Close Brothers Asset Management

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

Close Sustainable Select Fixed Income Fund – X (Income)[1]

A sub-fund of Close Discretionary Funds unit trust (ISIN: GB00BD6R7Y87)
This Fund is managed by Close Asset Management (UK) Limited

Objective and investment policy[1,2]

Objective: 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 CO_2e 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.

Investment policy: The Fund 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 fixed interest securities in which the Fund invests may be investment grade, sub-investment grade or unrated. Investment grade securities for the purposes of this Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase. The Fund may at any one time hold a relatively small number of stocks as chosen by the Investment Adviser from a wide range of fixed income securities across different sectors.

In order to gain indirect exposure to fixed interest securities and deposits (including money market instruments), the 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 Fund may use derivatives for efficient portfolio management. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Fund in cash.

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. The Investment Adviser first applies a quantitative screening process to exclude companies that derive more than 10% of their annual revenues from activities related to thermal coal and then applies a 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).

Investment opportunities are identified using in-depth fundamental analysis to determine the sustainability (both financial and non-financial) of holdings. This is supported by a variety of qualitative information and available data including publicly available sources, third-party data, and proprietary models. When making an investment decision, the Investment Adviser considers a broad range of environmental and social characteristics, such as carbon emissions goals, supply chain management practices, and/or the effect that products and services have on addressing environmental and social challenges such as climate change, education and healthcare.

Rather than focussing on a specific sustainability theme across all investments the Investment Adviser focuses on what it assesses to be most material to each individual company and its broader stakeholders. The Investment Adviser will also engage with company management where it identifies opportunities to effect positive change, or to deepen knowledge and insight, with respect to sustainability considerations, where deemed material.

Note: The screening criteria are applied to the corporate issuers of the bonds in which the Fund invests. Other assets in which the Fund may invest (including collective investment schemes and government bonds) are not subject to the screening but will be assessed by the Manager to ensure that any such investments will not affect the ability of the Fund to meet its sustainable objective.

To help achieve its sustainability objectives, the Fund will not invest in companies that derive more than 10% of their revenues from the following business activities: Thermal coal; Tobacco products manufacture; Controversial weapons; Civilian firearms; Gambling; Adult entertainment.

In addition, the Fund will not invest in (i) Companies that the Investment Adviser deems to be in violation of the UN Global Compact principles or (ii) Governments that the Investment Adviser deems to be in violation of the UN Universal Declaration of Human Rights.

The Fund should be regarded as a long term investment and may not be appropriate for investors who plan to withdraw their money in the short to medium term i.e. within 5 years.

Risk and reward profile

The Risk and Reward profile demonstrates where the 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 Fund.

1	2	3	4	**5**	6	7

Typically lower risk/reward ⟷ **Typically higher risk/reward**

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

Past performance is not a reliable guide to future performance. The lowest category does not mean risk free.

Investing in the Fund carries the following main risks:

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

Currency/Derivatives risk: The 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 Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Default risk: The 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 Fund generally invests in bonds with high ratings, a high rating does not guarantee an issuer's ability to pay.

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

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.

Sustainability strategy risk: The Fund is subject to screening criteria applied by the Investment Adviser which means that they will not to invest in certain sectors, companies and investments that conflict with the sustainability policy. This investment strategy may result in the Fund having a narrower range of eligible investments, which may in turn affect the Funds' performance.

The full list of the Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of managing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

There are no entry or exit charges in this fund.

Charges taken from the Fund over a year	
Ongoing charges	0.45%

Charges taken from the Fund under certain specific conditions	
Performance fee	None

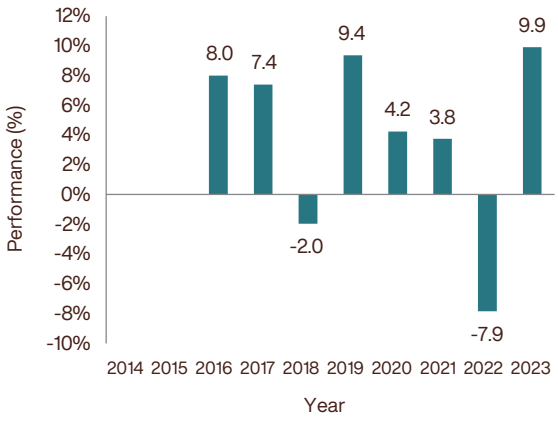
The figure for the ongoing charges excludes portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares or units in another fund and transaction costs paid to the custodian of the Fund.

The ongoing charges are based on the Fund's expenses for the twelve months ending 30 September 2023 adjusted to reflect the fee reduction of 3bps that occurred on 31 January 2023. Ongoing charges may vary from year to year. Following the recent changes to disclosure requirements; Closed-Ended Funds are now excluded in the calculation of the synthetic element of the ongoing charge.

Further information about charges can be found in the Fees section of the Prospectus.

Note: If you invest through a third party provider (including platforms) you are advised to consult them directly as charges, performance, and terms and conditions may differ materially to those shown in this document.

Past performance



The past performance is calculated in GBP.

This chart includes all charges except entry and exit charges.

You should be aware that past performance is not a reliable guide to future performance.

Fund launch date – 15 October 2012.
Unit class launch date – 29 March 2016.

[1] N.B. On 31 March 2023 the Investment Objective and Policy and the Fund name were changed to reflect the formal adoption of the sustainable screening process set out above.
[2] A summary of the Manager's Sustainability Policy and Investment Process can be found in Appendix 1 of the Prospectus.

Other information:

Units can be bought or sold in the Fund on any business day, as defined in the Prospectus.

An order must be received by the Administrator by 11:45am on any business day to receive that day's fund price. Please note that if an order is placed by an intermediary or Financial Adviser they may require extra processing time.

Units will be in income units. Income from investments held by the Fund may be directly paid out.

Practical information

The Trustee is The Bank of New York Mellon (International) Limited. The Fund's **Investment Adviser** is Close Asset Management Limited. This Key Investor Information Document may not contain all the information you need.

The Fund is a sub-fund of the Close Discretionary Funds ("CDF"), an umbrella structure comprising different sub-funds. This document is specific to the Fund and unit class stated at the beginning of this document. However, the prospectus, annual and half-yearly reports are prepared for the umbrella.

Investors may switch their units in the Fund for units in another sub-fund within CDF, subject to meeting certain conditions. These conditions, as well as other information about dealing, other unit classes of this Fund and other funds in this Trust may be obtained by contacting us (see below).

You can place an order to buy, sell or switch units of the Fund by contacting your adviser or distributor, or us directly at Close Asset Management (UK) Limited, PO Box 367, Darlington, DL1 9RG; or by calling us on 0370 606 6402*.
*Calls to this number are recorded for monitoring purposes.

For the latest published price of the units in the Fund, or to obtain the Prospectus or annual/semi-annual report, please visit www.closebrothersam.com/funds or please contact the registered office of the Fund at 10 Crown Place, London EC2A 4FT. Documents are available free of charge in English.

The assets of the Fund are ring-fenced and cannot be used to pay the debts of other CDF sub-funds.

This Fund is subject to UK tax laws, which may have an impact on your personal tax position. Please speak to a financial adviser for further information.

Details of the up-to-date remuneration policy, including but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding remuneration and benefits and the composition of the remuneration committee are available on www.closebrothersam.com/funds. A paper copy of the remuneration policy is available free of charge at the registered office.

Close Asset Management (UK) Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant part of the prospectus for the Fund.

The Fund is authorised in the UK and regulated by the Financial Conduct Authority ("FCA"). Close Asset Management (UK) Limited is authorised in the UK and regulated by the FCA.

This Key Investor Information is accurate as at 12 March 2024.

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of the Close Brothers Group plc group of companies, 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 number: 245 5013 86.

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