022 - 6.21%)			
1,057,535	HSBC Index Tracker Investment Funds - Pacific Index Fund	5,434	5.27
Japan - 3.47% (31/3/2022 - 2.60%)			
79,675	Amundi Prime Japan UCITS ETF DR (D)	1,633	1.58
1,356,642	HSBC Index Tracker Investment Funds - Japan Index Fund	1,952	1.89
		3,585	3.47
North America - 22.24% (31/3/2022 - 30.11%)			
201,590	First Trust US Equity Income UCITS ETF	4,563	4.42
112	HSBC Index Tracker Investment Funds - American Index Fund	1	—
8,300	Invesco Technology S&P US Select Sector UCITS ETF	2,489	2.41
100,570	Lyxor Nasdaq-100 UCITS ETF	4,249	4.12
1,489,213	Schroder US Equity Income Maximiser Fund	1,263	1.23
70,910	SPDR S&P U.S. Financials Select Sector UCITS ETF	2,089	2.03
75,800	Vanguard S&P 500 UCITS ETF	4,737	4.59
4,860	Vanguard US Equity Index Fund	3,552	3.44
		22,943	22.24

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
1,438,085	Emerging Markets - 5.37% (31/3/2022 - 5.79%) Amundi MSCI Emerging Markets UCITS ETF	5,541	5.37
423	Global - 1.02% (31/3/2022 - 1.46%) HSBC Index Tracker Investment Funds - FTSE All World Index Fund	1	—
38,885	VanEck Video Gaming and eSports UCITS ETF	1,056	1.02
		1,057	1.02
	FIXED INTEREST - 7.22% (31/3/2022 - 5.76%)		
473,908	United Kingdom Gilts & Corporate Bonds - 7.22% (31/3/2022 - 5.76%) Close Sustainable Select Fixed Income Fund ⁺	435	0.42
3,663,177	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	2,981	2.89
33,845	Invesco UK Gilt 1-5 Year UCITS ETF	1,266	1.22
115,900	L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	1,070	1.04
15,965	Lyxor Core UK Government Bond DR UCITS ETF	1,700	1.65
		7,452	7.22
11,955	ALTERNATIVE - 10.42% (31/3/2022 - 10.29%) Invesco Physical Gold ETC	1,848	1.79
66,290	iShares Global Infrastructure UCITS ETF	1,628	1.58
158,745	L&G Cyber Security UCITS ETF	2,505	2.43
115,975	Royal Mint Physical Gold ETC	1,841	1.79
36,265	UBS ETF CMCI Composite SF UCITS ETF	2,923	2.83
		10,745	10.42
	Portfolio of investments	96,513	93.54
	Net other assets	6,669	6.46
	Total net assets	103,182	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

⁺Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital (losses)/gains	2		(3,705)		3,792
Revenue	3	1,960		1,359	
Expenses	4	(254)		(229)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		1,706		1,130	
Taxation	5	4		–	
Net revenue after taxation for the year			1,710		1,130
Total return before distributions			(1,995)		4,922
Distributions	7		(1,706)		(1,130)
Change in net assets attributable to unitholders from investment activities			(3,701)		3,792

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2023

	Note	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets attributable to unitholders			74,968		66,342
Amounts received on creation of units		39,786		10,054	
Amounts paid on cancellation of units		(9,778)		(6,358)	
			30,008		3,696
Dilution adjustment			21		2
Change in net assets attributable to unitholders from investment activities			(3,701)		3,792
Retained distribution on accumulation units	7		1,886		1,136
Closing net assets attributable to unitholders			103,182		74,968

Financial statements

continued

Balance sheet

as at 31 March 2023

	Notes	GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
ASSETS					
Fixed assets					
Investments			96,513		72,615
Current assets					
Debtors	8	2,186		278	
Cash and bank balances	9	4,998		2,458	
Total other assets			7,184		2,736
Total assets			103,697		75,351
LIABILITIES					
Creditors					
Other creditors	10	(515)		(383)	
Total other liabilities			(515)		(383)
Total liabilities			(515)		(383)
Net assets attributable to unitholders			103,182		74,968

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Tactical Growth Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 10.

2. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(3,710)	3,797
Currency gains/(losses)	5	(5)
Net capital (losses)/gains	(3,705)	3,792

3. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	75	—
Non-taxable overseas dividends	1,226	844
Rebate of fees from holdings in third party collective investment schemes	2	—
Taxable overseas dividends	40	9
UK franked dividends from collective investment schemes	460	344
UK unfranked dividends from collective investment schemes	157	162
Total revenue	1,960	1,359

4. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	254	229
Total expenses	254	229

The audit fee for the year, was £7,500 (2022: £7,350).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Deferred tax credit	(4)	—
Total taxation	(4)	—

b) Factors affecting taxation (credit)/charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	1,706	1,130
Corporation tax at 20% (31/3/2022 - 20%)	341	226
Effects of:		
Movement in unrecognised tax losses	(8)	12
Revenue not subject to tax	(337)	(238)
Total taxation (see note 5(a))	(4)	—

Authorised unit trusts are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation in the Tactical Growth Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £41,909 (31/3/2022 - £45,900) due to tax losses of £209,546 (31/3/2022 - £229,499). There is evidence that taxable profits may arise in the future, therefore the Fund has recognised £3,991 (31/3/2022 - £nil) of the potential deferred tax asset. Consequently the fund has an unrecognised deferred tax asset carried forward of £37,918 (31/3/2022 - £45,900).

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Deferred tax at the start of the year	—	—
Deferred tax credit	(4)	—
Deferred tax at the end of the year	(4)	—

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	—	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	1,032	742
Final distribution	854	394
	1,886	1,136

Add: Revenue deducted on cancellation of units	56	30
Less: Revenue received on creation of units	(236)	(36)
Net distribution for the year	1,706	1,130

Reconciliation of distributions:

Net revenue after taxation	1,710	1,130
Less: Deferred tax	(4)	—
Net distribution for the year	1,706	1,130

8. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	70	24
Deferred tax	4	—
Income tax recoverable	19	18
Receivable for creation of units	2,093	236
Total debtors	2,186	278

9. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Cash and bank balances	4,998	2,458

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	26	19
Amounts payable on cancellation of units	489	364
Total other creditors	515	383

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

The currency profile for the Tactical Growth Fund's net assets at 31 March 2023 was:

	Monetary exposures	Net foreign currency assets Non-monetary exposures	Total
US Dollar	—	17,989	17,989
Total	—	17,989	17,989

The currency profile for the Tactical Growth Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	22	12,239	12,261
Total	22	12,239	12,261

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	96,513	96,513
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	72,615	72,615
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£'000	£'000
31/3/2023		
Level 1: Quoted prices	70,411	—
Level 2: Observable market data	26,102	—
Level 3: Unobservable data	—	—
	96,513	—

	Assets	Liabilities
	£'000	£'000
31/3/2022		
Level 1: Quoted prices	49,527	—
Level 2: Observable market data	23,088	—
Level 3: Unobservable data	—	—
	72,615	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 8.

13. Portfolio transaction costs

Year to 31 March 2023

	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Purchases					
Collective investment schemes	29,480	5	0.02	—	—
Total	29,480	5		—	
Total purchases including commission and taxes	29,485				
Sales					
Collective investment schemes	2,769	—	—	—	—
Total	2,769	—		—	
Total sales net of commissions and taxes	2,769				
Total transaction costs		5		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	9,902	2	0.02	–	–
Total	9,902	2		–	
Total purchases including commission and taxes	9,904				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	3,904	1	0.03	–	–
Total	3,904	1		–	
Total sales net of commissions and taxes	3,903				
Total transaction costs		3		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the Tactical Growth Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Tactical Growth Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Tactical Growth Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.12% (31/3/2022 - 0.16%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 287.

The balance due from the Tactical Growth Fund at the year end in respect of fees paid to the Manager was £26,460 (31/3/2022 - £19,318).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Tactical Growth Fund	53.22	Lion Nominees Limited

15. Unit movement

Year to 31 March 2023

	I Accumulation units	X Accumulation units
Opening units	1,906,699	19,955,358
Units created	800,897	11,157,422
Units cancelled	(475,111)	(2,664,282)
Closing units	2,232,485	28,448,498

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

Notes to the Financial statements

continued

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the year ended 31 March 2023

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
I Accumulation				
Group 1	1.0244	–	1.0244	0.7225
Group 2	0.4226	0.6018	1.0244	0.7225
X Accumulation				
Group 1	2.9212	–	2.9212	1.9047
Group 2	1.2793	1.6419	2.9212	1.9047

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2022	Distribution Paid per Unit on 30/11/2021
I Accumulation				
Group 1	1.5458	–	1.5458	1.2789
Group 2	0.5029	1.0429	1.5458	1.2789
X Accumulation				
Group 1	4.4782	–	4.4782	3.6284
Group 2	1.5523	2.9259	4.4782	3.6284

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Statement of Manager's Responsibilities

Statement of Manager's Responsibilities in relation to the Annual Report and Financial Statements of the Close Discretionary Funds ("the Trust")

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("COLL") requires the Manager to prepare annual financial statements for each accounting year which give a true and fair view of the financial position of the Trust and of its revenue and expenses for the year. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements in accordance with generally accepted accounting principles and applicable accounting standards, including FRS 102 "The Financial Reporting Standard" applicable to the UK and Republic of Ireland and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (changed to The Investment Association in January 2015) ("IA") in May 2014, amended in June 2017, the COLL Sourcebook and the Trust Deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Trust will continue in operation.

The Manager is responsible for keeping such accounting and other records as are necessary to demonstrate that the financial statements as prepared comply with the above requirements and to take reasonable steps for the prevention and detection of fraud and other irregularities. The Manager is responsible for the management of the Trust in accordance with its Trust Deed and the COLL Sourcebook. The Manager is also responsible for the system of internal controls, for safeguarding the assets of the Trust.

In accordance with COLL 4.5.8BR, the Annual Report & Financial Statements were approved by the Board of Directors of the Manager of the Trust and authorised for issue on 20 July 2023.



I.P. Wallace (Director)
20 July 2023

Statement of Trustee's Responsibilities and Report of the Trustee

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Close Discretionary Funds ("the Trust") for the year ended 31 March 2023.

The Trustee in its capacity as Trustee of Close Discretionary Funds must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

For and on behalf of
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA
20 July 2023

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at 160 Queen Victoria Street, London EC4V 4LA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent Auditor's Report

Independent auditor's report to the unitholders of Close Discretionary Funds

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Close Discretionary Funds (the "fund"):

- give a true and fair view of the financial position of the fund and the sub-funds as at 31 March 2023 and of the net revenue and the net capital losses on the property of the sub-funds for the year ended 31 March 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements which comprise the Notes applicable to the Financial Statements of all sub-funds and for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related notes; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

continued

Responsibilities of Trustee and Manager

As explained more fully in the trustee's responsibilities statement and the manager's responsibilities statement, the trustee is responsible for the safeguarding the property of the fund and the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Collective Investment Scheme Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the fund's ability to operate or to avoid a material penalty. These include The Open-Ended Investment Companies Regulation 2001.

We discussed among the audit engagement team, including relevant internal specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in relation to the valuation and existence of investments. There is a risk that the investments may not be valued correctly or may not represent the property of the fund. Given the size and nature of the balance and its importance to the fund, we have considered that there is a potential risk of fraud in this area. The specific procedures performed to address these risks are described below:

- obtained an understanding of the relevant controls at the administrator, The Bank of New York Mellon (International) Limited over the valuation and existence of investments;
- revalued the sub-fund's investment portfolio as at 31 March 2023, through independently obtaining prices for each investment held at the period end date; and
- agreed the sub-fund's investment portfolio at the year end to the confirmation received directly from the depository, The Bank of New York Mellon (International) Limited.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report

continued

Extent to which the audit was considered capable of detecting irregularities, including fraud continued

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the fund and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 March 2023 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the fund's unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
20 July 2023

General Information

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

The Trust was authorised by the Financial Conduct Authority 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 31 March 2023 ("the sub-funds"):

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

* Closed effective 3 March 2023

** Launched 3 September 2010

*** Launched 17 October 2011

**** Launched 15 October 2012

***** Launched 2 November 2020

Accounting year end date

31 March

Objectives and Manager's Report

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

As at 31 March 2023 the following sub-funds invested in the Close Sustainable Select Fixed Income Fund:

	Number of units held	Market value £'000
Close Tactical Select Passive Conservative Fund	3,489,412	3,205
Close Tactical Select Passive Balanced Fund	2,454,185	2,254
Close Tactical Select Passive Growth Fund	473,908	435

No transactions occurred during the year to 31 March 2023.

No other sub-funds invested in another Close Discretionary sub-fund.

Changes to sub-funds

Effective 29 September 2022 the currency hedging policy for the following funds has changed to hedging up to 100% of the non-sterling Fixed Income assets held (rather than hedging 50% of the non-sterling Fixed Income and Equity assets held):

- Close Balanced Portfolio Fund
- Close Growth Portfolio Fund
- Close Conservative Portfolio Fund

General Information

continued

Changes to sub-funds continued

Effective 29 September 2022 the Close Sustainable Balanced Portfolio started to hedge up to 100% of the Fixed Income non-sterling assets held (previously unhedged).

Effective 31 January 2023 the fund management fee for the Close Sustainable Select Fixed Income Fund has been reduced from 0.48% to 0.45%.

Effective 3 March 2023, the merger took place between Close Sustainable Bond Portfolio Fund (the 'Merging Fund') with Close Sustainable Select Fixed Income Fund (the 'Receiving Fund').

Effective 31 March 2023, Close Select Fixed Income Fund formally changed its name to Close Sustainable Select Fixed Income Fund.

Remuneration Policy (Unaudited)

In line with the requirements of the UCITS Directive, Close Asset Management UK Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed Remuneration £	Variable Remuneration £	Total Remuneration £	Headcount
Senior Managers	404,561	298,534	703,095	13
Other Risk Takers	669,350	577,288	1,246,638	6
Total	1,073,911	875,822	1,949,733	19

The variable remuneration disclosed in the table above is for the year ended 31 July 2022, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages. Consequently, it is not possible to apportion the variable award between calendar years as the award for 2023 cannot be known until after 31 July 2023 has passed.

Buying and Selling

Units may be purchased on any business day between 9.00 a.m. and 5.00 p.m. by telephoning our unit trust dealers on 0370 606 6402*. The Manager reserves the right to place deals on receipt of cleared funds only. To sell your units, please send a signed request to repurchase to Close Asset Management (UK) Limited, PO Box 367, Darlington, DL1 9RG or telephone 0370 606 6402* to request a form. Payment will normally be made within five working days of receipt of signed documentation.

Redemption proceeds will be forwarded at the unitholder's risk.

Unit Prices

Units are priced on a single mid-market pricing basis in accordance with the COLL Source book and the Trust Deed. Unit prices are calculated daily at 12 noon and all dealings are currently on a forward price basis. A forward price is the price calculated at the next valuation point after the purchase or redemption is deemed to be accepted by the Manager. The Manager, to protect unitholders, reserves the right to revalue in times of currency or market volatility. The price of a unit is the net asset value of a sub-fund attributable to the relevant unit class of that sub-fund divided by the number of units in that class in issue.

Prices for all Close Asset Management (UK) Limited ("Close") range of authorised units trusts and open-ended investment companies ("OEICS") are available on Close's website, www.closebrothersam.com/funds, or the website www.fundlistings.com or by contacting Close on 0370 606 6452*.

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

Prospectus and Key Investor Information Document

Copies of the prospectus and of the Key Investor Information Document for each unit class of each sub-fund of the Trust are available free of charge from the Manager. These set out the initial, annual and administration charges and minimum investments for all thirteen sub-funds of the Trust.

General Information

continued

Taxation of the Unitholder

Unitholders who are resident or ordinarily resident in the UK for UK tax purposes may, depending on their circumstances, be liable to UK Capital Gains Tax on the disposal of their units.

An individual's first 12,300 of net gains on disposals in 2023/24 are exempt from UK Capital Gains Tax. Gains in excess of £12,300 are subject to tax at the Capital Gains Tax rate of 10% where total taxable income and gains are £37,500 or below or at 20% on total taxable income and gains above this threshold. Capital Gains and Income Tax rates and reliefs are always subject to change. Special rules apply to institutional investors and trustees.

Cancellation

If you invest in the sub-funds through a financial advisor, or after taking advice from an authorised intermediary, you have the right to cancel the agreement under the Financial Conduct Authority Conduct of Business Sourcebook Chapter 15.2 and you will be sent a cancellation notice. You may exercise your right to cancel by returning it to the Manager within 14 days. If you exercise this right, you will not get a full refund of the money you paid if the value of the investment falls before the cancellation notice is received by the Manager, because an amount equal to that fall in value will be deducted from any refund you would otherwise receive. Such a deduction will not be made from the first instalment paid into a regular savings scheme.

Customers dealing directly with the Manager are deemed to be Execution-only customers and will have no rights of cancellation, as outlined above.

Dilution levy/price swing

The actual cost to the Scheme of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the sub-fund. Under certain circumstances (where the net movement of purchases and redemptions by unitholders is greater than 1% of assets under management) this may have an adverse effect on the interests of unitholders generally. In order to prevent this effect, called 'dilution' the Manager has the power to charge a dilution levy/price swing on the sale and/or redemption of the units. The dilution levy/price swing will be applied at the outset and will be paid into and will become part of the sub-fund. The dilution levy for the sub-fund will be calculated by reference to the costs of dealing in the underlying investments of the sub-fund, including any dealing spreads, commission and transfers. Further details can be found in section 6.4 of the prospectus of the Trust.

Risk Warnings

Unitholders should remember that past performance is not a reliable indicator of future results as the price and value of units, and the income from them, can fall as well as rise. Unitholders may not get back the amount originally invested. This information relating to Close Discretionary Funds is issued by Close Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority.

Securities Financing Transactions

The European Regulation on Reporting and Transparency of Securities Financing Transactions requires exposure to securities financing transactions ("SFTs") and total return swaps to be disclosed in reports and financial statements. During the year to 31 March 2023 and at the balance sheet date, the sub-funds did not use SFTs or total return swaps.

Initial and Annual charges

Information about charges including preliminary and annual charge can be found in the Fund's Prospectus, <https://www.closebrothersam.com/funds>.

Distributions

Where possible the sub-funds will declare an annual dividend in relation to the year ending 31 March each year. In addition and where possible, further dividend/s may also be declared. Information on distributions including dates can be found in Fund's Prospectus, www.closebrothersam.com/funds.

Minimum investment and Individual Savings Account (ISA)

Information about minimum investment into sub-funds can be found in the Prospectus, <https://www.closebrothersam.com/funds>. All sub-funds are qualifying investments for stock and shares ISA's.

Assessment of Value

Close Asset Management (UK) Limited has published an Assessment of Value in respect of its funds, including the Close Discretionary Funds, covering the reporting period.

General Information

continued

Assessment of Value continued

The statement is available at www.closebrothersam.com/funds.

Directory

ACD

CAM (UK) Ltd*

(Authorised and regulated by the Financial Conduct Authority)

Registered office: 10 Crown Place, London EC2A 4FT

Business address: 10 Crown Place, London EC2A 4FT

Correspondence address: PO Box 367, Darlington DL1 9RG

Telephone: Dealing only 0370 606 6402**

Directors

S.H. Forrest

C.J. Parry

E. Reynolds

A.J. Sippetts

R.C.S. Smith

I.P. Wallace

Investment Advisor

Close Asset Management Limited*

(Authorised and regulated by the Financial Conduct Authority)

10 Crown Place, London EC2A 4FT

Trustee

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

160 Queen Victoria Street, London EC4V 4LA

Administrator & Registrar

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Capital House, 2 Festival Square, Edinburgh EH3 9SU

Independent Auditor

Deloitte LLP

Statutory Auditor

Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB

Useful information

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

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

Copies of the report and financial statements are available free of charge on request at www.closebrothersam.com or by calling 0370 606 6452**.

*The Manager (CAM (UK) Ltd) 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 Brothers Asset Management

10 Crown Place

London

EC2A 4FT

www.closebrothersam.com

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

VAT Registration No 245 5013 86.

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