Close Brothers Asset Management

Close Portfolio Funds

Funds that invest directly in stocks and shares, bonds and alternative investments

The Close Portfolio Funds are directly invested strategies which primarily invest in individual stocks and shares, bonds and alternative investments. They offer diversification across asset classes and geographies. The funds are designed to suit different risk and return profiles for investors. They provide access to full-time and professional fund management.

The funds are designed as a long term investment and may not be suitable if you plan to withdraw your money within five years.

Risks

The value of investments and the income from them can go down as well as up. Investors may get back less than the full amount originally invested. If you are unsure about any information contained within this document, or the suitability of this investment to meet your needs, you should speak to your financial adviser.

Investment philosophy

Our investment philosophy is guided by four principles:

- A focus on prudent management of capital
- A diversified approach
- Active investment management
- Institutional discipline within a collegiate culture.

Prudent management of capital

We invest according to today's market conditions but also within the context of a long-term strategic framework. Our asset allocation and stock selection decisions focus on delivering an optimal combination of income and growth, as well as achieving a return greater than inflation, within an agreed tolerance for risk.

A diversified approach

We believe that the best way to deliver returns greater than inflation and reduce risk is through diversification: investing across asset classes, global regions and types of investments. We invest predominantly in liquid shares because it allows us to respond to changing market conditions quickly and enables us to meet growth, income and drawdown needs of our clients.

Active investment management

The foundation of our investment approach is strategic asset allocation – the practice of identifying and assembling the optimal mix of asset classes to maximise returns at a given level of risk over the long-term.

We complement this longer-term framework by anticipating and acting on short-term market swings or disconnects between and within asset classes. This is called tactical asset allocation.

The purpose of tactical asset allocation is not to alter, fundamentally, a portfolio's long-term risk profile but to enhance returns and reduce losses by making adjustments to the portfolio's framework to reflect the market environment as we see it today.

Institutional discipline

We have a team of over 50 investment professionals. More than two-thirds have over 15 years of investment experience. We encourage open debate, within a structured framework of daily, weekly, monthly and quarterly meetings. This ensures all our investment opportunities are rigorously reviewed.

Close Brothers
Asset Management

Typical Investor

These funds are for investors seeking exposure to global investment markets predominately through direct investment in individual stocks and shares, bonds and alternative investments.

Investors have the flexibility to switch funds within the range if their circumstances or objectives change.

Performance and Reporting

We believe in clarity and transparency of reporting, delivered in a timely way and tailored to reflect our investment services. We produce monthly factsheets showing key performance information and full disclosure of all the fund holdings, along with a review of economic and market trends.

Investment Strategies

There are five funds in the range to suit different appetites for risk and target returns. You can choose whether to focus on capital growth or income, or a combination of the two depending on your requirements.

Fund Descriptions

Close Bond Income Portfolio Fund

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

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

Close Select Fixed Income

The investment objective of the Close Select Fixed Income Portfolio Fund is to provide income while maintaining its capital value over the medium term.

The fund will invest mainly in sterling denominated bonds (both government and corporate). It may also hold international fixed income securities, the currency on which may be hedged.

Close Diversified Income Portfolio Fund

The investment objective of the Close Diversified Income Portfolio Fund is to achieve income with capital growth.

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

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

Close Conservative Portfolio Fund

The investment objective of the Close Conservative Portfolio Fund is to achieve income and moderate capital growth. The fund will invest primarily in equities and fixed interest securities. The equity component of the fund may include shares in smaller companies and companies listed in emerging markets. The fixed interest component of the fund may include government and corporate bonds (which may include emerging market and high yield bonds).

Close Balanced Portfolio Fund

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

The fund will invest primarily in equities and fixed interest securities. The equity component of the Fund may include shares in smaller companies and companies listed in emerging markets. The fixed interest component of the fund may include government and corporate bonds (which may include emerging market and high yield bonds).

Close Growth Portfolio Fund

The investment objective of the Close Growth Portfolio Fund is to generate capital growth. The fund will invest primarily in equities and fixed interest securities. The equity component of the fund may include shares in smaller companies and companies listed in emerging markets. The fixed interest component of the fund may include government and corporate bonds (which may include emerging market and high yield bonds).

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

For further information

This document should be read in conjunction with the fund's Key Investor Information Document (KIIDs) and Prospectus.

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