Close Brothers Asset Management

The Close 50

The Close 50 is a shortlist of third party funds that our Investment Research Team view as interesting long-term investment opportunities. With so many investments to choose from, this shortlist may be one way to narrow down your search. You can easily find and research the Close 50 fund list on the search investments page of the online portal

When researching funds it is important to look beyond the clearly observable past performance. Because different market conditions bring different fund managers to the top of performance tables, we need to understand how a manager delivers their returns. It may be that they're taking too much risk (there are many funds that deliver top performance one year, only to languish near the bottom the next). Or there may be an apparently poor performing fund, where the manager is simply being very conservative in their investment decisions.

We research hundreds of funds each year and personally meet with over 400 managers to try to understand their process and character as well as the culture and outlook of the investment company they work for.

Information correct as at March 2019.

The contents of this guide are views expressed by Close Brothers Asset Management's Investment Research Team and must not be considered advice. Funds included may not be suitable for your personal circumstances.

Past performance is not a guide to future performance.

The value of investments and the income from them can fall as well as rise and you may get back less than you paid in.

The Close 50

When constructing your portfolio we believe it is best practice to select funds from a number of different regions, market sectors and asset classes, as well as thinking about the objective of each fund; is it structured to try to achieve higher/faster growth by taking greater risks, for instance, by investing in smaller companies (small cap), or does it aim to protect against market downsides by taking fewer risks, or offsetting the risks it takes by using derivatives (contracts with other parties to buy or sell assets at a pre-determined price)?

In this section, we have split our Close 50 list of funds into five broad categories across which you may like to diversify, and summarised each fund to help you understand essentially what it does and how it might fit into a portfolio.

Click on any of the categories to navigate directly to the list of funds.

Income – Bonds

Funds that generate an income through the purchasing of government or corporate debt; as debts and interest are repaid the fund can pay out to its investors. Risk and return vary based on the kind of debt purchased and the likelihood of default by the borrower.

Income – Equities

Funds that invest in equities which are focussed on paying regular dividends. This is generally at the sacrifice of capital growth as the companies are distributing cash to shareholders rather than re-investing in growth.

Growth – Developed Markets

Funds that invest in companies operating in 'developed markets' such as the UK, USA and Germany, which are thought to have less risk associated with them.

Growth – Exposure to Emerging Markets

Funds that invest in companies operating in 'emerging markets'; those countries or economies that are in the process of rapid industrialisation, for example China, Brazil and India. These markets have a high potential for growth but are inherently volatile.

Commodities and Real Estate

Funds that purchase physical assets or buy companies that invest in physical assets. These include property, precious metals and energy, and value is linked to demand.

Income – Bonds

Fidelity Strategic Bond

Fidelity describes this fund as an 'all terrain' fixed interest fund. The fund has a neutral asset weighting of 20% government bonds, 60% investment grade bonds and 20% high yield bonds, but it does have flexibility to adjust these, aiming to achieve attractive risk adjusted returns. Overall the management team is pragmatic in that it acknowledges the macro-economic backdrop but also the fundamental credit quality of individual issuers; governments or corporates. Income seeking investors might like that this fund pays monthly distributions.

Invesco Monthly Income Plus

This fund combines high yield bonds with equities, the objective to provide high income which makes the fund more volatile than some others in the IA Strategic Bond Sector. It is managed by a very experienced team, with an excellent track record, who adopt the same research and selection approach as they do in their other, more defensive funds; Paul Causer and Paul Reid manage the bond element, assessing macro-economic scenarios, whilst the equity portion, capped at 20%, is managed by Ciaran Mallon.

Janus Henderson Strategic Bond

This fund aims to produce both an attractive income yield and capital growth. The managers are part of the large and well-resourced Fixed Interest team. They take an active approach to asset allocation, beginning with broad top-down views, which influence the structure of the fund. They then try to anticipate which areas of the fixed income market will perform best with changes in economic and political situations. Additionally, company level research aims to identify value. This is a flexible fund which has produced attractive quarterly income but one which relies on the experienced managers to get the top-down view correct.

Legg Mason Income Optimiser

The fund aims to provide a high level of income from a portfolio of predominately fixed interest securities and is managed by Legg Mason subsidiary Brandywine. They use a top-down macroeconomic assessment to identify the most attractive areas of investment within sovereign, corporate, high yield and emerging market debt. The focus on high income will mean that it will tend to be invested in the higher risk areas, such as high yield bonds, but they do consider capital protection as part of the investment remit.

M&G Gilt & Fixed Interest Income

This fund is designed to give relatively stable income, combined with capital protection consistent with investing in gilts. It invests at least 80% in gilts, with the remainder mainly invested in AAA bonds (the highest credit quality), including overseas government bonds and government-backed debt. Manager, Matthew Russell, who has over a decade of experience at M&G, is supported by an experienced and well-resourced fixed income team, which we view as significant when forming the macro-economic view that provides the structure for this fund.

Income – Bonds

M&G Global Macro Bond

As the name suggests this is a global fixed income fund that is looking to take advantage of macro-economic views. It is managed by Jim Leaviss and his Bank of England background helps him to see matters with a 'policymaker's mentality' which helps when forming these macro views. The fund invests in bonds exposed to currencies other than Sterling and the managers currency decision will be a big driver of performance. This should be thought of as a total return fund more than for its yield and the currency element can mean that performance deviates from wider bond indices.

M&G Optimal Income

The M&G Optimal Income Fund, managed by Richard Woolnough, sits at the heart of M&G's Retail Fixed Interest offering. It has the broadest remit of M&G's retail fixed interest funds and takes a strategic and flexible approach, being able to asset allocate within the different fixed interest sectors. Woolnough is unconstrained by sector or asset type giving him the freedom to make this a fund of his best fixed income ideas. He manages the asset allocation between government bonds, investment grade and high yield bonds; and aims to beat the IA Strategic Bond sector over the medium term (3-5 years).

Royal London Index Linked Gilt

This fund invests entirely in UK index-linked government securities and pays an income that is linked to inflation. It is benchmarked to the UK Index Linked Gilt index and has risk constraints in place to stop it deviating too much from this, however managers Paul Reyner and Craig Inches try to add value through active portfolio management. The investment process is based on Royal London's quarterly economic review; this covers all major economic regions and looks at variables such as growth, output gap, inflation, productivity, savings rates, capital flows and demographics.

Schroder Strategic Credit

This fund, managed by Peter Harvey, invests mainly in UK and European corporate debt and aims to generate a positive total return above that available on sterling cash deposits. The fund's 'sweet spot' is its point of crossover between investment grade and non-investment grade (high yield) bonds; those rated BBB to BB by credit rating agencies. Harvey believes he is best able to develop and exploit an information advantage over the wider market within this area. As the fund manager's main strength lies in identifying credit opportunities he consistently maintains a low duration (broadly defined as the price sensitivity to changes in interest rates) in order to keep the interest rate risk as low as possible.

Standard Life Investment Grade Corporate Bond

The fund only invests into 'investment grade' corporate bonds, which are fixed income securities that are rated as BBB or higher, and will have a lower probability of default than 'high yield' bonds. Importantly, the team at Aberdeen Standard Life will assess each underlying holding based on its fundamentals, aside from broader macro-economic considerations, looking for mispriced opportunities. We like the experienced fund management team in an asset class where active management is particularly important in our view. It's worth noting as well that the fund will have a minimum of 60% invested in sterling denominated bonds.

Income – Bonds

Threadneedle High Yield Bond

This fund, managed by Barrie Whitman, invests into the high yielding bonds of non-investment grade UK and European companies. Key to the approach that Whitman and his team adopt is to avoid issuers where there is a likely deterioration of credit quality. They do this by focussing on the fundamental factors affecting the ability of a company to service its debt then blend rigorous company credit analysis with a macroeconomic view on the possible impact on sectors and industries. The fund has a non-financials benchmark, which means it does not have to hold issues from potentially un-creditworthy financial institutions.

Income – Equities

Artemis Income Fund

At its core, this fund could be considered a UK equity income fund, but one which also makes good use of its 20% allowance of overseas stocks. The managers use free cash flow as their primary valuation metric, as they believe that is the best indicator of what will be given back to investors, and identify stocks that offer the best value relative to this. It is an extremely well diversified fund, holding anywhere between 60-100 stocks, and placing limits on the percentage of the portfolio that can be held in any single stock, in small-cap companies or in any one sector.

Fidelity Enhanced Income

The interesting aspect of this fund is that while it invests in the big, defensive blue chip companies, selected because they can generate fair and reliable dividends that should be sustainable well into the future, it has an 'enhanced' income generative strategy to top-up the yield. Manager Michael Clark works alongside David Jehan, a derivative specialist for Fidelity. The fund uses financial derivatives, known as options, which are sold to other market participants for a premium. This strategy may lead to the fund giving up some capital growth in a rising equity market, but investors can benefit from additional income versus its peers.

JPM US Equity Income

This is a fund that may help lower the dependency many clients have on the UK for income. It provides exposure to the US equity market, which has a long-standing culture of producing shareholder value. Fund manager, Clare Hart, does not include non-dividend paying companies, options or bonds to support the yield. Hart doesn't look for just the highest yield, she likes companies with excess cash to reinvest, improving the likelihood of raising future earnings and producing some capital growth on top.

Income – Equities

LF Woodford Equity Income

Managed by Neil Woodford, this is a portfolio of UK equities that aims to deliver a total return, whilst also paying an income. Woodford focuses on identifying stocks where the ability to grow earnings and dividends over the longer term is not appreciated by the wider market. Naturally, these views can be contrarian to the prevailing market sentiment, meaning the fund can underperform the market for sustained periods. Over the long term, the performance of Woodford's investment style has been excellent; having been established previously at Invesco Perpetual. While the fund is unconstrained by sector, an analysis of Woodford's funds over time show that utilities, tobacco and pharmaceuticals have frequently been significant contributors.

M&G Global Dividend

This is a concentrated fund of around 50 stocks that aims to generate an above average dividend yield from a portfolio of global equities. Where the fund differs from many other equity income funds is in its focus towards dividend growth as opposed to outright dividend yield. Manager Stuart Rhodes and his team believe that companies that embrace this approach are more likely to be better run and more successful at allocating their capital in the longer run. The fund offers good exposure to long-term dividend growth stocks but performance can suffer during economic weakness; those seeking high initial yield might need to look elsewhere.

Newton Global Income

This fund has the twin objectives of providing an attractive income stream and achieving long-term capital growth. It is a portfolio of international equities that generally follow long-term themes; currently Chinese Influence, Deleveraging and Population Dynamics. The fund provides exposure to the higher growth regions of Asia and the Emerging Markets while also having a strict investment process: to be considered for investment, stocks must have a yield which is greater than the World index and if an investment falls below that mark it is sold. Focus on fundamental value means the fund may underperform a recovery market.

R&M UK Equity Income

The small size of this fund gives it flexibility to benefit in a meaningful way from investment in small and medium sized companies, as well as larger ones. Manager Dan Hanbury, one of the founding partners of R&M in 2006, doesn't restrict the fund to set themes. Rather he employs rigorous, repeatable quantitative techniques to generate stock ideas, which then undergo detailed fundamental analysis. Hanbury is part of a very experienced team, although small-cap exposure (which is limited to 15%) may make this more volatile than others in the sector.

Schroder Asian Income Maximiser

Managed by Richard Sennitt and Mike Hodgson this fund, consisting of 60-80 stocks listed on Asian markets, targets an annual income of 7% by blending the stock selection skills of Sennitt; to achieve circa 3.5% dividend yield by focussing on companies that have strong income prospects and capital growth potential; with the 'Maximiser' strategy of Hodgson, who uses 'call options' to add a target 2.5% - 4.0% to the yield. One potential drawback however is that although selling options helps to top up the income, it can mean that the fund may not benefit in full from a rise in the market.

Income – Equities

Standard Life Investments European Equity Income

The investment process of this fund is built around Standard Life's "Focus on Change" philosophy. The approach aims to identify changes in the key drivers affecting markets, in order to spot changes in a company before they are anticipated by other investors and hence reflected in the share price. Manager Will James and his large, experienced team aim to generate income in excess of the market, as well as some capital growth over the long term. This combination means that the fund will not necessarily produce the highest level of income but should participate in most of the upside in rising European markets.

Threadneedle UK Equity Alpha Income

This is a portfolio of UK equities that the Threadneedle team believes have an attractive valuation or growing dividends. It is run by an experienced and capable team, and ideas come from a number of different inputs; including 'top-down' views, company visits and industry contacts. Stocks must fit into the team's macroeconomic views as well as exhibit attractive company specific characteristics: strong and responsible company management, a robust business model, evidence of profitability and an ability to pay dividends. Dividend yield is closely managed and income expectations on all stocks re-evaluated regularly.

UBS Emerging Markets Equity Income

This fund aims to provide a rising and sustainable income, with potential for capital growth, by investing in the stocks of companies listed and doing business in emerging markets. It is a relatively new fund, in a sector without a dividend paying culture, however UBS has an experienced and stable team who manage over $20bn in Asian/emerging market equities. The fund only invests in established companies where a dividend is already being paid, and the dividend policy of the firm is an important consideration. The portfolio typically contains around 60 stocks, continuously reviewed to include the companies with the highest, most sustainable yields.

Growth – Developed Markets

Artemis Global Select

Simon Edelsten manages this fund that provides an interesting way to access growth in Developed and Emerging Markets. Edelsten works within set 'themes', investing in companies that are well placed to benefit from demographic changes or small pockets of growth. For example, he selects companies who could benefit from changes in Western consumer spending, such as the increasing power of the "grey dollar", and growth in luxury goods. In addition he looks for companies manufacturing building products that can be supplied to countries where there is a building boom.

Growth – Developed Markets

Artemis Strategic Assets

Key to this fund is William Littlewood, a very experienced and proven fund manager, who actively manages the fund, essentially taking asset allocation 'bets', as one might expect from a fund with 'hedge-like' qualities. Taking a top-down macro approach, the fund invests across all major asset classes, both in the UK and overseas. Its primary goal is to preserve capital during volatile markets as well as to generate positive returns in the medium to long-term. It is not limited in the way a traditional fund is and so has the flexibility to invest in most things that Littlewood or his team thinks might grow, or might provide greater protection in stock market downturns.

AXA Framlington UK Select Opportunities

Experienced fund manager Nigel Thomas invests in a way that is not constrained by the fund's broad UK benchmark. He doesn't worry about investing in big companies simply to satisfy weightings and rankings but takes a pragmatic 'Growth at a Reasonable Price' (GARP) approach, which often leads him towards the mid and small-cap area of the market. The team aims to get under the bonnet of the companies they invest in, analysing the entire business model to determine growth potential.

Baillie Gifford American

This fund is managed along Baillie Gifford's 'long term growth' philosophy, and aims to invest in companies that can grow 2.5 times over the next 5 years. As a result it is heavily skewed towards 'high growth' sectors within the US, such as technology and healthcare. The team of four fund managers are all Baillie Gifford 'lifers' having spent all their investment career with the firm, and are therefore avowed growth managers. While the fund provides potential investment into many interesting and rewarding growth areas of the US market, its commitment to this investment strategy means that capital drawdowns should be expected along with the potential for growth.

Baillie Gifford Japanese

Investors looking for exposure to Japan may wish to consider this fund. It is a simple fund that invests in Japanese companies with above average earnings growth and holds stocks for long periods. Launched in 1984, the fund has a long track record and portfolio manager Matthew Brett has worked on the Japan team since 2008. He and his team drive performance through detailed company research and, although the team is based in Edinburgh, they visit Japan frequently and also employ an independent researcher based there.

Baillie Gifford UK Equity Alpha

This fund aims to invest in companies over the long-term (>3 years). Baillie Gifford specialise in low portfolio turnover, taking a bottom-up approach when researching and selecting companies. They focus on a company's ability to grow earnings over the long-term; holding stocks for a longer period will result in superior performance in their view. It is worth noting that this fund was renamed and restructured in September 2010 and now employs the same strategy as the firm's high performing pension funds. We see this as evidence of the team commitment to a more long-term, institutional approach to management, often favoured by large pension fund mandates.

Growth – Developed Markets

Baring Europe Select

This is a relatively well diversified fund of small and mid-sized European stocks. Where small-cap funds are inherently more volatile, manager Nick Williams aims to invest in companies which he believes have the potential to deliver long-term growth, but that are well positioned to protect capital if the market dips. He looks for good value and will not overpay to achieve high growth; "Growth at a reasonable price" (GARP). We consider Williams to be a sensible manager, with a good track record. Meetings with companies are a huge part of his investment approach, helping him to assess business strategy as well as opportunities and threats that are misunderstood by the market.

FP Crux European Special Situations

Richard Pease does not have a rigid investment style for this fund, rather he looks for companies that he believes are misunderstood, undervalued or have genuine growth opportunities (typically niche businesses). When meeting companies, the team spends time understanding the management's attitude towards shareholders. Pease also manages the Crux European fund, a more conservative large-cap fund, so uses his Special Situations fund for more mid-cap stocks and higher conviction position sizes; this can make this fund more volatile but potentially more interesting than the European fund.

FP WHEB Sustainability

WHEB Asset Management is a specialist fund management group that focuses solely on identifying companies that provide solutions to the environmental and social challenges facing the world. Sustainability themes such as resource scarcity, ageing population and globalisation provide the framework for thinking about companies that can generate superior returns over the long term. The team are very experienced and are thought leaders in their field but it is worth noting that given the narrower focus there can be times when performance will behave differently to the wider market.

Franklin UK Mid Cap

This is a portfolio of medium sized companies managed by Paul Spencer. Its focus is towards companies that the fund manager believes are intrinsically worth more than the wider stock market recognises, and hence selects companies with good free cash flow, or that are operating in growth markets or have the ability to cut costs. The manager does a lot of in-depth research into the companies he invests in and, in our view, adds real value in the stocks that he selects. The fund has performed well relative to its sector and benchmark over most meaningful timeframes.

Franklin UK Smaller Companies

The management of this fund changed in June 2012 after a period of underperformance, bringing in Paul Spencer who also runs Franklin's UK Mid Cap fund. Spencer brings with him a proven investment process and, together with Richard Bullas, they use their many years of experience to focus on fully understanding the companies they invest in. They look for businesses with sustainable growth prospects, that are priced attractively, then hold on to them for extended periods. We think that bringing the style of this fund into line with the mid-cap strategy makes sense and there is very little overlap in stocks held in both funds.

Growth – Developed Markets

Investec UK Alpha

Simon Brazier manages the Investec UK Alpha fund and he invests across the market cap spectrum of UK companies. The team look for short term mispricing to buy robust companies that can be held for the long term. Most of the ideas come from meeting company management and this is a process that Brazier has used consistently throughout his career. The final portfolio is deliberately well diversified and will always have at least half invested in the largest companies and less than 10% in small companies to make sure there is no meaningful size bias.

Janus Henderson Global Technologies

This fund is a globally diversified portfolio of technology stocks, representing a way to gain broad exposure to an industry that is now one of the most significant drivers of change in the World. It is managed by an experienced team of technology investors with a variety of industry backgrounds; they look for companies with strong management, organic growth potential and high barriers to entry. The managers do not make binary decisions to hold one stock over another; rather they will hold more of those which represent better value relative to their growth potential. The investment approach is focused on consistency of performance and avoiding the capital losses that can characterise certain technology stocks.

JPM US Smaller Companies

Based in New York, fund manager Eytan Shapiro is one of the most experienced US focused fund managers available to UK investors. Shapiro and his team select stocks purely on their merit, not their weighting to any benchmark, visiting companies and even talking to suppliers and clients; an approach we believe is fundamental as it has the potential to throw light on risks or opportunities that pure valuation metrics might miss. The 80-120 stocks do carry some biases of the team that tend to make it fare better during times where the market has favoured intellectual capital and innovation over domestic, consumer led growth.

Liontrust Special Situations

This fund, managed by Anthony Cross and Julian Fosh, looks to identify UK companies that have a distinct competitive edge; allowing them to grow and sustain a high level of profitability. The managers look for firms with an ‘economic advantage’ in 3 categories: intellectual property, strong distribution and recurring business. The managers favour companies where an accurate assessment of the value of future cash flows can be made, and are usually underweight economically cyclical stocks, such as those in the mining or financials sector. The best performing periods of the fund have generally occurred when ‘growth’ companies are favoured by the wider market, as opposed to a more ‘value’ orientated approach. The fund will typically hold circa 50 stocks.

Growth – Developed Markets

Merian North American Equity

The Merian North American Equity fund is looking to exploit the view that investor behavioural biases mean that markets are not fully efficient. The team, headed by Dr Ian Heslop, believe that the best way to capture this is via a systematic approach. This quantitative approach is not a "black-box" process; rather they look for factors based on fundamental investment insights that predict stock price movements. The final portfolio is optimised for both risk and return with the result being a fund of typically 150 holdings that is regularly rebalanced.

Merian UK Alpha

Richard Buxton manages this high conviction portfolio of 30-40 stocks, using a proven process. He looks for long term winners and looks to exploit the opportunities where companies' share price is driven by sentiment rather than fundamentals. The portfolio is predominantly made up of the larger companies that look cheap in relation to their competitors. The fund can suffer periods of volatility in relation to the index since part of Buxton's strategy is not to pay any attention to the index when investing.

Newton Real Return

For investors seeking absolute returns with volatility somewhere between equities and bonds, the Newton Real Return fund. It is a multi-asset fund, generally investing in equities, bonds and cash; however, managers have the freedom to employ derivatives for downside protection and will occasionally invest in Exchange Traded Funds (ETFs) and other collectives, such as gold, agriculture and convertibles. The investment process is such that any company, market or economy must be evaluated in a global context. Within this framework, the fund invests across all geographies, with a slight bias towards the UK.

Schroder Tokyo

This fund, managed by Andrew Rose, invests into a portfolio of around 70 Japanese equities and aims to beat the Index (TOPIX) by 3% per annum. Rose has over 30 years' experience investing in Japan and has been based there at various times in his career. He uses this experience to build a portfolio that aims to perform well in all market conditions. Specifically he is looking for growth companies that are attractively priced, or turnaround stories where the company can improve returns from depressed levels.

Growth – Exposure to Emerging Markets

Aberdeen Global Indian Equity

This fund has a proven investment process and is run by a well resourced team. They focus on high quality stocks at fair prices, which they hold for the long term. Aberdeen emphasizes the team approach and they always visit a company at least once before investing and, to avoid individual bias, they make sure that different people see the company over time. The final portfolio consists of around 30 well-researched, low volatility stocks. Aberdeen tends to focus on large, safe companies that they understand well and this may lead to the fund lagging in certain market environments, but does tend to mean it holds up better in falling markets.

Fidelity Emerging Markets

Fidelity Emerging Markets is managed by Nick Price, supported by an experienced team of emerging market portfolio managers as well as the large network of locally based research analysts that Fidelity employ. With the view to pick quality companies that have consistently higher profits than their competitors, this team looks for companies that are not likely to go out of business; ergo they concentrate on those with financial and market strength, to the extent that newcomer competitive entry is almost nil. They will only invest in companies trading at a discount to their fair value and will use short term price movements to make sure they allocate to the most attractive stocks.

Janus Henderson China Opportunities

This fund provides broad exposure to Chinese equities, listed in both Mainland China and Hong Kong. The fund actually has a track record going back to 1983, making it one of the oldest investment vehicles for investing in China focused equities. Its current fund managers have over a decade of experience managing Chinese equities and we like the pragmatic approach, which focuses on what the managers believe are inherent inefficiencies within Chinese equity markets. The fund managers are not afraid to rotate the portfolio holdings towards where they see greatest opportunity, making the fund genuinely active and potentially different from the index.

Stewart Investors Asia Pacific Leaders

This fund that invests in quality, Asian and Australasian companies whose long-term growth potential is underestimated by the market. The team believes it is well placed to exploit inefficiencies in this market caused by a general lack of analytical capabilities in this area – a result of a historical bias towards more developed markets on the part of many major market analysts. This is a fund that can lag at times of market exuberance, but it has performed well relative to its peers at times of market weakness and has consistently low volatility in this geographic region, where volatility is inherently high.

Invesco Global Smaller Companies

This is a highly diversified fund, typically holding between 600 and 700 stocks of smaller companies listed in both developed and emerging markets. Manager Nick Mustoe is supported by 8 regional portfolio managers who have the freedom to set their own regional asset allocation, as well as having an input into the fund's overarching asset mix. There are no restrictions on the fund in terms of its allocation to any benchmark, however the Invesco group responsible for this fund has a bias towards companies with attractive cash-flow, evidence of positive earnings growth and demonstrably reliable management.

Commodities and Real Estate

BlackRock Gold & General

This fund invests primarily in companies involved in mining, exploration or production of gold and gold assets and also provides exposure to other precious metals. While the fund is not a proxy for physical gold, it does provide an interesting way to gain exposure to strength in this market. In the short term, performance can lag the gold price, but the gap between the fortunes of mining companies and the value of gold should close over the longer term.

Investec Enhanced Natural Resources

Investec has a large and well established range of commodity and resource related funds and they can be viewed as one of the leading fund management institutions in this regard. This fund invests in equities related to commodities and natural resources, whilst also attempting to smooth returns with the use of financial derivatives in what is a notoriously volatile asset class. Because the team protects against volatility the fund may underperform its peers during times of high or rapidly rising commodity prices, but is a way to gain exposure to commodities with less risk to capital.

Investec Global Energy

This Investec fund provides a broad exposure to energy stocks, investing not only in the exploration and production companies, but also the oil majors and the firms who service the energy industry. Investec have a large and very experienced Commodities & Resources team who have direct industry expertise. They start by forecasting commodity prices and combine these with detailed company analysis to identify investment opportunities. The result is a concentrated portfolio of about 40 stocks across the range of energy companies.

Aberdeen UK Property

The fund invests predominantly in direct UK Property (i.e. brick and mortar assets) which make up 75% of the fund and this has been rising in recent years. The main objective is wealth preservation, and the fund is diversified across a wide variety of property-related assets. In terms of physical property they favour prime locations, and avoid secondary locations which can depreciate rapidly in challenging markets. They also aim to attract good, long-term tenants as they provide the stable income necessary to support yields.

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You are responsible for any investment decisions you make via Close Brothers Asset Management's Self Directed Service, www.closebrothersam.com/self-directed-service. Our Investor Support Team is on hand to assist you with any queries.

Should you require financial planning advice please contact us to arrange a no obligation consultation.*

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