

Close Discretionary Funds

Annual Report & Financial Statements
for the year ended 31 March 2022

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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)
Close Asset Management (UK) Limited
20 July 2022

Market review

The 12 month period to end March 2022 has been characterised by a recovery in growth, and the resurgence of geopolitical risk and inflation. Equities have enjoyed mixed performance in sterling terms, with developed markets outperforming. The US was the strongest equity region, delivering +20.4% in sterling terms, followed by the UK +13.7% and Europe +5.4%. Japan declined -3.4% and emerging markets -4.2%.

Bonds have broadly weakened, as monetary policy has begun to tighten. UK gilts fell -5.3% and UK corporate bonds -6.3%. In local terms, European bonds fell -6.4% and US bonds -4.0%.

In currency markets, the US dollar has appreciated +5.4% on a trade weighted basis. Sterling has weakened -4.7% against the dollar, but gained +1.0% against the euro, and +4.8% against the yen.

Within commodities, oil prices rallied +69.8% in US dollar terms. Gold continued to perform over the period, gaining 14.8% in dollar terms on sustained demand for real assets.

Outlook

The health of the global economy in recent years has been determined by the path of health, fiscal and monetary policy, with monetary policy responding to growth and inflation trends.

With regard to health policy, while social restrictions are being removed in many developed markets, the resurgence of cases in China is a stark reminder that the pandemic is not yet over and may continue to cause disruption to supply chains. Nonetheless, many governments appear more willing to tolerate higher cases and hospitalisations, making economically costly social restrictions less likely. This should allow the recovery in social consumption to continue.

While fiscal policy is no longer easing and is tightening sharply in countries such as the UK, the positive hangover of pandemic-era policies is likely to lend support to growth, especially in the US. However, Russia's invasion of Ukraine has also sparked a change in attitudes toward government spending. We see this most immediately in the EU, where defence spending is to rise and a significant investment must be made immediately if EU countries are to wean themselves off Russian energy exports.

Aside from impacting fiscal policy, the Russian invasion has had a profound impact on the supply and price of energy, industrial and food commodities. This is feeding into higher inflation data, against a backdrop of already high inflation, due to existing constraints on supply and buoyant demand.

This new shock is expected to keep inflation higher for longer, making central bankers uneasy. Not only is high inflation unpopular, as it erodes household purchasing power, but persistent high inflation may de-anchor inflation expectations, undermining the efficacy of monetary policy. For this reason we have seen developed market central banks, including the US Federal Reserve, begin to tighten monetary policy.

The realisation that rates are rising has hit bonds and equities, as bond yields are used to value future equity cashflows.

The question central bankers must now answer is if this period of high inflation will overwhelm the economy. While negative real wage growth is likely to weigh on consumption, pandemic-era savings can bolster spending in the near term.

It is true that economists' growth forecasts have been revised down this year, but growth is still expected to be positive, even in Europe where the hit is expected to be hardest. This means that, while the pace will vary across developed economies, overall we expect policy makers to be tightening monetary policy rather than loosening.

In this environment of high inflation and rising bond yields, equities continue to look more attractive than bonds given that earnings are connected to the real economy.

However, given the weaker outlook for growth versus prior expectations, we have become modestly more cautious in our outlook. Given the outlook for interest rates, this could put further pressure on price-to-earnings multiples. Nonetheless, the shift to more stable growth and long-term GDP drivers should still support companies with structural growth advantages.

Given the resurgence in inflation and the prospect of sustained market volatility, we continue to see an important role for investments within portfolios that will be a source of 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 2022

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 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.

No significant judgments, estimates or assumptions have been required in the preparation of the accounts for the current or preceding financial years.

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

The investments are valued at their fair value, excluding accrued revenue, using the last available price on the last business day of the accounting year.

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 fair value for non derivative securities is the bid-market price, excluding any accrued interest and the fair value for Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds.

The ACD 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.

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.

Notes applicable to the Financial statements of all sub-funds

continued

1. Accounting policies continued

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.

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.

Notes applicable to the Financial statements of all sub-funds

continued

4. Derivatives and other financial instruments continued

Counterparty and credit risk continued

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.

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.

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

Notes applicable to the Financial statements of all sub-funds

continued

5. Valuation techniques continued

Valuation techniques using observable market data continued

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:	
	31/3/2022 £'000	31/3/2021 £'000	31/3/2022 £'000	31/3/2021 £'000
Close Sustainable Bond Portfolio Fund	19,434	23,034	(19,434)	(23,034)
Close Sustainable Balanced Portfolio Fund	4,169	1,493	(4,169)	(1,493)
Close Diversified Income Portfolio Fund	51,254	50,399	(51,254)	(50,399)
Close Conservative Portfolio Fund	74,986	80,356	(74,986)	(80,356)
Close Balanced Portfolio Fund	119,164	128,508	(119,164)	(128,508)
Close Growth Portfolio Fund	35,778	37,653	(35,778)	(37,653)
Close Managed Income Fund	11,186	12,133	(11,186)	(12,133)
Close Managed Conservative Fund	22,770	21,491	(22,770)	(21,491)
Close Managed Balanced Fund	37,195	33,981	(37,195)	(33,981)
Close Managed Growth Fund	9,587	7,947	(9,587)	(7,947)
Close Select Fixed Income Fund	15,119	15,045	(15,119)	(15,045)
Close Tactical Select Passive Conservative Fund	21,498	20,961	(21,498)	(20,961)
Close Tactical Select Passive Balanced Fund	31,144	26,994	(31,144)	(26,994)
Close Tactical Select Passive Growth Fund	7,262	6,214	(7,262)	(6,214)

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:	
	31/3/2022 £'000	31/3/2021 £'000	31/3/2022 £'000	31/3/2021 £'000
Close Sustainable Bond Portfolio Fund	265	946	(216)	(774)
Close Sustainable Balanced Portfolio Fund	2,291	840	(1,874)	(687)
Close Diversified Income Portfolio Fund	7,246	7,184	(5,928)	(5,878)
Close Conservative Portfolio Fund	20,561	35,854	(16,822)	(29,335)
Close Balanced Portfolio Fund	44,628	40,345	(36,514)	(33,099)
Close Growth Portfolio Fund	16,788	14,850	(13,736)	(12,150)
Close Managed Income Fund	274	262	(224)	(215)
Close Managed Conservative Fund	2,003	1,806	(1,639)	(1,478)
Close Managed Balanced Fund	3,175	2,910	(2,598)	(2,381)
Close Managed Growth Fund	789	656	(645)	(537)
Close Select Fixed Income Fund	424	1,451	(347)	(1,187)
Close Tactical Select Passive Conservative Fund	2,612	2,683	(2,137)	(2,196)
Close Tactical Select Passive Balanced Fund	4,779	4,561	(3,910)	(3,732)
Close Tactical Select Passive Growth Fund	1,362	1,274	(1,115)	(1,042)

These calculations assume all other variables remain constant.

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:	
	31/3/2022 £'000	31/3/2021 £'000	31/3/2022 £'000	31/3/2021 £'000
Close Sustainable Bond Portfolio Fund	(5,126)	(18,356)	5,458	19,895
Close Sustainable Balanced Portfolio Fund	(2,307)	(288)	2,334	293
Close Diversified Income Portfolio Fund	(1,837)	(17,086)	1,894	17,695
Close Conservative Portfolio Fund	(2,508)	(20,557)	2,588	20,891
Close Balanced Portfolio Fund	(2,559)	(31,484)	2,604	32,060
Close Growth Portfolio Fund	(2,547)	(9,250)	2,569	9,324
Close Managed Income Fund	(1,699)	(4,467)	1,861	4,751
Close Managed Conservative Fund	(2,009)	(8,436)	2,181	8,994
Close Managed Balanced Fund	(2,047)	(13,701)	2,168	14,322
Close Managed Growth Fund	(1,807)	(2,685)	1,870	2,764
Close Select Fixed Income Fund	(2,586)	(5,616)	2,661	5,806
Close Tactical Select Passive Conservative Fund	(2,730)	(11,043)	3,121	12,312
Close Tactical Select Passive Balanced Fund	(1,717)	(10,201)	1,887	11,009
Close Tactical Select Passive Growth Fund	(1,192)	(1,663)	1,240	1,712

Source: CBAM & Bloomberg

Notes applicable to the Financial statements of all sub-funds

continued

6. Sensitivity analysis continued

c) Interest rate risk continued

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 (31/3/2021 - same).

Close Sustainable Bond Portfolio Fund

For the year ended 31 March 2022

Fund objective and policy

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

The Sustainable Bond Fund will invest at least 80% in sterling denominated investment grade corporate bonds of duration between two and twelve years. The Sustainable Bond Fund may also invest 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 invests will be subject to the Manager's sustainability screens. The first is an ethical screen (focussing on what a bond issuer produces). Secondly, an ESG (environmental, social and governance) screen is applied (focussing on how the issuer operates).

Under the ethical screen, the Sustainable Bond 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. Issuers 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 a BBB 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 rating 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.

In order to gain indirect exposure to both corporate and government bonds, the Sustainable Bond 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. Where such funds are used, the Manager will seek to ensure they meet broadly comparable ethical and ESG screening criteria. The Sustainable Bond Fund may also invest directly or indirectly in deposits and money market instruments.

The Sustainable Bond Fund may use derivatives for efficient portfolio management.

Currency hedging for exposure in foreign currencies was initiated in March 2015 and the Manager has had discretion to hedge up to 80% of all non-sterling currency positions. Effective April 2021, post financial year end, the non-sterling currency hedging limit was formally reviewed and increased to 95%.

Investment Report

Market commentary

Fund Performance

The Sustainable Bond Fund returned -4.6% in the 12 months to 31st March 2022. Over the same time period, the IA Corporate Bond sector returned -4.3%.

Macro Backdrop

Newsflow over the last 12-months has been dominated by 4 key items: 1) the easing of social restrictions as coronavirus risks subside; 2) fears over supply-chain bottlenecks and impact on inflation; 3) the Russia-Ukraine crisis; and 4) Central Bank actions to combat high levels of inflation across all major markets.

Against this backdrop, the Federal Reserve raised rates (to 0.25 – 0.50%) for the first time since December 2018; the Bank of England raised rates 3 times to 0.75% (from 0.10%); and the ECB kept the policy rate stable (at -0.50%), but rhetoric has become increasingly hawkish – indicating the ECB may raise rates in the next 12 months.

In the UK, March 2022 Composite PMI data remained strong at 60.9 (Mar-21 = 56.4). Despite the strong PMI data, consensus 2022 GDP growth forecasts were volatile, and in March 2022 they were downgraded to +4.0% (from +4.3% in Feb-22, and +4.5% in Jan-22). Inflation was also volatile over the last 12 months, rising from just +0.7% in March 2021, to +6.2% in February 2022.

In the US, March 2022 Composite PMI data remained strong (albeit volatile) at 57.7 (Mar-21 = 59.7). Despite the strong PMI data, consensus 2022 GDP growth forecasts were similarly volatile. Much like the UK, March 2022 forecasts were again downgraded to +3.5% (from +3.7% in Feb-22). Inflation was also volatile over the last 12 months, rising from just +2.6% in March 2021, to +8.5% in March 2022.

In the Eurozone, March 2022 Composite PMI data remained relatively strong (though not as strong as UK or US) at 54.9 (Mar-21 = 53.2). In-line with the UK and US, consensus 2022 GDP growth forecasts have been steadily revised downwards to +3.2% (from +4.0% in Feb-22). Inflation was also volatile over the last 12 months, rising from just +1.3% in March 2021, to +7.5% in March 2022.

Portfolio Characteristics

The Sustainable Bond Fund has an MSCI ESG rating of 'AAA'.

The average credit rating on the portfolio remained strong at 'A-' and 45% of fund holdings are in AAA to A- rated bonds. The fund offers a yield of 3.5% and duration of 5.4 years. We believe the very strong credit quality of the fund de-risks the fund from future volatility.

Outlook & Strategy

In order to ensure capital preservation and deliver a high level of monthly income, we continue to seek out the best risk: reward ideas across investment grade, unrated and high yield bond sectors. We maintain our focus on stock selection reinforced by in-depth credit research.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Sustainable Bond Fund X Accumulation	(4.6%)	7.4%	0.8%	1.7%	3.9%
IA Sterling Corporate Bond Sector	(4.3%)	9.0%	0.8%	3.0%	1.7%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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 Bond 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
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lower risks/
rewards

higher risks/
rewards

The Sustainable Bond 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 Bond 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 Bond 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 Sustainable Bond Fund carries the following risks:

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

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

Geographical risk: The Sustainable Bond Fund's value may fall where it has concentrated exposure to a particular country or region that is heavily affected by an adverse event.

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 Bond 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 Bond Fund having a narrower range of eligible investments, which may in turn affect the Sustainable Bond Fund's performance.

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

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 Sustainable Bond Fund may need to be deferred or the fund suspended for a period of time.

Investment Report

continued

Risk and Reward Profile continued

Focus risk: The Sustainable Bond 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.

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

Comparative tables

For the year ended I Income units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	100.61	95.69	98.04
Return before operating charges	(3.92)	7.79	1.02
Operating charges	(0.13)	(0.13)	(0.13)
Return after operating charges	(4.05)	7.66	0.89
Distributions	(2.71)	(2.74)	(3.24)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	93.85	100.61	95.69
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	(4.03%)	8.01%	0.91%
Other information			
Closing net asset value £'000	9,065	15,804	10,161
Closing number of units	9,659,554	15,709,143	10,618,038
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	103.70	104.90	103.70
Lowest unit price	93.92	96.30	94.55

For the year ended X Income units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	133.28	126.80	129.92
Return before operating charges	(5.18)	10.29	1.35
Operating charges	(0.60)	(0.61)	(0.60)
Return after operating charges	(5.78)	9.68	0.75
Distributions	(3.16)	(3.20)	(3.87)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	124.34	133.28	126.80
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	(4.34%)	7.63%	0.58%
Other information			
Closing net asset value £'000	81,906	103,205	106,857
Closing number of units	65,871,560	77,432,500	84,271,460
Operating charges	0.45%	0.45%	0.45%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	137.40	138.80	137.40
Lowest unit price	124.30	127.60	125.20

*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.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	176.35	163.89	163.11
Return before operating charges	(7.05)	13.30	1.59
Operating charges	(0.85)	(0.84)	(0.81)
Return after operating charges	(7.90)	12.46	0.78
Distributions	(4.16)	(4.12)	(4.86)
Retained distributions on accumulation units	4.16	4.12	4.86
Closing net asset value per unit*	168.45	176.35	163.89
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	(4.48%)	7.60%	0.48%
Other information			
Closing net asset value £'000	105,687	118,984	110,180
Closing number of units	62,739,316	67,470,418	67,227,419
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	182.90	182.20	176.20
Lowest unit price	167.30	164.90	160.50

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 98.82% (31/3/2021 - 96.79%)			
Sterling Denominated Fixed Rate Corporate Bonds - 73.27% (31/3/2021 - 69.98%)			
£6,175,000	A2Dominion Housing 3.5% 15/11/2028	6,358	3.23
£1,834,000	Admiral 5.5% 25/7/2024	1,936	0.98
£5,100,000	Aviva 4% 3/6/2055	4,992	2.54
£4,589,000	Bupa Finance 5% 8/12/2026	4,916	2.50
£2,800,000	BUPA Finance 4.125% 14/6/2035	2,810	1.43
£5,000,000	CaixaBank 1.5% 3/12/2026	4,700	2.39
£5,000,000	Co-Operative 7.5% 8/7/2026	5,303	2.70
£6,000,000	Coventry Building Society 1% 21/9/2025	5,677	2.89
£2,500,000	Credit Agricole 1.874% 9/12/2031	2,319	1.18
£5,000,000	Direct Line Insurance 4% 5/6/2032	4,932	2.51
£1,000,000	EDP Finance 8.625% 4/1/2024	1,108	0.56
£5,000,000	Enel Finance International 5.75% 14/9/2040	6,550	3.33
£4,000,000	Landesbank Baden-Wuerttemberg 1.5% 3/2/2025	3,853	1.96
£3,400,000	Legal & General 4.5% 1/11/2050	3,483	1.77
£4,450,000	Legal & General 5.375% 27/10/2045	4,739	2.41
£4,600,000	Lloyds Bank Corporate Markets 1.5% 23/6/2023	4,562	2.32
£1,500,000	M&G 3.875% 20/7/2049	1,519	0.77
£3,000,000	M&G 5.625% 20/10/2051	3,270	1.66
£3,774,000	Paragon Banking 4.375% 25/9/2031	3,911	1.99
£3,500,000	Paragon Banking 6% 28/8/2024	3,692	1.88
£5,186,000	Phoenix 5.625% 28/4/2031	5,658	2.88
£7,559,000	Principality Building Society 2.375% 23/11/2023	7,515	3.82
£1,700,000	QBE Insurance 2.5% 13/9/2038	1,522	0.77
£3,500,000	QBE Insurance 6.115% 24/5/2042	3,528	1.79
£800,000	Rothesay Life 3.375% 12/7/2026	797	0.40
£5,800,000	Rothesay Life 5.5% 17/9/2029	6,089	3.10
£2,900,000	Sage 1.625% 25/2/2031	2,595	1.32
£400,000	Scottish Widows 5.5% 16/6/2023	413	0.21
£3,800,000	Scottish Widows 7% 16/6/2043	5,105	2.60
£6,000,000	Siemens Financieringsmaatschappij 0.875% 5/6/2023	5,929	3.01
£1,200,000	Siemens Financieringsmaatschappij 3.75% 10/9/2042	1,408	0.72
£3,800,000	Society of Lloyd's 4.75% 30/10/2024	3,947	2.01
£3,200,000	Society of Lloyd's 4.875% 7/2/2047	3,380	1.72

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Fixed Rate Corporate Bonds continued			
£3,800,000	Travis Perkins 3.75% 17/2/2026	3,762	1.91
£7,000,000	Verizon Communications 1.875% 3/11/2038	5,825	2.96
£5,800,000	Virgin Money UK 5.125% 11/12/2030	5,994	3.05
		144,097	73.27
Sterling Denominated Fixed Rate Government Bonds - 0.10% (31/3/2021 - 1.41%)			
£200,000	United Kingdom Gilt 1.625% 22/10/2071	203	0.10
Sterling Denominated Floating Rate Corporate Bonds - 2.04% (31/3/2021 - 7.62%)			
£4,000,000	National Australia Bank 1.0418% FRN 4/2/2025	4,008	2.04
Euro Denominated Fixed Rate Corporate Bonds - 13.90% (31/3/2021 - 10.69%)			
€4,500,000	Coca-Cola 0.375% 15/3/2033	3,350	1.70
€4,000,000	Coca-Cola 0.8% 15/3/2040	2,864	1.46
€3,000,000	Commerzbank 1.375% 29/12/2031	2,284	1.16
€5,000,000	Credit Suisse 0.625% 18/1/2033	3,424	1.74
€5,000,000	EDP - Energias de Portugal 1.625% 15/4/2027	4,253	2.16
€6,000,000	Holcim Finance Luxembourg 2.25% 26/5/2028	5,207	2.65
€7,300,000	Swiss Re Finance UK 2.714% 4/6/2052	5,947	3.03
		27,329	13.90
United States Dollar Denominated Fixed Rate Corporate Bonds - 6.85% (31/3/2021 - 4.79%)			
\$6,000,000	Beazley Insurance DAC 5.5% 10/9/2029	4,534	2.30
\$6,800,000	Hikma Finance USA 3.25% 9/7/2025	5,010	2.55
\$2,000,000	Phoenix 4.75% 4/9/2031	1,507	0.77
\$3,090,000	QBE Insurance 5.875% 17/6/2046	2,421	1.23
		13,472	6.85
United States Dollar Denominated Floating Rate Corporate Bonds - 2.66% (31/3/2021 - 2.30%)			
\$7,800,000	Zurich Finance Ireland Designated Activity 3% FRN 19/4/2051	5,228	2.66

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	DERIVATIVES* - (0.07%) (31/3/2021 - 0.00%)		
	Open Forward Currency Contracts - (0.07%) (31/3/2021 - 0.00%)		
£25,978,033	Bought GBP 25,978,033 : Sold EUR 30,902,659	(145)	(0.08)
£18,124,740	Bought GBP 18,124,740 : Sold USD 23,839,964	17	0.01
		(128)	(0.07)
	Portfolio of investments	194,209	98.75
	Net other assets	2,449	1.25
	Total net assets	196,658	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 £19,273.

Financial statements

Statement of total return

for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital (losses)/gains	2		(14,618)		11,628
Revenue	3	6,424		6,829	
Expenses	4	(1,012)		(1,078)	
Interest payable and similar charges	6	–		(1)	
Net revenue before taxation for the year		5,412		5,750	
Taxation	5	4		(3)	
Net revenue after taxation for the year			5,416		5,747
Total return before distributions			(9,202)		17,375
Distributions	7		(5,416)		(5,749)
Change in net assets attributable to unitholders from investment activities			(14,618)		11,626

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		237,993		228,271
Amounts received on creation of units	9,320		23,279	
Amounts paid on cancellation of units	(38,761)		(27,962)	
		(29,441)		(4,683)
Dilution adjustment		30		2
Change in net assets attributable to unitholders from investment activities		(14,618)		11,626
Retained distribution on accumulation units		2,694		2,777
Closing net assets attributable to unitholders		196,658		237,993

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			194,354		230,437
Current assets					
Debtors	8	2,979		3,498	
Cash and bank balances	9	749		5,623	
Total other assets			3,728		9,121
Total assets			198,082		239,558
LIABILITIES					
Investment liabilities					
			(145)		(94)
Creditors					
Bank overdrafts		–		(3)	
Distribution payable		(589)		(694)	
Other creditors	10	(690)		(774)	
Total other liabilities			(1,279)		(1,471)
Total liabilities			(1,424)		(1,565)
Net assets attributable to unitholders			196,658		237,993

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)/gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(13,947)	9,634
Currency (losses)/gains	(1,196)	404
Gains on forward currency contracts	525	1,590
Net capital (losses)/gains	(14,618)	11,628

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	1,960	1,494
Interest from UK fixed interest securities	4,464	5,335
Total revenue	6,424	6,829

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,012	1,078
Total expenses	1,012	1,078

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Overseas tax	(4)	3
Total taxation	(4)	3

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	5,412	5,750
Corporation tax at 20% (31/3/2021 - 20%)	1,082	1,150
Effects of:		
Overseas tax	(4)	3
Tax deductible interest distributions	(1,082)	(1,150)
Total taxation (see note 5(a))	(4)	3

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	–	1
	–	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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
1st Interim distribution	1,374	1,583
2nd Interim distribution	1,356	1,469
3rd Interim distribution	1,337	1,318
Final distribution	1,253	1,363
	5,320	5,733

Add: Revenue deducted on cancellation of units	124	81
Less: Revenue received on creation of units	(28)	(65)
Net distribution for the year	5,416	5,749

Reconciliation of distributions:

Net revenue after taxation	5,416	5,747
Equalisation on conversions	–	2
Net distribution for the year	5,416	5,749

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	2,871	2,979
Receivable for creation of units	108	519
Total debtors	2,979	3,498

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	749	5,623

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	76	91
Payable for cancellation of units	614	683
Total other creditors	690	774

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 Bond Fund's net assets at 31 March 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Euro	–	1,522	1,522
US Dollar	–	859	859
Total	–	2,381	2,381

The currency profile for the Sustainable Bond Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Euro	(3)	5,154	5,151
US Dollar	–	3,362	3,362
Total	(3)	8,516	8,513

b) Interest rate risk

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	9,236	185,101	17	194,354
Investment liabilities	–	–	(145)	(145)

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	23,593	206,743	101	230,437
Investment liabilities	–	–	(94)	(94)

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
31/3/2022		
Level 1: Quoted prices	–	–
Level 2: Observable market data	194,354	(145)
Level 3: Unobservable data	–	–
	194,354	(145)

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	–	–
Level 2: Observable market data	230,437	(94)
Level 3: Unobservable data	–	–
	230,437	(94)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	75.52	78.48
Below Investment Grade	5.77	1.68
Not Rated	17.53	16.63
	98.82	96.79

Notes to the Financial statements

continued

13. Portfolio transaction costs

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	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	161,076	–	–	–	–
Total	161,076	–		–	
Total purchases including commission and taxes	161,076				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	161,321	–	–	–	–
Total	161,321	–		–	
Total sales net of commissions and taxes	161,321				
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.

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 0.60% (31/3/2021 - 0.54%).

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 290.

The balance due from the Sustainable Bond Fund at the year end in respect of fees paid to the Manager was £76,361 (31/3/2021 - £90,522).

Notes to the Financial statements

continued

14. Related parties continued

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

	Unit holding %	Related party name
Sustainable Bond Fund	83.21	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	I Income units	X Income units	X Accumulation units
Opening units	15,709,143	77,432,500	67,470,418
Units created	2,085,872	860,280	3,406,433
Units cancelled	(8,129,964)	(10,637,268)	(9,480,015)
Units converted	(5,497)	(1,783,952)	1,342,480
Closing units	9,659,554	65,871,560	62,739,316

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2022

Group 2: units purchased between 1 January 2022 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2022	Distribution Paid per Unit on 31/5/2021
I Income				
Group 1	0.6765	–	0.6765	0.6577
Group 2	0.2760	0.4005	0.6765	0.6577
X Income				
Group 1	0.7954	–	0.7954	0.7635
Group 2	0.2490	0.5464	0.7954	0.7635
X Accumulation				
Group 1	1.0578	–	1.0578	0.9911
Group 2	0.5006	0.5572	1.0578	0.9911

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 December 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2022	Distribution Paid per Unit on 28/2/2021
I Income				
Group 1	0.6819	–	0.6819	0.6345
Group 2	0.3384	0.3435	0.6819	0.6345
X Income				
Group 1	0.7947	–	0.7947	0.7307
Group 2	0.4858	0.3089	0.7947	0.7307
X Accumulation				
Group 1	1.0499	–	1.0499	0.9429
Group 2	0.5991	0.4508	1.0499	0.9429

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2021

Group 2: units purchased between 1 July 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
I Income				
Group 1	0.6770	–	0.6770	0.7032
Group 2	0.3489	0.3281	0.6770	0.7032
X Income				
Group 1	0.7861	–	0.7861	0.8216
Group 2	0.4480	0.3381	0.7861	0.8216
X Accumulation				
Group 1	1.0323	–	1.0323	1.0557
Group 2	0.5148	0.5175	1.0323	1.0557

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 June 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2021	Distribution Paid per Unit on 31/8/2020
I Income				
Group 1	0.6738	–	0.6738	0.7491
Group 2	0.3599	0.3139	0.6738	0.7491
X Income				
Group 1	0.7846	–	0.7846	0.8877
Group 2	0.3716	0.4130	0.7846	0.8877
X Accumulation				
Group 1	1.0247	–	1.0247	1.1345
Group 2	0.5358	0.4889	1.0247	1.1345

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 2022

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.

The Sustainable Balanced Fund will invest 80-90% of its portfolio in a mixture of equities and fixed interest securities (being corporate and government bonds).

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 allocation to equities will remain within a 40% to 85% range, consistent with its balanced risk/return profile.

Subject to the sustainability screens, the 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 hold unlisted investments.

Subject to the applicable sustainability screens, the fixed interest component of the 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 Manager considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Sustainable Balanced Fund. In such circumstances, the Manager 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 also 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.

Investment Report

Market commentary

The Fund returned 9.2%, outperforming the IA Mixed 40-85 by 3.9%. Equity market strength through the summer was broad-based as bond yields stabilised and economic data showed signs of recovery. This was balanced by declines in September as the data moderated and investor concern regarding peak growth, supply chain disruption and rising inflation combined with negative news flow out of China. Despite economic data continuing to slow into the New Year, central banks signalled their commitment to tightening monetary policy to combat inflation. This was not welcomed by the stock market, or the bond market as markets priced for higher rates and credit spreads widened from tight levels. In this environment the Fund's performance was helped by security selection: top equity contributors were US technology company Nvidia and European pharmaceutical businesses Novo Nordisk and AstraZeneca. Nvidia is a platform company with a large revenue opportunity in hardware and a nascent software business. The investment case remains supported by datacentre demand for Nvidia's products, and Enterprise as a segment is at the early stages of adoption of AI and Nvidia's GPUs.

Following inception in November 2020, Fund AUM increased from £20m in April 2021, to £49m in March 2022. The increase in scale allowed the Fund to switch Fixed Income holdings from collective instruments to direct securities, which is a more targeted approach and favourable from an OCF perspective. Duration remains short at 2.6 years. Notable trades in the Alternatives portfolio included the purchase of Residential Secure Income REIT – offering an attractive combination of inflation protected income, and a long average life of debt, meaning lower refinancing risk. The net impact of activity and market movements left the equity weighting 59%, fixed income 17% and alternative 9%.

Looking forward, we continue to believe a bias towards companies with revenues that are either recession-resistant or driven by secular growth trends is appropriate in the current environment of slowing economic growth, 'hawkish' central banks, and spiking commodity prices.

Investment Report

continued

Fund Performance

The Sustainable Balanced Fund launched on 2 November 2020.

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

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

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

There have been no changes to the risk rating this 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 substantial 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% (31/3/2021 - 0.08%).

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

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

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 17.47% (31/3/2021 - 9.37%)			
Sterling Denominated Fixed Rate Corporate Bonds - 7.69% (31/3/2021 - 5.84%)			
£500,000	A2D Funding II 4.5% 30/9/2026	535	1.09
£580,000	Admiral 5.5% 25/7/2024	612	1.24
£450,000	Bupa Finance 5% 25/4/2023	462	0.94
£300,000	EDP Finance 8.625% 4/1/2024	332	0.67
£350,000	Hiscox 6.125% 24/11/2045	371	0.75
£470,000	Paragon Banking 6% 28/8/2024	496	1.01
£600,000	Siemens Financieringsmaatschappij 1% 20/2/2025	579	1.17
£400,000	Travis Perkins 4.5% 7/9/2023	404	0.82
		3,791	7.69
Sterling Denominated Fixed Rate Government Bonds - 9.78% (31/3/2021 - 3.53%)			
£1,000,000	United Kingdom Gilt 0.375% 22/10/2026	951	1.93
£800,000	United Kingdom Gilt 0.5% 22/7/2022	799	1.62
£800,000	United Kingdom Gilt 1.5% 22/7/2026	803	1.63
£700,000	United Kingdom Gilt 1.625% 22/10/2028	708	1.43
£900,000	United Kingdom Gilt 1.75% 7/9/2022	904	1.83
£530,000	United Kingdom Gilt 4.25% 7/6/2032	660	1.34
		4,825	9.78
EQUITIES - 59.44% (31/3/2021 - 66.40%)			
UNITED KINGDOM - 18.57% (31/3/2021 - 17.51%)			
80,600	3i	1,119	2.27
21,000	Admiral	538	1.09
19,000	Anglo American	755	1.53
17,000	Ashtead	821	1.66
7,000	AstraZeneca	709	1.44
40,000	GlaxoSmithKline	659	1.34
85,000	Howden Joinery	653	1.32
7,000	London Stock Exchange	557	1.13
29,000	Mondi	432	0.88
68,100	RELX	1,624	3.30

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
700,000	Residential Secure Income	756	1.53
73,000	Tate & Lyle	534	1.08
		9,157	18.57
EUROPE - 15.81% (31/3/2021 - 15.60%)			
Denmark - 1.30% (31/3/2021 - 1.49%)			
7,500	Novo Nordisk	640	1.30
Germany - 1.34% (31/3/2021 - 1.31%)			
4,800	Deutsche Boerse	663	1.34
Ireland - 4.08% (31/3/2021 - 1.77%)			
5,800	Accenture	1,486	3.01
550,000	Greencoat Renewables	525	1.07
		2,011	4.08
Sweden - 2.46% (31/3/2021 - 3.66%)			
16,000	Atlas Copco	640	1.30
35,000	Sandvik	573	1.16
		1,213	2.46
Switzerland - 6.63% (31/3/2021 - 7.37%)			
7,500	Nestle	744	1.51
1,200	Partners	1,142	2.31
2,300	Roche	696	1.41
46,000	UBS	689	1.40
		3,271	6.63
ASIA PACIFIC (EX JAPAN) - 1.16% (31/3/2021 - 2.35%)			
106,000	HSBC Index Tracker Investment Funds - Pacific Index Fund	572	1.16
JAPAN - 3.60% (31/3/2021 - 4.26%)			
9,500	Hoya	834	1.69
10,000	Secom	554	1.13
25,000	Xtrackers MSCI Japan ESG UCITS ETF	385	0.78
		1,773	3.60

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
NORTH AMERICA - 19.52% (31/3/2021 - 24.37%)			
United States - 19.52% (31/3/2021 - 24.37%)			
3,800	3M	430	0.87
120	Adobe	41	0.08
14,000	Applied Materials	1,400	2.84
9,000	Bristol-Myers Squibb	499	1.01
10,000	Cerner	711	1.44
16,000	Cisco Systems	677	1.37
11,000	Coca-Cola	518	1.05
13,000	eBay	565	1.15
5,500	Electronic Arts	528	1.07
3,600	Freshpet	281	0.57
5,600	Microsoft	1,310	2.66
4,000	Nvidia	829	1.68
4,000	PepsiCo	508	1.03
3,800	Visa	642	1.30
4,800	Zoetis	688	1.40
		9,627	19.52
EMERGING MARKETS - 0.78% (31/3/2021 - 2.31%)			
63,000	iShares MSCI EM SRI UCITS ETF	385	0.78
FIXED INTEREST - 1.34% (31/3/2021 - 7.14%)			
United Kingdom Gilts & Corporate Bonds - 1.34% (31/3/2021 - 7.14%)			
14,000	Lyxor MSCI Water ESG Filtered DR UCITS ETF	663	1.34
ALTERNATIVE - 6.29% (31/3/2021 - 7.07%)			
473,846	Greencoat UK Wind	721	1.46
380,000	International Public Partnerships	658	1.34
20,000	WisdomTree Copper ETF	635	1.29

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
8,000	WisdomTree Physical Platinum ETC	557	1.13
30,000	WisdomTree Physical Silver ETC	529	1.07
		3,100	6.29
	Portfolio of investments	41,691	84.54
	Net other assets	7,624	15.46
	Total net assets	49,315	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Income					
Net capital gains	2		1,593		13
Revenue	3	589		52	
Expenses	4	(275)		(25)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		314		27	
Taxation	5	(37)		(5)	
Net revenue after taxation for the year			277		22
Total return before distributions			1,870		35
Distributions	7		(277)		(22)
Change in net assets attributable to unitholders from investment activities			1,593		13

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			16,589		–
Amounts received on creation of units		31,484		16,547	
Amounts paid on cancellation of units		(716)		(10)	
			30,768		16,537
Dilution adjustment			15		(7)
Change in net assets attributable to unitholders from investment activities			1,593		13
Retained distribution on accumulation units	7		350		46
Closing net assets attributable to unitholders			49,315		16,589

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			41,691		14,927
Current assets					
Debtors	8	520		1,541	
Cash and bank balances	9	7,140		1,131	
Total other assets			7,660		2,672
Total assets			49,351		17,599
LIABILITIES					
Creditors					
Other creditors	10	(36)		(1,010)	
Total other liabilities			(36)		(1,010)
Total liabilities			(36)		(1,010)
Net assets attributable to unitholders			49,315		16,589

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 gains

	Year to 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency (losses)/gains	(1)	4
Gains on non-derivative securities	1,594	9
Net capital gains	1,593	13

3. Revenue

	Year to 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	24	–
Interest from UK fixed interest securities	39	–
Non-taxable overseas dividends	256	28
Taxable overseas dividends	3	5
UK dividends	217	14
UK franked dividends from collective investment schemes	40	4
UK REIT dividends	10	–
UK unfranked dividends from collective investment schemes	–	1
Total revenue	589	52

4. Expenses

	Year to 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	275	25
Total expenses	275	25

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	37	5
Total taxation	37	5

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	314	27
Corporation tax at 20% (31/3/2021 - 20%)	63	5
Effects of:		
Movement in unrecognised tax losses	40	4
Overseas tax	37	5
Revenue not subject to tax	(103)	(9)
Total taxation (see note 5(a))	37	5

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 2022 there is a potential deferred tax asset of £43,479 (31/3/2021 - £3,612) due to tax losses of £217,395 (31/3/2021 - £18,058). It is unlikely that the Sustainable Balanced Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 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 31/3/2022 GBP £'000	2/11/2020 to 31/3/2021 GBP £'000
Interim distribution	262	–
Final distribution	89	46
	351	46
Add: Revenue deducted on cancellation of units	1	–
Less: Revenue received on creation of units	(75)	(24)
Net distribution for the year	277	22

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	109	36
Overseas tax recoverable	4	1
Receivable for creation of units	407	625
Sales awaiting settlement	–	879
Total debtors	520	1,541

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	7,140	1,131

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	32	10
Payable for cancellation of units	4	–
Purchases awaiting settlement	–	1,000
Total other creditors	36	1,010

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures 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

The currency profile for the Sustainable Balanced Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Danish Krone	2	248	250
Euro	–	511	511
Japanese Yen	–	466	466
Swedish Krona	–	608	608
Swiss Franc	–	1,223	1,223
US Dollar	2	4,498	4,500
Total	4	7,554	7,558

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 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	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	1,554	13,373	14,927
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
31/3/2022		
Level 1: Quoted prices	32,503	–
Level 2: Observable market data	9,188	–
Level 3: Unobservable data	–	–
	41,691	–
31/3/2021		
Level 1: Quoted prices	11,799	–
Level 2: Observable market data	3,128	–
Level 3: Unobservable data	–	–
	14,927	–

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	13.31	5.48
Below Investment Grade	0.82	1.93
Not Rated	3.34	1.96
	17.47	9.37

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
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	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
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%

Period to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	10,073	5	0.05	14	0.14
Debt instruments (direct)	1,582	–	–	–	–
Collective investment schemes	4,488	1	0.02	1	0.03
Total	16,143	6		15	
Total purchases including commission and taxes	16,164				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	243	–	–	–	–
Collective investment schemes	1,003	–	–	–	–
Total	1,246	–		–	
Total sales net of commissions and taxes	1,246				

Total transaction costs	6	15
Total transaction costs as a % of average net assets	0.08%	0.21%

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 0.16% (31/3/2021 - 0.17%).

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 290.

The balance due from the Sustainable Balanced Fund at the year end in respect of fees paid to the Manager was £32,666 (31/3/2021 - £10,323).

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

	Unit holding %	Related party name
Sustainable Balanced Fund	81.36	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	I Accumulation units	X Accumulation units
Opening units	26,450	15,866,676
Units created	2,480	28,307,255
Units cancelled	(1,000)	(646,474)
Closing units	27,930	43,527,457

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
I Accumulation				
Group 1	0.6061	–	0.6061	0.5839
Group 2	0.5921	0.0140	0.6061	0.5839
X Accumulation				
Group 1	0.2031	–	0.2031	0.2911
Group 2	0.1293	0.0738	0.2031	0.2911

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
I Accumulation*				
Group 1	1.2649	–	1.2649	n/a
Group 2	0.4273	0.8376	1.2649	n/a
X Accumulation*				
Group 1	0.8652	–	0.8652	n/a
Group 2	0.4317	0.4335	0.8652	n/a

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.

*I Accumulation and X Accumulation unit classes opened on 2 November 2020.

Close Diversified Income Portfolio Fund

For the year ended 31 March 2022

Fund objective and policy

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

The Diversified Income Fund will invest primarily in equities and fixed interest securities.

The equity component of the Diversified Income Fund may include shares in smaller companies and companies listed in emerging markets.

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

The Diversified Income 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.

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.

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 rose 8.0% in the 12 months to March 2022.

Investment returns continued to be generated at a higher than average rate, as the world emerged from a series of lockdowns and covid variants, and despite the start of central bank interest rate rises, the Russia/Ukraine war, high inflation, global supply chain issues and the unwinding of quantitative easing.

After reducing fixed income in early 2021 we have just started to add to the asset class once again, as some interesting valuations emerged in the March 2022 sell-off. A number of holdings were added to at double the yields of September 2021.

i.e. Travis Perkins 2026 at 4% (yielded 2% in Sep21)

i.e. Nationwide Perps (callable 2024) at 6.25% (yielded 2.6% in Sep21)

i.e. Co-Op 2026 at 5.44% (yielded 2.8% in Sep21)

The early 2022 equity sell-off also led to some interesting value emerge and Schroders (7.3% yield) and Phoenix Group (8.55% yield) positions were added to amongst others.

The Fund remains cautiously positioned with 12% in cash, which stands ready to be deployed as and when new opportunities are identified. The outcome of the current interest rate tightening remains uncertain and has in the past led to economic slowdown/recession.

Despite the strongly rising NAV Diversified Income's forward looking yield (based on end of month prices) rose from 3.8% a year ago to 4.3% due to the new investments made. 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 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Diversified Income Fund X Accumulation	8.0%	14.7%	(5.7%)	5.3%	(1.4%)
IA Mixed Investments 20-60% Sector	2.7%	19.8%	(7.2%)	2.9%	0.8%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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
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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 substantial 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 0.35% (31/3/2021 - 0.34%).

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	110.19	100.33	111.51
Return before operating charges	10.03	15.91	(5.13)
Operating charges	(1.92)	(1.81)	(1.53)
Return after operating charges	8.11	14.10	(6.66)
Distributions	(4.60)	(4.24)	(4.52)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	113.70	110.19	100.33
After direct transaction costs of**	(0.04)	(0.03)	(0.03)
Performance			
Return after charges	7.36%	14.05%	(5.97%)
Other information			
Closing net asset value £'000	395	419	549
Closing number of units	347,740	380,656	547,095
Operating charges	1.67%	1.66%	1.35%
Direct transaction costs**	0.03%	0.03%	0.03%
Prices*			
Highest unit price	117.40	112.60	116.10
Lowest unit price	110.70	99.92	96.64

For the year ended A Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	156.38	136.99	146.18
Return before operating charges	14.33	21.91	(7.16)
Operating charges	(2.77)	(2.52)	(2.03)
Return after operating charges	11.56	19.39	(9.19)
Distributions	(6.63)	(5.88)	(6.01)
Retained distributions on accumulation units	6.63	5.88	6.01
Closing net asset value per unit*	167.94	156.38	136.99
After direct transaction costs of**	(0.06)	(0.04)	(0.04)
Performance			
Return after charges	7.39%	14.15%	(6.29%)
Other information			
Closing net asset value £'000	12,926	13,818	15,465
Closing number of units	7,696,384	8,836,188	11,289,505
Operating charges	1.67%	1.66%	1.35%
Direct transaction costs**	0.03%	0.03%	0.03%
Prices*			
Highest unit price	170.20	157.70	156.90
Lowest unit price	157.10	136.40	130.60

*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 I Income units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	99.24	89.47	100.00
Return before operating charges	8.80	14.00	(7.67)
Operating charges	(0.47)	(0.43)	(0.09)
Return after operating charges	8.33	13.57	(7.76)
Distributions	(4.17)	(3.80)	(2.77)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	103.40	99.24	89.47
After direct transaction costs of**	(0.03)	(0.03)	(0.02)
Performance			
Return after charges	8.39%	15.17%	(7.76%)
Other information			
Closing net asset value £'000	1,125	1,061	1,621
Closing number of units	1,088,362	1,069,220	1,811,360
Operating charges	0.45%	0.44%	0.13%
Direct transaction costs**	0.03%	0.03%	0.04%
Prices*			
Highest unit price	106.20	101.20	103.40
Lowest unit price	99.71	89.12	86.16

For the year ended X Income units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	133.64	121.10	133.95
Return before operating charges	12.02	19.07	(6.39)
Operating charges	(1.50)	(1.40)	(1.02)
Return after operating charges	10.52	17.67	(7.41)
Distributions	(5.60)	(5.13)	(5.44)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	138.56	133.64	121.10
After direct transaction costs of**	(0.05)	(0.03)	(0.04)
Performance			
Return after charges	7.87%	14.59%	(5.53%)
Other information			
Closing net asset value £'000	101,590	101,908	97,796
Closing number of units	73,316,580	76,253,070	80,758,237
Operating charges	1.07%	1.06%	0.75%
Direct transaction costs**	0.03%	0.03%	0.03%
Prices*			
Highest unit price	142.70	136.50	140.10
Lowest unit price	134.20	120.60	116.60

*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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	182.66	159.22	169.07
Return before operating charges	16.52	25.29	(8.56)
Operating charges	(2.06)	(1.85)	(1.29)
Return after operating charges	14.46	23.44	(9.85)
Distributions	(7.77)	(6.85)	(6.97)
Retained distributions on accumulation units	7.77	6.85	6.97
Closing net asset value per unit*	197.12	182.66	159.22
After direct transaction costs of**	(0.06)	(0.05)	(0.05)
Performance			
Return after charges	7.92%	14.72%	(5.83%)
Other information			
Closing net asset value £'000	466,664	447,730	465,896
Closing number of units	236,741,653	245,119,021	292,606,171
Operating charges	1.06%	1.05%	0.74%
Direct transaction costs**	0.03%	0.03%	0.03%
Prices*			
Highest unit price	199.50	184.00	182.30
Lowest unit price	183.50	158.50	151.80

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 32.63% (31/3/2021 - 32.69%)			
Sterling Denominated Fixed Rate Corporate Bonds - 20.90% (31/3/2021 - 22.90%)			
£15,770,000	abrdrn 5.25% Perpetual	15,369	2.64
£273,250	abrdrn Standard Asia Focus 2.25% 31/5/2025	281	0.05
£5,642,700	Burford Capital 5% 1/12/2026	5,438	0.93
£2,391,500	Burford Capital 6.125% 26/10/2024	2,423	0.42
£500,000	Co-Operative 5.125% 17/5/2024	501	0.09
£4,800,000	Co-Operative 7.5% 8/7/2026	5,091	0.87
£500,000	Co-Operative 11% 18/12/2025	600	0.10
£15,065,000	Hiscox 6.125% 24/11/2045	15,951	2.74
£2,885,000	Jupiter Fund Management 8.875% 27/7/2030	3,268	0.56
£800,000	Just 8.125% 26/10/2029	1,011	0.17
£4,600,000	Just 9% 26/10/2026	5,415	0.93
£10,032,000	NGG Finance 5.625% 18/6/2073	10,233	1.76
£14,680,000	Paragon Banking 4.375% 25/9/2031	15,212	2.61
£1,099,800	Paragon Banking 6% 28/8/2024	1,160	0.20
£2,146,000	Pension Insurance 4.625% 7/5/2031	2,186	0.38
£800,000	Pension Insurance 7.375% Perpetual	858	0.15
£4,583,000	Pension Insurance 8% 23/11/2026	5,452	0.94
£2,963,000	Phoenix 5.625% 28/4/2031	3,233	0.55
£1,000,000	Phoenix 5.75% Perpetual	976	0.17
£1,700,000	Phoenix 5.867% 13/6/2029	1,904	0.33
£1,804,000	Phoenix 6.625% 18/12/2025	1,994	0.34
£1,100,000	Rothesay Life 5.5% 17/9/2029	1,155	0.20
£800,000	Rothesay Life 6.875% Perpetual	845	0.14
£3,748,800	Severn Trent 1.3% 11/7/2022	4,926	0.85
£1,700,000	Shawbrook 9% 10/10/2030	1,733	0.30
£1,550,000	Society of Lloyd's 4.875% 7/2/2047	1,637	0.28
£3,030,000	TP ICAP Finance 5.25% 26/1/2024	3,115	0.53
£750,000	TP ICAP Finance 5.25% 29/5/2026	779	0.13
£3,900,000	Travis Perkins 3.75% 17/2/2026	3,861	0.66
£5,100,000	Travis Perkins 4.5% 7/9/2023	5,150	0.88
		121,757	20.90

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Floating Rate Corporate Bonds - 2.58% (31/3/2021 - 3.28%)			
£14,850,000	Nationwide Building Society 5.875% FRN Perpetual	15,054	2.58
United States Dollar Denominated Fixed Rate Corporate Bonds - 8.87% (31/3/2021 - 6.51%)			
\$11,041,000	Beazley Insurance DAC 5.5% 10/9/2029	8,344	1.43
\$3,000,000	Beazley Insurance DAC 5.875% 4/11/2026	2,353	0.41
\$8,480,000	Burford Capital Finance 6.125% 12/8/2025	6,340	1.09
\$3,732,000	Burford Capital Global Finance 6.25% 15/4/2028	2,877	0.49
\$15,780,000	Lancashire 5.625% 18/9/2041	11,146	1.91
\$6,050,000	Marks & Spencer 7.125% 1/12/2037	4,894	0.84
\$4,800,000	Trafigura Funding 5.25% 19/3/2023	3,545	0.61
\$18,274,000	Trafigura Pte 5.875% Perpetual	12,179	2.09
		51,678	8.87
Euro Denominated Fixed Rate Corporate Bonds - 0.28% (31/3/2021 - 0.00%)			
€2,000,000	International Personal Finance 9.75% 12/11/2025	1,608	0.28
EQUITIES - 34.81% (31/3/2021 - 33.14%)			
UNITED KINGDOM - 17.74% (31/3/2021 - 18.44%)			
2,060,088	AEW UK REIT	2,464	0.42
11,030,000	Atrato Onsite Energy	12,354	2.12
66,121	British American Tobacco	2,112	0.36
164,300	Bunzl	4,875	0.84
67,935	CVS ⁺	1,217	0.21
209,930	Diploma	5,525	0.95
3,282,879	Ediston Property Investment	2,580	0.44
2,159,750	Ground Rents Income Fund	1,361	0.23
175,193	Imperial Brands	2,822	0.48
904,601	Mears	1,827	0.31
517,000	Moneysupermarket.com	982	0.17
2,398,364	Phoenix	14,726	2.53
11,904,000	Residential Secure Income	12,856	2.21
5,396,919	Schroder European Real Estate Investment Trust	6,180	1.06
5,030,000	Schroder US Equity Income Maximiser Fund	3,495	0.60
234,294	Schroders Non-voting	4,461	0.77
2,380,000	Supermarket Income Reit	2,999	0.51
6,800,423	Tritax EuroBox	7,139	1.23

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
242,300	Unilever	8,372	1.44
1,493,779	Urban Logistics REIT	2,838	0.49
1,254,443	Warehouse Reit	2,175	0.37
		103,360	17.74
AUSTRALIA - 0.67% (31/3/2021 - 0.49%)			
131,559	BHP	3,883	0.67
EUROPE - 10.27% (31/3/2021 - 8.63%)			
Germany - 1.62% (31/3/2021 - 1.01%)			
152,300	Brenntag	9,460	1.62
Guernsey - 3.77% (31/3/2021 - 3.58%)			
3,127,830	Cordiant Digital Infrastructure	3,394	0.58
19,418,270	Starwood European Real Estate Finance	18,564	3.19
		21,958	3.77
Ireland - 0.00% (31/3/2021 - 0.68%)			
Luxembourg - 0.00% (31/3/2021 - 0.01%)			
3,800	Xtrackers Euro Stoxx 50 Short Daily Swap UCITS ETF	28	-
Switzerland - 1.88% (31/3/2021 - 3.35%)			
36,224	Roche	10,955	1.88
United Kingdom - 3.00% (31/3/2021 - 0.00%)			
11,592,023	Real Estate Credit Investments	17,446	3.00
2,000	Xtrackers FTSE 100 Short Daily Swap UCITS ETF	6	-
		17,452	3.00
United States - 0.00% (31/3/2021 - 0.00%)			
4,000	Xtrackers S&P 500 Inverse Daily Swap UCITS ETF	23	-
ASIA PACIFIC (EX JAPAN) - 0.00% (31/3/2021 - 0.22%)			
NORTH AMERICA - 6.13% (31/3/2021 - 5.36%)			
Canada - 1.07% (31/3/2021 - 0.84%)			
336,237	Barrick Gold	6,266	1.07

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	United States - 5.06% (31/3/2021 - 4.52%)		
423,773	Burford Capital	2,922	0.50
13,970	Mastercard	3,793	0.65
227,681	Philip Morris International	16,260	2.79
38,450	Visa	6,492	1.12
		29,467	5.06
	ALTERNATIVE - 20.52% (31/3/2021 - 23.38%)		
823,490	3i Infrastructure	2,862	0.49
1,868,000	Digital 9 Infrastructure	2,059	0.35
17,652,795	GCP Asset Backed Income Fund	16,805	2.88
8,729,102	GCP Infrastructure Investments	9,637	1.65
15,556,168	Greencoat UK Wind	23,676	4.06
5,873,542	HICL Infrastructure	10,455	1.79
1,980,200	Honeycomb Investment Trust	17,921	3.08
10,448,813	ICG-Longbow Senior Secured UK Property Debt Investments	6,792	1.17
6,385,056	International Public Partnerships	11,046	1.90
8,850	Invesco Physical Gold ETC	1,263	0.22
19,200	Invesco Physical Gold ETC	2,744	0.47
86,900	iShares Physical Gold ETC	2,501	0.43
625,000	Royal Mint Physical Gold ETC	9,194	1.58
18,892	WisdomTree Physical Gold	2,632	0.45
		119,587	20.52
	DERIVATIVES* - 0.00% (31/3/2021 - (0.04%))		
	Open Forward Currency Contracts - 0.00% (31/3/2021 - (0.04%))		
€960,058	Bought EUR 960,058 : Sold GBP 799,997	12	–
£6,036,319	Bought GBP 6,036,319 : Sold EUR 7,180,617	(34)	(0.01)

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Open Forward Currency Contracts continued		
£725,674	Bought GBP 725,674 : Sold EUR 866,881	(7)	–
£40,400,927	Bought GBP 40,400,927 : Sold USD 53,140,439	38	0.01
		9	–
	Portfolio of investments	512,545	87.96
	Net other assets	70,155	12.04
	Total net assets	582,700	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 £21,252.

+Securities are listed on the Alternative Investments Market.

Financial statements

Statement of total return

for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		24,092		60,785
Revenue	3	25,759		25,785	
Expenses	4	(4,216)		(4,202)	
Interest payable and similar charges	6	–		(1)	
Net revenue before taxation for the year		21,543		21,582	
Taxation	5	(1,640)		(2,276)	
Net revenue after taxation for the year			19,903		19,306
Total return before distributions			43,995		80,091
Distributions	7		(23,276)		(22,668)
Change in net assets attributable to unitholders from investment activities			20,719		57,423

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		564,936		581,513
Amounts received on creation of units	27,199		19,028	
Amounts paid on cancellation of units	(49,207)		(111,114)	
		(22,008)		(92,086)
Dilution adjustment		5		32
Change in net assets attributable to unitholders from investment activities		20,719		57,423
Retained distribution on accumulation units		19,048		18,053
Unclaimed distributions		–		1
Closing net assets attributable to unitholders		582,700		564,936

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			512,586		504,026
Current assets					
Debtors	8	8,382		4,522	
Cash and bank balances	9	63,966		61,692	
Total other assets			72,348		66,214
Total assets			584,934		570,240
LIABILITIES					
Investment liabilities					
			(41)		(245)
Creditors					
Distribution payable		(1,080)		(927)	
Other creditors	10	(1,113)		(4,132)	
Total other liabilities			(2,193)		(5,059)
Total liabilities			(2,234)		(5,304)
Net assets attributable to unitholders			582,700		564,936

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(858)	2,956
Currency (losses)/gains	(1,187)	861
Gains on non-derivative securities	26,137	56,968
Net capital gains	24,092	60,785

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	3,926	3,954
Interest from UK fixed interest securities	5,161	7,618
Non-taxable overseas dividends	7,867	7,589
Overseas REIT dividends	79	81
Rebate of fees from holdings in third party collective investment schemes	–	9
Taxable overseas dividends	–	318
UK dividends	4,332	2,398
UK franked dividends from collective investment schemes	1,903	1,256
UK REIT dividends	868	918
UK unfranked dividends from collective investment schemes	1,623	1,644
Total revenue	25,759	25,785

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	4,216	4,202
Total expenses	4,216	4,202

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	1,472	2,051
Corporation tax prior year adjustment	(63)	–
Overseas tax	231	225
Total taxation	1,640	2,276

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	21,543	21,582
Corporation tax at 20% (31/3/2021 - 20%)	4,309	4,316
Effects of:		
Overseas tax	231	225
Corporation tax prior year adjustment	(63)	–
Revenue not subject to tax	(2,837)	(2,265)
Total taxation (see note 5(a))	1,640	2,276

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	–	1
	–	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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
1st Interim distribution	5,370	5,846
2nd Interim distribution	6,473	5,980
3rd Interim distribution	5,344	5,287
Final distribution	6,050	5,027
	23,237	22,140

Add: Revenue deducted on cancellation of units	215	643
Less: Revenue received on creation of units	(176)	(115)
Net distribution for the year	23,276	22,668

Reconciliation of distributions:

Net revenue after taxation	19,903	19,306
Capitalised fees	4,216	4,202
Tax relief on capitalised fees	(843)	(840)
Net distribution for the year	23,276	22,668

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	4,656	3,239
Overseas tax recoverable	26	108
Receivable for creation of units	3,499	988
Sales awaiting settlement	201	187
Total debtors	8,382	4,522

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Cash and bank balances	63,966	61,692

10. Other creditors

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Accrued expenses	352	349
Corporation tax payable	46	7
Payable for cancellation of units	15	1,080
Purchases awaiting settlement	700	2,696
Total other creditors	1,113	4,132

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	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

The currency profile for the Diversified Income Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Canadian Dollar	–	4,744	4,744
Euro	–	6,669	6,669
Norwegian Krone	8	44	52
Swiss Franc	–	17,597	17,597
US Dollar	–	35,595	35,595
Total	8	64,649	64,657

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 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)

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	18,531	166,143	319,352	504,026
Investment liabilities	–	–	(245)	(245)

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
31/3/2022		
Level 1: Quoted prices	318,944	–
Level 2: Observable market data	193,642	(41)
Level 3: Unobservable data	–	–
	512,586	(41)
31/3/2021		
Level 1: Quoted prices	319,318	–
Level 2: Observable market data	184,708	(245)
Level 3: Unobservable data	–	–
	504,026	(245)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	8.27	7.08
Below Investment Grade	11.14	8.91
Not Rated	13.22	16.70
	32.63	32.69

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	39,889	16	0.04	106	0.27
Debt instruments (direct)	71,669	–	–	2	–
Collective investment schemes	24,225	1	–	–	–
Total	135,783	17		108	
Total purchases including commission and taxes	135,908				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	27,535	15	0.05	–	–
Debt instruments (direct)	172,109	–	–	–	–
Collective investment schemes	31,979	12	0.04	–	–
Total	231,623	27		–	
Total sales net of commissions and taxes	231,596				
Total transaction costs		44		108	
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 0.88% (31/3/2021 - 0.70%).

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 290.

The balance due from the Diversified Income Fund at the year end in respect of fees paid to the Manager was £351,837 (31/3/2021 - £348,720).

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

	Unit holding %	Related party name
Diversified Income Fund	61.58	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022	A Income units	A Accumulation units	I Income units	X Income units	X Accumulation units
Opening units	380,656	8,836,188	1,069,220	76,253,070	245,119,021
Units created	99,485	319,660	367,484	4,271,932	10,566,538
Units cancelled	(132,401)	(1,459,464)	(343,344)	(6,132,686)	(19,724,751)
Units converted	–	–	(4,998)	(1,075,736)	780,845
Closing units	347,740	7,696,384	1,088,362	73,316,580	236,741,653

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2022

Group 2: units purchased between 1 January 2022 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2022	Distribution Paid per Unit on 31/5/2021
A Income				
Group 1	1.1910	–	1.1910	0.9884
Group 2	0.3597	0.8313	1.1910	0.9884
A Accumulation				
Group 1	1.7408	–	1.7408	1.3901
Group 2	0.8047	0.9361	1.7408	1.3901
I Income				
Group 1	1.0822	–	1.0822	0.8892
Group 2	0.3472	0.7350	1.0822	0.8892
X Income				
Group 1	1.4516	–	1.4516	1.1982
Group 2	0.5568	0.8948	1.4516	1.1982
X Accumulation				
Group 1	2.0426	–	2.0426	1.6228
Group 2	0.8186	1.2240	2.0426	1.6228

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 December 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2022	Distribution Paid per Unit on 28/2/2021
A Income				
Group 1	1.0630	–	1.0630	1.0228
Group 2	0.4827	0.5803	1.0630	1.0228
A Accumulation				
Group 1	1.5415	–	1.5415	1.4253
Group 2	0.9526	0.5889	1.5415	1.4253
I Income				
Group 1	0.9645	–	0.9645	0.9179
Group 2	0.0429	0.9216	0.9645	0.9179
X Income				
Group 1	1.2948	–	1.2948	1.2383
Group 2	0.6456	0.6492	1.2948	1.2383
X Accumulation				
Group 1	1.8066	–	1.8066	1.6617
Group 2	1.1251	0.6815	1.8066	1.6617

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2021

Group 2: units purchased between 1 July 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
A Income				
Group 1	1.2878	–	1.2878	1.1527
Group 2	1.0102	0.2776	1.2878	1.1527
A Accumulation				
Group 1	1.8444	–	1.8444	1.5896
Group 2	1.1494	0.6950	1.8444	1.5896
I Income				
Group 1	1.1641	–	1.1641	1.0316
Group 2	0.5099	0.6542	1.1641	1.0316
X Income				
Group 1	1.5647	–	1.5647	1.3937
Group 2	0.6516	0.9131	1.5647	1.3937
X Accumulation				
Group 1	2.1583	–	2.1583	1.8510
Group 2	0.9419	1.2164	2.1583	1.8510

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 June 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2021	Distribution Paid per Unit on 31/8/2020
A Income				
Group 1	1.0625	–	1.0625	1.0803
Group 2	0.1433	0.9192	1.0625	1.0803
A Accumulation				
Group 1	1.5064	–	1.5064	1.4747
Group 2	1.0119	0.4945	1.5064	1.4747
I Income				
Group 1	0.9578	–	0.9578	0.9644
Group 2	0.4991	0.4587	0.9578	0.9644
X Income				
Group 1	1.2893	–	1.2893	1.3045
Group 2	0.5008	0.7885	1.2893	1.3045
X Accumulation				
Group 1	1.7604	–	1.7604	1.7151
Group 2	0.6724	1.0880	1.7604	1.7151

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 2022

Fund objective and policy

The investment objective of the Close Conservative Portfolio Fund ("the Conservative Fund") is to achieve income and moderate capital growth.

The Conservative Fund will invest primarily in equities and fixed interest securities.

The equity component of the Conservative Fund may include shares in smaller companies and companies listed in emerging markets.

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

The Conservative 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.

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.

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

Fund performance

The Fund returned 0.4% over the 12 months to 31 March 2022. Equity market strength through the summer was broad-based as bond yields stabilised and economic data showed signs of recovery. This was balanced by declines in September as the data moderated and investor concern regarding peak growth, supply chain disruption and rising inflation combined with negative news flow out of China. Despite economic data continuing to slow into the New Year, central banks signalled their commitment to tightening monetary policy to combat inflation. This was not welcomed by the stock market, or the bond market as markets priced for higher rates and credit spreads widened from tight levels. In this environment the Fund's performance was helped by security selection: top contributors were US technology companies Alphabet and Microsoft, and UK private equity firm 3i. Alphabet's performance has been driven by elevated consumer online activity with particular advertising strength in retail and technology. The structural shift of consumer time/dollars online continues to drive the investment case. In currency markets, sterling weakened through the period against relative dollar strength. The Fund's 50% hedging ratio on non-sterling investments detracted -0.6% over the period.

Following the new manager's appointment on 8th November, the portfolio has been re-aligned to reflect the manager's views of the investment environment and areas of highest conviction. To achieve the aims and objectives of the Fund the manager undertakes an equity-led approach to investing in a multi-asset context by acquiring 'cheap durables' – direct exposure to predictable and sustainable businesses purchased at attractive cash-based valuations. Therefore, of the Fund's largest equity holdings, we maintained core positions in Microsoft, Alphabet, Partners Group, Applied Materials, Visa, 3i; divested Anglo American, HSBC Pacific Index Fund and introduced new positions in US life science consumables business Avantor, US medical insurance business United Health Group and European professional information business RELX. In fixed income, we reduced corporates and added to short-dated gilts, preferring their liquidity and downside protection in economic slowdowns. Duration remains short at 2.2 years. In alternatives, we introduced two absolute return fund holdings - Brevan Howard and Landseer - favouring their low correlation to equities and fixed income with attractive volatility-adjusted returns net of fees. The net impact of this activity and market movements left the equity weighting at 45%, fixed income at 36% and alternatives at 2%.

Outlook

Looking forward, we continue to believe a bias towards companies with revenues that are either recession-resistant or driven by secular growth trends is appropriate in the current environment of slowing economic growth, 'hawkish' central banks, and spiking commodity prices.

Investment Report

continued

Fund Performance

Performance for the Conservative Fund over the last five years.

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Conservative Fund X Accumulation	0.4%	15.8%	(3.5%)	4.3%	2.3%
IA Mixed Investments 20-60% sector	2.7%	19.9%	(7.2%)	2.9%	0.8%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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
---	---	---	---	---	---	---

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 0.02% (31/3/2021 - 0.04%).

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	150.17	130.97	137.83
Return before operating charges	1.27	21.88	(4.18)
Operating charges	(2.46)	(2.33)	(2.29)
Return after operating charges	(1.19)	19.55	(6.47)
Distributions	(0.53)	(0.35)	(0.39)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	148.45	150.17	130.97
After direct transaction costs of**	(0.07)	(0.02)	(0.09)
Performance			
Return after charges	(0.79%)	14.93%	(4.69%)
Other information			
Closing net asset value £'000	382	407	389
Closing number of units	257,413	271,133	297,092
Operating charges	1.59%	1.61%	1.60%
Direct transaction costs**	0.04%	0.02%	0.06%
Prices*			
Highest unit price	160.10	152.80	149.60
Lowest unit price	143.20	128.70	124.80

For the year ended A Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	165.35	143.87	151.00
Return before operating charges	1.38	24.04	(4.62)
Operating charges	(2.71)	(2.56)	(2.51)
Return after operating charges	(1.33)	21.48	(7.13)
Distributions	(0.58)	(0.38)	(0.43)
Retained distributions on accumulation units	0.58	0.38	0.43
Closing net asset value per unit*	164.02	165.35	143.87
After direct transaction costs of**	(0.07)	(0.03)	(0.10)
Performance			
Return after charges	(0.80%)	14.93%	(4.72%)
Other information			
Closing net asset value £'000	14,143	15,733	14,104
Closing number of units	8,622,582	9,514,646	9,803,746
Operating charges	1.59%	1.61%	1.60%
Direct transaction costs**	0.04%	0.02%	0.06%
Prices*			
Highest unit price	176.50	168.20	164.30
Lowest unit price	158.30	141.40	137.10

*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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	168.23	146.64	154.26
Return before operating charges	1.40	24.52	(4.71)
Operating charges	(1.56)	(1.49)	(1.46)
Return after operating charges	(0.16)	23.03	(6.17)
Distributions	(1.20)	(1.44)	(1.45)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	166.87	168.23	146.64
After direct transaction costs of**	(0.07)	(0.03)	(0.10)
Performance			
Return after charges	(0.10%)	15.45%	(4.00%)
Other information			
Closing net asset value £'000	22,703	25,358	24,039
Closing number of units	13,605,343	15,073,715	16,392,890
Operating charges	0.90%	0.92%	0.91%
Direct transaction costs**	0.04%	0.02%	0.06%
Prices*			
Highest unit price	179.90	171.50	167.90
Lowest unit price	160.90	144.10	140.20

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	189.80	163.95	170.84
Return before operating charges	1.54	27.47	(5.32)
Operating charges	(1.71)	(1.62)	(1.57)
Return after operating charges	(0.17)	25.85	(6.89)
Distributions	(1.40)	(1.67)	(1.67)
Retained distributions on accumulation units	1.40	1.67	1.67
Closing net asset value per unit*	189.63	189.80	163.95
After direct transaction costs of**	(0.08)	(0.03)	(0.11)
Performance			
Return after charges	(0.09%)	15.77%	(4.03%)
Other information			
Closing net asset value £'000	882,692	865,108	722,430
Closing number of units	465,477,654	455,812,029	440,635,620
Operating charges	0.87%	0.89%	0.88%
Direct transaction costs**	0.04%	0.02%	0.06%
Prices*			
Highest unit price	203.70	192.90	187.10
Lowest unit price	182.90	161.20	156.30

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 35.67% (31/3/2021 - 36.43%)			
Sterling Denominated Fixed Rate Corporate Bonds - 14.38% (31/3/2021 - 22.40%)			
£2,498,900	A2D Funding 4.75% 18/10/2022	2,537	0.27
£2,900,000	A2D Funding II 4.5% 30/9/2026	3,106	0.34
£7,000,000	Admiral 5.5% 25/7/2024	7,391	0.80
£7,000,000	Bank of Ireland 3.125% 19/9/2027	7,002	0.76
£11,830,000	Bupa Finance 5% 25/4/2023	12,144	1.32
£1,100,000	Co-Operative 7.5% 8/7/2026	1,167	0.13
£23,000,000	Coventry Building Society 1% 21/9/2025	21,763	2.36
£10,100,000	EDP Finance 8.625% 4/1/2024	11,192	1.22
£7,000,000	Hiscox 6.125% 24/11/2045	7,412	0.80
£4,900,000	Just 3.5% 7/2/2025	4,799	0.52
£7,000,000	Legal & General 5.375% 27/10/2045	7,454	0.81
£7,000,000	Pension Insurance 6.5% 3/7/2024	7,518	0.82
£7,000,000	QBE Insurance 6.115% 24/5/2042	7,055	0.77
£8,000,000	Rothesay Life 3.375% 12/7/2026	7,971	0.87
£7,000,000	Scottish Widows 5.5% 16/6/2023	7,235	0.79
£7,000,000	Society of Lloyd's 4.75% 30/10/2024	7,270	0.79
£9,200,000	Travis Perkins 4.5% 7/9/2023	9,290	1.01
		132,306	14.38
Sterling Denominated Fixed Rate Government Bonds - 19.83% (31/3/2021 - 11.39%)			
£4,200,000	United Kingdom Gilt 0.375% 22/10/2026	3,996	0.43
£30,000,000	United Kingdom Gilt 0.5% 22/7/2022	29,974	3.26
£14,300,000	United Kingdom Gilt 1.625% 22/10/2028	14,458	1.57
£30,500,000	United Kingdom Gilt 1.75% 7/9/2022	30,620	3.33
£12,629,728	United Kingdom Gilt 2.25% 7/9/2023	12,783	1.39
£12,200,000	United Kingdom Gilt 2.75% 7/9/2024	12,586	1.37
£62,650,000	United Kingdom Gilt 4.25% 7/6/2032	78,010	8.48
		182,427	19.83
Sterling Denominated Floating Rate Corporate Bonds - 1.46% (31/3/2021 - 2.64%)			
£13,430,000	Westpac Banking 0.7715% FRN 18/1/2023	13,433	1.46

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 45.84% (31/3/2021 - 46.57%)			
UNITED KINGDOM - 6.97% (31/3/2021 - 7.93%)			
1,141,400	3i	15,843	1.72
469,400	Admiral	12,031	1.31
128,100	Ashtead	6,190	0.67
58,300	Ferguson	6,051	0.66
156,800	Prudential	1,777	0.19
931,400	RELX	22,201	2.42
		64,093	6.97
AFRICA - 0.00% (31/3/2021 - 2.35%)			
South Africa - 0.00% (31/3/2021 - 2.35%)			
AUSTRALIA - 0.00% (31/3/2021 - 1.71%)			
EUROPE - 9.06% (31/3/2021 - 9.19%)			
France - 1.23% (31/3/2021 - 0.00%)			
88,100	Schneider Electric	11,328	1.23
Germany - 0.00% (31/3/2021 - 3.71%)			
Ireland - 3.13% (31/3/2021 - 0.00%)			
62,683	Accenture	16,055	1.74
109,900	Trane Technologies	12,745	1.39
		28,800	3.13
Italy - 0.42% (31/3/2021 - 0.18%)			
90,000	Moncler	3,859	0.42
Luxembourg - 1.53% (31/3/2021 - 0.00%)			
75,400	Brevan Howard Absolute Return Government Bond Fund	9,144	0.99
49,000	LandseerAM European Equity Focus Long/Short Fund	4,936	0.54
		14,080	1.53
Netherlands - 0.79% (31/3/2021 - 0.00%)			
89,400	Wolters Kluwer	7,295	0.79

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Norway - 0.00% (31/3/2021 - 1.80%)		
	Switzerland - 1.96% (31/3/2021 - 3.50%)		
18,956	Partners	18,038	1.96
	ASIA PACIFIC (EX JAPAN) - 1.56% (31/3/2021 - 1.87%)		
1,465,000	AIA	11,714	1.28
55,900	HDFC Bank ADR	2,604	0.28
		14,318	1.56
	JAPAN - 2.80% (31/3/2021 - 4.25%)		
108,900	Hoya	9,557	1.04
403,100	Olympus	5,900	0.64
69,800	Oriental Land	10,267	1.12
		25,724	2.80
	MIDDLE EAST - 0.00% (31/3/2021 - 1.19%)		
	Israel - 0.00% (31/3/2021 - 1.19%)		
	NORTH AMERICA - 25.45% (31/3/2021 - 17.63%)		
	Canada - 2.28% (31/3/2021 - 0.39%)		
242,600	Canadian Natural Resources	11,413	1.24
376,600	Cenovus Energy	4,766	0.52
192,800	Suncor Energy	4,770	0.52
		20,949	2.28
	United States - 23.17% (31/3/2021 - 17.24%)		
37,239	Adobe	12,881	1.40
300,000	Ally Financial	9,907	1.08
14,700	Alphabet 'A'	31,046	3.38
139,600	Applied Materials	13,962	1.52
44,700	Arthur J Gallagher	5,928	0.64
717,200	Avantor	18,422	2.00
91,100	Booz Allen Hamilton	6,074	0.66
116,200	Brown & Brown	6,379	0.69
20,300	Costco Wholesale	8,875	0.96
56,300	Marsh & McLennan	7,287	0.79
135,000	Microsoft	31,588	3.43

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
36,200	Moody's	9,278	1.01
1,990	NVR	6,775	0.74
14,500	O'Reilly Automotive	7,542	0.82
41,500	UnitedHealth	16,075	1.75
326,200	Valvoline	7,816	0.85
79,200	Visa	13,372	1.45
		213,207	23.17
EMERGING MARKETS - 0.00% (31/3/2021 - 0.45%)			
ALTERNATIVE - 0.00% (31/3/2021 - 5.64%)			
DERIVATIVES* - 0.04% (31/3/2021 - (0.04%))			
Open Forward Currency Contracts - 0.04% (31/3/2021 - (0.04%))			
CHF1,118,404	Bought CHF 1,118,404 : Sold GBP 912,126	11	–
£8,270,554	Bought GBP 8,270,554 : Sold CAD 13,947,826	(211)	(0.02)
£944,966	Bought GBP 944,966 : Sold CAD 1,581,254	(16)	–
£1,054,150	Bought GBP 1,054,150 : Sold CAD 1,762,259	(17)	–
£8,602,972	Bought GBP 8,602,972 : Sold CHF 10,473,190	(44)	(0.01)
£1,085,097	Bought GBP 1,085,097 : Sold CHF 1,341,137	(22)	–
£15,610,319	Bought GBP 15,610,319 : Sold EUR 18,569,550	(87)	(0.01)
£13,186,026	Bought GBP 13,186,026 : Sold JPY 2,007,377,850	622	0.07
£1,616,915	Bought GBP 1,616,915 : Sold JPY 258,538,663	(1)	–
£118,490,220	Bought GBP 118,490,220 : Sold USD 155,853,413	112	0.01
¥206,703,100	Bought JPY 206,703,100 : Sold GBP 1,279,630	14	–
		361	0.04
Portfolio of investments		750,218	81.55
Net other assets		169,702	18.45
Total net assets		919,920	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 £84,084.

Financial statements

Statement of total return

for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital (losses)/gains	2		(8,339)		113,068
Revenue	3	15,420		15,580	
Expenses	4	(8,203)		(7,368)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation for the year		7,216		8,212	
Taxation	5	(584)		(504)	
Net revenue after taxation for the year			6,632		7,708
Total return before distributions			(1,707)		120,776
Distributions	7		(6,689)		(7,715)
Change in net assets attributable to unitholders from investment activities			(8,396)		113,061

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		906,606		761,150
Amounts received on creation of units	51,938		57,366	
Amounts paid on cancellation of units	(36,801)		(32,497)	
		15,137		24,869
Dilution adjustment		1		(9)
Change in net assets attributable to unitholders from investment activities		(8,396)		113,061
Retained distribution on accumulation units		6,572		7,535
Closing net assets attributable to unitholders		919,920		906,606

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			750,616		803,889
Current assets					
Debtors	8	6,163		16,917	
Cash and bank balances	9	165,136		87,282	
Total other assets			171,299		104,199
Total assets			921,915		908,088
LIABILITIES					
Investment liabilities			(398)		(670)
Creditors					
Bank overdrafts		–		(3)	
Distribution payable		–		(76)	
Other creditors	10	(1,597)		(733)	
Total other liabilities			(1,597)		(812)
Total liabilities			(1,995)		(1,482)
Net assets attributable to unitholders			919,920		906,606

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)/gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(2,192)	8,261
(Losses)/gains on non-derivative securities	(2,043)	101,655
Currency (losses)/gains	(4,104)	3,152
Net capital (losses)/gains	(8,339)	113,068

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	1,667	1,223
Interest from UK fixed interest securities	3,804	5,119
Non-taxable overseas dividends	4,509	4,456
UK dividends	4,907	4,143
UK franked dividends from collective investment schemes	426	449
UK unfranked dividends from collective investment schemes	107	190
Total revenue	15,420	15,580

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	8,203	7,368
Total expenses	8,203	7,368

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	584	504
Total taxation	584	504

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	7,216	8,212
Corporation tax at 20% (31/3/2021 - 20%)	1,443	1,642
Effects of:		
Movement in unrecognised tax losses	522	167
Overseas tax	584	504
Prior year adjustment to unrecognised tax losses	3	–
Revenue not subject to tax	(1,968)	(1,809)
Total taxation (see note 5(a))	584	504

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 2022 there is a potential deferred tax asset of £857,101 (31/3/2021 - £334,973) due to tax losses of £4,285,506 (31/3/2021 - £1,674,865). It is unlikely that the Conservative Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	1	–
	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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	6,645	4,971
Final distribution	89	2,792
	6,734	7,763

Add: Revenue deducted on cancellation of units	60	64
Less: Revenue received on creation of units	(105)	(112)
Net distribution for the year	6,689	7,715

Reconciliation of distributions:

Net revenue after taxation	6,632	7,708
Shortfall of income taken to capital	57	7
Net distribution for the year	6,689	7,715

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	3,765	6,029
Income tax recoverable	59	67
Overseas tax recoverable	460	447
Receivable for creation of units	1,879	3,083
Sales awaiting settlement	–	7,291
Total debtors	6,163	16,917

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	165,136	87,282

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	665	659
Payable for cancellation of units	226	74
Purchases awaiting settlement	706	–
Total other creditors	1,597	733

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures 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

The currency profile for the Conservative Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Canadian Dollar	–	2,265	2,265
Euro	–	35,324	35,324
Japanese Yen	(3)	38,650	38,647
Norwegian Krone	–	16,692	16,692
Swiss Franc	–	31,701	31,701
US Dollar	–	198,060	198,060
Total	(3)	322,692	322,689

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 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)

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	23,946	306,302	473,641	803,889
Investment liabilities	–	–	(670)	(670)

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
31/3/2022		
Level 1: Quoted prices	407,611	–
Level 2: Observable market data	343,005	(398)
Level 3: Unobservable data	–	–
	750,616	(398)
31/3/2021		
Level 1: Quoted prices	541,304	–
Level 2: Observable market data	262,585	(670)
Level 3: Unobservable data	–	–
	803,889	(670)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	30.15	30.66
Below Investment Grade	1.90	1.87
Not Rated	3.62	3.90
	35.67	36.43

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'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	Commissions		Taxes	
	£'000	£'000	%	£'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%	

Year to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	77,547	39	0.05	49	0.06
Debt instruments (direct)	152,374	–	–	–	–
Collective investment schemes	17,305	2	0.01	–	–
Total	247,226	41		49	
Total purchases including commission and taxes	247,316				
Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	90,900	46	0.05	1	–
Debt instruments (direct)	157,883	–	–	–	–
Collective investment schemes	10,494	2	0.03	–	–
Total	259,277	48		1	
Total sales net of commissions and taxes	259,228				
Total transaction costs		89		50	
Total transaction costs as a % of average net assets		0.01%		0.01%	

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.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

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 0.12% (31/3/2021 - 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 290.

The balance due from the Conservative Fund at the year end in respect of fees paid to the Manager was £665,361 (31/3/2021 - £659,072).

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

	Unit holding %	Related party name
Conservative Fund	82.60	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022	A Income units	A Accumulation units	X Income units	X Accumulation units
Opening units	271,133	9,514,646	15,073,715	455,812,029
Units created	1,362	437,336	696,573	25,493,600
Units cancelled	(15,082)	(1,329,400)	(1,434,772)	(16,475,358)
Units converted	–	–	(730,173)	647,383
Closing units	257,413	8,622,582	13,605,343	465,477,654

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
A Income				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Income				
Group 1	0.0000	–	0.0000	0.5044
Group 2	0.0000	0.0000	0.0000	0.5044
X Accumulation				
Group 1	0.0194	–	0.0194	0.5958
Group 2	0.0162	0.0032	0.0194	0.5958

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
A Income				
Group 1	0.5299	–	0.5299	0.3462
Group 2	0.4807	0.0492	0.5299	0.3462
A Accumulation				
Group 1	0.5834	–	0.5834	0.3808
Group 2	0.4617	0.1217	0.5834	0.3808
X Income				
Group 1	1.1997	–	1.1997	0.9349
Group 2	0.7099	0.4898	1.1997	0.9349
X Accumulation				
Group 1	1.3848	–	1.3848	1.0720
Group 2	0.7805	0.6043	1.3848	1.0720

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 2022

Fund objective and policy

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

The Balanced Fund will invest primarily in equities and fixed interest securities.

The equity component of the Balanced Fund may include shares in smaller companies and companies listed in emerging markets.

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

The Balanced 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.

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.

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 Fund returned 2.2% over the 12 months to 31 March 2022. Equity market strength through the summer was broad-based as bond yields stabilised and economic data showed signs of recovery. This was balanced by declines in September as the data moderated and investor concern regarding peak growth, supply chain disruption and rising inflation combined with negative news flow out of China. Despite economic data continuing to slow into the New Year, central banks signalled their commitment to tightening monetary policy to combat inflation. This was not welcomed by the stock market, or the bond market as markets priced for higher rates and credit spreads widened from tight levels. In this environment the Fund's performance was helped by security selection: top contributors were US technology companies Alphabet and Microsoft, and US IT consulting firm Accenture. Alphabet's performance has been driven by elevated consumer online activity with particular advertising strength in retail and technology. The structural shift of consumer time/dollars online continues to drive the investment case. In currency markets, sterling weakened through the period against relative dollar strength. The Fund's 50% hedging ratio on non-sterling investments detracted -0.9% over the period.

Following the new manager's appointment on 8th November, the portfolio has been re-aligned to reflect the manager's views of the investment environment and areas of highest conviction. To achieve the aims and objectives of the Fund the manager undertakes an equity-led approach to investing in a multi-asset context by acquiring 'cheap durables' – direct exposure to predictable and sustainable businesses purchased at attractive cash-based valuations. Therefore, of the Fund's largest equity holdings, we maintained core positions in Microsoft, Alphabet, Partners Group, Accenture, Applied Materials, Visa, 3i; divested Anglo American, HSBC Pacific Index Fund and introduced new positions in US life science consumables business Avantor, US medical insurance business UnitedHealth Group and European professional information business RELX. In fixed income, we reduced corporates and added to short-dated gilts, preferring their liquidity and downside protection in economic slowdowns. Duration remains short at 2.0 years. In alternatives, we introduced two absolute return fund holdings - Brevan Howard and Landseer - favouring their low correlation to equities and fixed income with attractive volatility-adjusted returns net of fees. The net impact of this activity and market movements left the equity weighting at 64%, fixed income at 21% and alternatives at 1%.

Outlook

Looking forward, we continue to believe a bias towards companies with revenues that are either recession-resistant or driven by secular growth trends is appropriate in the current environment of slowing economic growth, 'hawkish' central banks, and spiking commodity prices.

Investment Report

continued

Fund Performance

Performance for the Balanced Fund over the last five years.

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Balanced Fund X Accumulation	2.2%	21.5%	(5.5%)	6.6%	2.9%
IA Mixed Investments 40-85% Sector	5.2%	26.4%	(8.0%)	4.3%	1.5%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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 0.01% (31/3/2021 - 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 A Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	195.11	161.80	174.05
Return before operating charges	4.69	36.32	(9.27)
Operating charges	(3.24)	(3.01)	(2.98)
Return after operating charges	1.45	33.31	(12.25)
Distributions	(0.99)	(0.58)	(0.72)
Retained distributions on accumulation units	0.99	0.58	0.72
Closing net asset value per unit*	196.56	195.11	161.80
After direct transaction costs of**	(0.11)	(0.04)	(0.15)
Performance			
Return after charges	0.74%	20.59%	(7.04%)
Other information			
Closing net asset value £'000	21,763	23,455	22,599
Closing number of units	11,072,003	12,021,130	13,966,950
Operating charges	1.58%	1.63%	1.63%
Direct transaction costs**	0.06%	0.02%	0.08%
Prices*			
Highest unit price	216.20	199.00	194.60
Lowest unit price	186.70	157.80	151.20

For the year ended I Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	188.58	154.21	163.61
Return before operating charges	4.34	34.64	(9.14)
Operating charges	(0.20)	(0.27)	(0.26)
Return after operating charges	4.14	34.37	(9.40)
Distributions	(3.03)	(2.94)	(3.02)
Retained distributions on accumulation units	3.03	2.94	3.02
Closing net asset value per unit*	192.72	188.58	154.21
After direct transaction costs of**	(0.11)	(0.04)	(0.14)
Performance			
Return after charges	2.20%	22.29%	(5.75%)
Other information			
Closing net asset value £'000	287	351	1
Closing number of units	149,166	186,026	640
Operating charges	0.10%	0.15%	0.15%
Direct transaction costs**	0.06%	0.02%	0.08%
Prices*			
Highest unit price	211.20	192.10	185.20
Lowest unit price	182.90	150.40	144.00

*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.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	223.28	183.80	196.23
Return before operating charges	5.31	41.36	(10.59)
Operating charges	(1.98)	(1.88)	(1.84)
Return after operating charges	3.33	39.48	(12.43)
Distributions	(2.01)	(2.08)	(2.28)
Retained distributions on accumulation units	2.01	2.08	2.28
Closing net asset value per unit*	226.61	223.28	183.80
After direct transaction costs of**	(0.13)	(0.04)	(0.17)
Performance			
Return after charges	1.49%	21.48%	(6.33%)
Other information			
Closing net asset value £'000	1,373,857	1,381,477	1,128,716
Closing number of units	606,259,189	618,715,141	614,105,457
Operating charges	0.84%	0.89%	0.89%
Direct transaction costs**	0.06%	0.02%	0.08%
Prices*			
Highest unit price	248.80	227.60	220.90
Lowest unit price	215.20	179.20	171.70

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 21.13% (31/3/2021 - 19.48%)			
Sterling Denominated Fixed Rate Corporate Bonds - 7.35% (31/3/2021 - 9.34%)			
£6,700,000	A2Dominion Housing 3.5% 15/11/2028	6,899	0.50
£7,000,000	Admiral 5.5% 25/7/2024	7,391	0.53
£17,700,000	Bupa Finance 5% 25/4/2023	18,170	1.30
£7,000,000	Bupa Finance 5% 8/12/2026	7,499	0.54
£1,090,000	Co-Operative 7.5% 8/7/2026	1,156	0.08
£3,000,000	Daily Mail & General Trust 6.375% 21/6/2027	3,048	0.22
£7,000,000	Just 3.5% 7/2/2025	6,856	0.49
£7,000,000	Pension Insurance 8% 23/11/2026	8,328	0.60
£11,800,000	Phoenix 4.125% 20/7/2022	11,871	0.85
£7,000,000	Phoenix 6.625% 18/12/2025	7,735	0.55
£7,000,000	Rothesay Life 3.375% 12/7/2026	6,974	0.50
£16,500,000	Travis Perkins 4.5% 7/9/2023	16,662	1.19
		102,589	7.35
Sterling Denominated Fixed Rate Government Bonds - 12.76% (31/3/2021 - 7.83%)			
£33,700,000	United Kingdom Gilt 0.125% 31/1/2024	32,902	2.36
£5,000,000	United Kingdom Gilt 0.375% 22/10/2026	4,757	0.34
£20,000,000	United Kingdom Gilt 1.625% 22/10/2028	20,220	1.45
£20,000,000	United Kingdom Gilt 1.75% 7/9/2022	20,079	1.44
£22,000,000	United Kingdom Gilt 2.25% 7/9/2023	22,267	1.59
£20,000,000	United Kingdom Gilt 2.75% 7/9/2024	20,633	1.48
£46,000,000	United Kingdom Gilt 4.25% 7/6/2032	57,278	4.10
		178,136	12.76
Sterling Denominated Floating Rate Corporate Bonds - 1.02% (31/3/2021 - 2.31%)			
£14,200,000	Westpac Banking 0.7715% FRN 18/1/2023	14,203	1.02
EQUITIES - 64.24% (31/3/2021 - 65.42%)			
UNITED KINGDOM - 9.97% (31/3/2021 - 15.52%)			
2,488,900	3i	34,546	2.47
1,027,100	Admiral	26,325	1.89
279,200	Ashtead	13,491	0.97
127,700	Ferguson	13,255	0.95

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
319,300	Prudential	3,619	0.26
2,008,600	RELX	47,876	3.43
		139,112	9.97
EUROPE - 12.59% (31/3/2021 - 12.87%)			
France - 1.77% (31/3/2021 - 0.00%)			
192,100	Schneider Electric	24,701	1.77
Germany - 0.00% (31/3/2021 - 4.57%)			
Ireland - 5.51% (31/3/2021 - 1.01%)			
191,600	Accenture	49,074	3.52
239,800	Trane Technologies	27,809	1.99
		76,883	5.51
Italy - 0.58% (31/3/2021 - 0.27%)			
190,000	Moncler	8,147	0.58
Luxembourg - 0.96% (31/3/2021 - 0.00%)			
71,400	Brevan Howard Absolute Return Government Bond Fund	8,659	0.62
48,000	LandseerAM European Equity Focus Long/Short Fund	4,835	0.34
		13,494	0.96
Netherlands - 1.13% (31/3/2021 - 0.00%)			
192,800	Wolters Kluwer	15,732	1.13
Norway - 0.00% (31/3/2021 - 2.44%)			
Switzerland - 2.64% (31/3/2021 - 4.58%)			
38,700	Partners	36,827	2.64
ASIA PACIFIC (EX JAPAN) - 2.25% (31/3/2021 - 2.55%)			
3,244,000	AIA	25,939	1.86
116,500	HDFC Bank ADR	5,427	0.39
		31,366	2.25
JAPAN - 3.92% (31/3/2021 - 5.64%)			
225,000	Hoya	19,746	1.41

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
JAPAN continued			
838,800	Olympus	12,277	0.88
154,400	Oriental Land	22,710	1.63
		54,733	3.92
MIDDLE EAST - 0.00% (31/3/2021 - 1.55%)			
Israel - 0.00% (31/3/2021 - 1.55%)			
NORTH AMERICA - 35.51% (31/3/2021 - 25.26%)			
Canada - 3.28% (31/3/2021 - 0.53%)			
530,800	Canadian Natural Resources	24,972	1.79
821,400	Cenovus Energy	10,394	0.74
420,600	Suncor Energy	10,406	0.75
		45,772	3.28
United States - 32.23% (31/3/2021 - 24.73%)			
75,000	Adobe	25,943	1.86
617,000	Ally Financial	20,375	1.46
30,400	Alphabet 'A'	64,205	4.60
298,900	Applied Materials	29,893	2.14
96,400	Arthur J Gallagher	12,784	0.91
1,569,100	Avantor	40,305	2.89
191,100	Booz Allen Hamilton	12,740	0.91
256,900	Brown & Brown	14,103	1.01
43,300	Costco Wholesale	18,929	1.36
121,500	Marsh & McLennan	15,726	1.13
270,000	Microsoft	63,177	4.53
84,800	Moody's	21,733	1.56
4,160	NVR	14,163	1.01
29,900	O'Reilly Automotive	15,553	1.11
89,000	UnitedHealth	34,474	2.47
677,300	Valvoline	16,230	1.16
175,400	Visa	29,615	2.12
		449,948	32.23

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	EMERGING MARKETS - 0.00% (31/3/2021 - 2.03%)		
	ALTERNATIVE - 0.00% (31/3/2021 - 6.55%)		
	DERIVATIVES* - 0.05% (31/3/2021 - (0.06%))		
	Open Forward Currency Contracts - 0.05% (31/3/2021 - (0.06%))		
CHF2,230,200	Bought CHF 2,230,200 : Sold GBP 1,818,862	22	—
£17,805,138	Bought GBP 17,805,138 : Sold CAD 30,027,369	(453)	(0.03)
£2,208,376	Bought GBP 2,208,376 : Sold CAD 3,695,372	(39)	—
£2,427,804	Bought GBP 2,427,804 : Sold CAD 4,058,646	(40)	—
£17,155,113	Bought GBP 17,155,113 : Sold CHF 20,884,500	(88)	(0.01)
£2,163,782	Bought GBP 2,163,782 : Sold CHF 2,674,350	(44)	—
£33,408,439	Bought GBP 33,408,439 : Sold EUR 39,741,638	(186)	(0.02)
£27,521,211	Bought GBP 27,521,211 : Sold JPY 4,189,698,175	1,298	0.09
£3,377,298	Bought GBP 3,377,298 : Sold JPY 540,017,425	(3)	—
£253,599,689	Bought GBP 253,599,689 : Sold USD 333,566,576	241	0.02
		708	0.05
	Portfolio of investments	1,192,351	85.42
	Net other assets	203,557	14.58
	Total net assets	1,395,908	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 £179,612.

Financial statements

Statement of total return

for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		10,148		235,879
Revenue	3	25,642		25,144	
Expenses	4	(12,372)		(11,181)	
Interest payable and similar charges	6	(1)		(1)	
Net revenue before taxation for the year		13,269		13,962	
Taxation	5	(1,223)		(1,023)	
Net revenue after taxation for the year			12,046		12,939
Total return before distributions			22,194		248,818
Distributions	7		(12,528)		(12,958)
Change in net assets attributable to unitholders from investment activities			9,666		235,860

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			1,405,283		1,151,328
Amounts received on creation of units		41,325		62,992	
Amounts paid on cancellation of units		(72,854)		(57,890)	
			(31,529)		5,102
Dilution adjustment			8		3
Change in net assets attributable to unitholders from investment activities			9,666		235,860
Retained distribution on accumulation units	7		12,480		12,990
Closing net assets attributable to unitholders			1,395,908		1,405,283

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			1,193,204		1,285,750
Current assets					
Debtors	8	5,085		25,449	
Cash and bank balances	9	203,017		96,756	
Total other assets			208,102		122,205
Total assets			1,401,306		1,407,955
LIABILITIES					
Investment liabilities			(853)		(1,495)
Creditors					
Bank overdrafts		–		(5)	
Other creditors	10	(4,545)		(1,172)	
Total other liabilities			(4,545)		(1,177)
Total liabilities			(5,398)		(2,672)
Net assets attributable to unitholders			1,395,908		1,405,283

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(5,152)	18,263
Currency (losses)/gains	(9,273)	6,983
Gains on non-derivative securities	24,573	210,633
Net capital gains	10,148	235,879

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	237	683
Interest from UK fixed interest securities	4,441	4,401
Non-taxable overseas dividends	9,992	10,243
UK dividends	9,864	8,456
UK franked dividends from collective investment schemes	897	987
UK unfranked dividends from collective investment schemes	211	374
Total revenue	25,642	25,144

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	12,372	11,181
Total expenses	12,372	11,181

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	1,223	1,023
Total taxation	1,223	1,023

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	13,269	13,962
Corporation tax at 20% (31/3/2021 - 20%)	2,654	2,792
Effects of:		
Capitalised income subject to tax	7	–
Movement in unrecognised tax losses	1,490	1,145
Overseas tax	1,223	1,023
Revenue not subject to tax	(4,151)	(3,937)
Total taxation (see note 5(a))	1,223	1,023

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 2022 there is a potential deferred tax asset of £7,413,642 (31/3/2021 - £5,923,559) due to tax losses of £37,068,211 (31/3/2021 - £29,617,795). It is unlikely that the Balanced Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	1	1
	1	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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	12,479	8,895
Final distribution	1	4,095
	12,480	12,990

Add: Revenue deducted on cancellation of units	148	126
Less: Revenue received on creation of units	(100)	(158)
Net distribution for the year	12,528	12,958

Reconciliation of distributions:

Net revenue after taxation	12,046	12,939
Equalisation on conversions	–	2
Shortfall of income taken to capital	482	17
Net distribution for the year	12,528	12,958

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	3,547	6,839
Income tax recoverable	117	131
Overseas tax recoverable	306	994
Receivable for creation of units	1,115	1,862
Sales awaiting settlement	–	15,623
Total debtors	5,085	25,449

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Cash and bank balances	203,017	96,756

10. Other creditors

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Accrued expenses	980	998
Payable for cancellation of units	643	174
Purchases awaiting settlement	2,922	–
Total other creditors	4,545	1,172

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures 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

a) Foreign currency risk continued

The currency profile for the Balanced Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Canadian Dollar	–	2,306	2,306
Euro	–	35,150	35,150
Japanese Yen	(5)	39,665	39,660
Norwegian Krone	–	17,737	17,737
Swiss Franc	–	34,035	34,035
US Dollar	–	234,215	234,215
Total	(5)	363,108	363,103

b) Interest rate risk

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)

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	32,408	241,335	1,012,007	1,285,750
Investment liabilities	–	–	(1,495)	(1,495)

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
31/3/2022		
Level 1: Quoted prices	883,221	–
Level 2: Observable market data	309,983	(853)
Level 3: Unobservable data	–	–
	1,193,204	(853)

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

c) Valuation of financial investments continued

31/3/2021	Assets £'000	Liabilities £'000
Level 1: Quoted prices	1,028,764	–
Level 2: Observable market data	256,986	(1,495)
Level 3: Unobservable data	–	–
	1,285,750	(1,495)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	15.62	13.91
Below Investment Grade	1.49	1.49
Not Rated	4.02	4.08
	21.13	19.48

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
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	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	161,953	81	0.05	79	0.05
Debt instruments (direct)	106,674	–	–	–	–
Collective investment schemes	38,161	6	0.02	–	–
Total	306,788	87		79	
Total purchases including commission and taxes	306,954				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	180,795	91	0.05	1	–
Debt instruments (direct)	126,197	–	–	–	–
Collective investment schemes	32,455	6	0.02	–	–
Total	339,447	97		1	
Total sales net of commissions and taxes	339,349				

Total transaction costs	184	80
Total transaction costs as a % of average net assets	0.01%	0.01%

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.

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 0.09% (31/3/2021 - 0.15%).

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 290.

The balance due from the Balanced Fund at the year end in respect of fees paid to the Manager was £980,332 (31/3/2021 - £997,565).

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

	Unit holding %	Related party name
Balanced Fund	81.42	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2022

	A	I	X
	Accumulation units	Accumulation units	Accumulation units
Opening units	12,021,130	186,026	618,715,141
Units created	445,041	–	17,366,212
Units cancelled	(1,392,477)	(32,500)	(29,827,335)
Units converted	(1,691)	(4,360)	5,171
Closing units	11,072,003	149,166	606,259,189

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
I Accumulation				
Group 1	0.6388	–	0.6388	1.1912
Group 2	0.6388	0.0000	0.6388	1.1912
X Accumulation				
Group 1	0.0000	–	0.0000	0.6615
Group 2	0.0000	0.0000	0.0000	0.6615

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
A Accumulation				
Group 1	0.9908	–	0.9908	0.5837
Group 2	0.5918	0.3990	0.9908	0.5837
I Accumulation				
Group 1	2.3910	–	2.3910	1.7513
Group 2	2.3910	0.0000	2.3910	1.7513
X Accumulation				
Group 1	2.0117	–	2.0117	1.4180
Group 2	1.1456	0.8661	2.0117	1.4180

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 2022

Fund objective and policy

The investment objective of the Close Growth Portfolio Fund ("the Growth Fund") is to generate capital growth.

The Growth Fund will invest primarily in equities and fixed interest securities.

The equity component of the Growth Fund may include shares in smaller companies and companies listed in emerging markets.

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

The Growth 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.

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.

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 Fund returned 4.4% over the 12 months to 31 March 2022. Equity market strength through the summer was broad-based as bond yields stabilised and economic data showed signs of recovery. This was balanced by declines in September as the data moderated and investor concern regarding peak growth, supply chain disruption and rising inflation combined with negative news flow out of China. Despite economic data continuing to slow into the New Year, central banks signalled their commitment to tightening monetary policy to combat inflation. This was not welcomed by the stock market, or the bond market as markets priced for higher rates and credit spreads widened from tight levels. In this environment the Growth Fund's performance was helped by security selection: top contributors were US technology companies Alphabet and Microsoft, and US IT consulting firm Accenture. Alphabet's performance has been driven by elevated consumer online activity with particular advertising strength in retail and technology. The structural shift of consumer time/dollars online continues to drive the investment case. In currency markets, sterling weakened through the period against relative dollar strength. The Growth Fund's 50% hedging ratio on non-sterling investments detracted -1.1% over the period.

Following the new manager's appointment on 8th November, the portfolio has been re-aligned to reflect the manager's views of the investment environment and areas of highest conviction. To achieve the aims and objectives of the Fund the manager undertakes an equity-led approach to investing in a multi-asset context by acquiring 'cheap durables' – direct exposure to predictable and sustainable businesses purchased at attractive cash-based valuations. Therefore, of the Growth Fund's largest equity holdings, we maintained core positions in Microsoft, Alphabet, Partners, Accenture, Applied Materials; divested Anglo American, Zoetis, HSBC Pacific Index Fund and introduced new positions in US life science consumables business Avantor, US medical insurance business UnitedHealth and European professional information business RELX. In fixed income, we reduced corporates and added to short-dated gilts, preferring their liquidity and downside protection in economic slowdowns. Duration remains short at 1.5 years. The net impact of this activity and market movements left the equity weighting at 81% and fixed income at 6%.

Outlook

Looking forward, we continue to believe a bias towards companies with revenues that are either recession-resistant or driven by secular growth trends is appropriate in the current environment of slowing economic growth, 'hawkish' central banks, and spiking commodity prices.

Investment Report

continued

Fund Performance

Performance for the Growth Fund over the last five years.

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Growth Fund X Accumulation	4.4%	26.3%	(4.0%)	8.0%	2.2%
IA Flexible Investment Sector	5.0%	29.1%	(8.1%)	3.3%	2.4%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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% (31/3/2021 - 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 A Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	218.29	173.79	184.16
Return before operating charges	9.56	47.86	(7.14)
Operating charges	(3.70)	(3.36)	(3.23)
Return after operating charges	5.86	44.50	(10.37)
Distributions	(1.47)	(0.73)	(0.81)
Retained distributions on accumulation units	1.47	0.73	0.81
Closing net asset value per unit*	224.15	218.29	173.79
After direct transaction costs of**	(0.16)	(0.08)	(0.14)
Performance			
Return after charges	2.68%	25.61%	(5.63%)
Other information			
Closing net asset value £'000	7,256	7,453	6,559
Closing number of units	3,237,205	3,413,994	3,773,817
Operating charges	1.58%	1.64%	1.64%
Direct transaction costs**	0.07%	0.04%	0.07%
Prices*			
Highest unit price	251.90	223.50	214.10
Lowest unit price	210.00	168.30	159.50

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	243.32	192.33	202.34
Return before operating charges	10.58	53.08	(8.01)
Operating charges	(2.25)	(2.09)	(2.00)
Return after operating charges	8.33	50.99	(10.01)
Distributions	(2.58)	(2.26)	(2.18)
Retained distributions on accumulation units	2.58	2.26	2.18
Closing net asset value per unit*	251.65	243.32	192.33
After direct transaction costs of**	(0.18)	(0.08)	(0.15)
Performance			
Return after charges	3.42%	26.51%	(4.95%)
Other information			
Closing net asset value £'000	403,948	396,408	311,591
Closing number of units	160,519,891	162,915,141	162,010,173
Operating charges	0.86%	0.92%	0.92%
Direct transaction costs**	0.07%	0.04%	0.07%
Prices*			
Highest unit price	282.30	248.90	236.80
Lowest unit price	235.70	186.30	176.50

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 5.53% (31/3/2021 - 4.01%)			
Sterling Denominated Fixed Rate Corporate Bonds - 0.78% (31/3/2021 - 1.46%)			
£160,000	Co-Operative 7.5% 8/7/2026	170	0.04
£3,000,000	Phoenix 4.125% 20/7/2022	3,018	0.74
		3,188	0.78
Sterling Denominated Fixed Rate Government Bonds - 4.75% (31/3/2021 - 2.55%)			
£800,000	United Kingdom Gilt 0.375% 22/10/2026	761	0.18
£5,000,000	United Kingdom Gilt 1.625% 22/10/2028	5,055	1.23
£4,700,000	United Kingdom Gilt 2.25% 7/9/2023	4,757	1.16
£7,200,000	United Kingdom Gilt 4.25% 7/6/2032	8,965	2.18
		19,538	4.75
EQUITIES - 81.48% (31/3/2021 - 83.03%)			
UNITED KINGDOM - 12.82% (31/3/2021 - 12.52%)			
950,000	3i	13,186	3.21
383,200	Admiral	9,821	2.39
106,200	Ashtead	5,132	1.25
48,800	Ferguson	5,065	1.23
118,900	Prudential	1,348	0.33
762,000	RELX	18,163	4.41
		52,715	12.82
AFRICA - 0.00% (31/3/2021 - 3.45%)			
South Africa - 0.00% (31/3/2021 - 3.45%)			
AUSTRALIA - 0.00% (31/3/2021 - 2.75%)			
EUROPE - 15.27% (31/3/2021 - 15.76%)			
France - 2.29% (31/3/2021 - 0.00%)			
73,300	Schneider Electric	9,425	2.29
Germany - 0.00% (31/3/2021 - 6.87%)			
Ireland - 6.79% (31/3/2021 - 0.00%)			
67,563	Accenture	17,305	4.21
91,500	Trane Technologies	10,611	2.58
		27,916	6.79

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
80,000	Italy - 0.83% (31/3/2021 - 0.31%) Moncler	3,430	0.83
9,700	Luxembourg - 0.44% (31/3/2021 - 0.00%) Brevan Howard Absolute Return Government Bond Fund	1,176	0.29
6,200	LandseerAM European Equity Focus Long/Short Fund	625	0.15
		1,801	0.44
73,100	Netherlands - 1.45% (31/3/2021 - 0.00%) Wolters Kluwer	5,965	1.45
	Norway - 0.00% (31/3/2021 - 2.72%)		
15,000	Switzerland - 3.47% (31/3/2021 - 5.86%) Partners	14,274	3.47
1,253,000	ASIA PACIFIC (EX JAPAN) - 2.92% (31/3/2021 - 3.24%) AIA	10,019	2.44
42,600	HDFC Bank ADR	1,985	0.48
		12,004	2.92
81,700	JAPAN - 4.97% (31/3/2021 - 7.08%) Hoya	7,170	1.74
307,500	Olympus	4,501	1.10
59,500	Oriental Land	8,751	2.13
		20,422	4.97
	MIDDLE EAST - 0.00% (31/3/2021 - 2.38%)		
	Israel - 0.00% (31/3/2021 - 2.38%)		
	NORTH AMERICA - 45.50% (31/3/2021 - 33.83%)		
203,100	Canada - 4.25% (31/3/2021 - 0.66%) Canadian Natural Resources	9,555	2.32
313,300	Cenovus Energy	3,964	0.96
160,400	Suncor Energy	3,969	0.97
		17,488	4.25
26,776	United States - 41.25% (31/3/2021 - 33.17%) Adobe	9,262	2.25
225,000	Ally Financial	7,430	1.81

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
11,050	Alphabet 'A'	23,338	5.68
129,500	Applied Materials	12,951	3.15
36,600	Arthur J Gallagher	4,853	1.18
600,300	Avantor	15,420	3.75
69,600	Booz Allen Hamilton	4,640	1.13
99,000	Brown & Brown	5,435	1.32
16,300	Costco Wholesale	7,126	1.73
46,100	Marsh & McLennan	5,967	1.45
91,000	Microsoft	21,293	5.18
30,600	Moody's	7,842	1.91
1,620	NVR	5,515	1.34
10,900	O'Reilly Automotive	5,670	1.38
39,900	UnitedHealth	15,455	3.76
249,600	Valvoline	5,981	1.45
67,700	Visa	11,431	2.78
		169,609	41.25

EMERGING MARKETS - 0.00% (31/3/2021 - 2.02%)

ALTERNATIVE - 0.00% (31/3/2021 - 6.19%)

DERIVATIVES* - 0.06% (31/3/2021 - (0.07%))

Open Forward Currency Contracts - 0.06% (31/3/2021 - (0.07%))

CHF822,401	Bought CHF 822,401 : Sold GBP 670,717	8	–
£6,749,824	Bought GBP 6,749,824 : Sold CAD 11,383,200	(172)	(0.04)
£877,696	Bought GBP 877,696 : Sold CAD 1,468,687	(15)	–
£947,205	Bought GBP 947,205 : Sold CAD 1,583,477	(16)	–
£6,326,061	Bought GBP 6,326,061 : Sold CHF 7,701,298	(32)	(0.01)
£797,909	Bought GBP 797,909 : Sold CHF 986,184	(16)	(0.01)
£12,791,454	Bought GBP 12,791,454 : Sold EUR 15,216,315	(72)	(0.02)
£10,178,459	Bought GBP 10,178,459 : Sold JPY 1,549,520,125	480	0.12

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Open Forward Currency Contracts continued		
£1,250,688	Bought GBP 1,250,688 : Sold JPY 199,980,437	(1)	–
£95,668,742	Bought GBP 95,668,742 : Sold USD 125,835,701	91	0.02
		255	0.06
	Portfolio of investments	358,030	87.07
	Net other assets	53,174	12.93
	Total net assets	411,204	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 £66,441.

Financial statements

Statement of total return

for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		10,479		81,288
Revenue	3	7,977		7,365	
Expenses	4	(3,780)		(3,301)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		4,197		4,064	
Taxation	5	(448)		(361)	
Net revenue after taxation for the year			3,749		3,703
Total return before distributions			14,228		84,991
Distributions	7		(4,268)		(3,709)
Change in net assets attributable to unitholders from investment activities			9,960		81,282

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			403,861		318,150
Amounts received on creation of units		20,102		21,635	
Amounts paid on cancellation of units		(26,970)		(20,911)	
			(6,868)		724
Dilution adjustment			1		–
Change in net assets attributable to unitholders from investment activities			9,960		81,282
Retained distribution on accumulation units	7		4,250		3,705
Closing net assets attributable to unitholders			411,204		403,861

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			358,354		376,782
Current assets					
Debtors	8	607		7,678	
Cash and bank balances	9	54,807		20,239	
Total other assets			55,414		27,917
Total assets			413,768		404,699
LIABILITIES					
Investment liabilities					
			(324)		(540)
Creditors					
Other creditors	10	(2,240)		(298)	
Total other liabilities			(2,240)		(298)
Total liabilities			(2,564)		(838)
Net assets attributable to unitholders			411,204		403,861

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(1,661)	6,984
Currency (losses)/gains	(3,725)	2,850
Gains on non-derivative securities	15,865	71,454
Net capital gains	10,479	81,288

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest from overseas fixed interest securities	47	59
Interest from UK fixed interest securities	273	307
Non-taxable overseas dividends	3,751	3,729
UK dividends	3,551	2,844
UK franked dividends from collective investment schemes	314	345
UK unfranked dividends from collective investment schemes	41	81
Total revenue	7,977	7,365

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	3,780	3,301
Total expenses	3,780	3,301

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	448	361
Total taxation	448	361

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	4,197	4,064
Corporation tax at 20% (31/3/2021 - 20%)	839	813
Effects of:		
Movement in unrecognised tax losses	672	571
Overseas tax	448	361
Prior year adjustment to unrecognised tax losses	12	–
Revenue not subject to tax	(1,523)	(1,384)
Total taxation (see note 5(a))	448	361

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 2022 there is a potential deferred tax asset of £6,254,287 (31/3/2021 - £5,582,562) due to tax losses of £31,271,435 (31/3/2021 - £27,912,808). It is unlikely that the Growth Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	4,250	2,618
Final distribution	–	1,087
	4,250	3,705

Add: Revenue deducted on cancellation of units	61	47
Less: Revenue received on creation of units	(43)	(43)
Net distribution for the year	4,268	3,709

Reconciliation of distributions:

Net revenue after taxation	3,749	3,703
Shortfall of income taken to capital	519	6
Net distribution for the year	4,268	3,709

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	384	1,543
Income tax recoverable	24	29
Overseas tax recoverable	84	343
Receivable for creation of units	115	556
Sales awaiting settlement	–	5,207
Total debtors	607	7,678

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	54,807	20,239

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	299	296
Payable for cancellation of units	472	2
Purchases awaiting settlement	1,469	–
Total other creditors	2,240	298

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures 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

The currency profile for the Growth Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Canadian Dollar	–	820	820
Euro	–	14,909	14,909
Japanese Yen	–	14,308	14,308
Norwegian Krone	–	5,756	5,756
Swiss Franc	–	12,501	12,501
US Dollar	–	85,352	85,352
Total	–	133,646	133,646

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 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)

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	16,210	360,572	376,782
Investment liabilities	–	–	(540)	(540)

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
31/3/2022		
Level 1: Quoted prices	333,248	–
Level 2: Observable market data	25,106	(324)
Level 3: Unobservable data	–	–
	358,354	(324)
31/3/2021		
Level 1: Quoted prices	344,387	–
Level 2: Observable market data	32,395	(540)
Level 3: Unobservable data	–	–
	376,782	(540)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	4.75	3.24
Below Investment Grade	0.04	–
Not Rated	0.74	0.77
	5.53	4.01

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
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	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	70,072	35	0.05	69	0.10
Debt instruments (direct)	1,577	–	–	–	–
Collective investment schemes	8,100	2	0.02	–	–
Total	79,749	37		69	
Total purchases including commission and taxes	79,855				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	66,485	33	0.05	1	–
Debt instruments (direct)	9,320	–	–	–	–
Collective investment schemes	8,489	1	0.01	–	–
Total	84,294	34		1	
Total sales net of commissions and taxes	84,259				
Total transaction costs		71		70	
Total transaction costs as a % of average net assets		0.02%		0.02%	

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 0.06% (31/3/2021 - 0.10%).

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 290.

The balance due from the Growth Fund at the year end in respect of fees paid to the Manager was £298,365 (31/3/2021 - £296,124).

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

	Unit holding %	Related party name
Growth Fund	75.84	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	A Accumulation units	X Accumulation units
Opening units	3,413,994	162,915,141
Units created	246,876	7,556,351
Units cancelled	(423,665)	(9,951,601)
Closing units	3,237,205	160,519,891

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Accumulation				
Group 1	0.0000	–	0.0000	0.6675
Group 2	0.0000	0.0000	0.0000	0.6675

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
A Accumulation				
Group 1	1.4677	–	1.4677	0.7259
Group 2	0.9949	0.4728	1.4677	0.7259
X Accumulation				
Group 1	2.5826	–	2.5826	1.5889
Group 2	1.5625	1.0201	2.5826	1.5889

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 2022

Fund objective and policy

The investment objective of the Close Managed Income Fund ("the Managed Income Fund") is to achieve income with capital growth.

The Managed Income Fund will invest primarily in third party managed collective investment schemes and exchange-traded funds in order to gain exposure to a mixture of equities and fixed interest securities.

The underlying equity component 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), money market instruments and deposits.

The Managed Income Fund may also invest in other transferable securities (including closed-ended funds) and collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near 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.

Investment Report

Market commentary

In the 12 months to the 31st March 2022 the Close Managed Income Fund (X Acc) rose 6.1%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 2.7%.

During the reporting period markets endeavoured to shake off the impact of the coronavirus pandemic as vaccines across most of the developed world allowed economies to begin opening up. The speed at which this happened varied greatly from region to region and was ultimately curtailed by the emergence of the omicron variant towards the end of 2021. There was much debate within financial markets through 2021 about the degree to which inflation was transitory or not, with central banks initially issuing dovish statements, suggesting that inflation would come down once economies reopened and supply chains normalised. As the coronavirus waves and variants continued to impact the global economy, however, and as central banks began making clear statements that they were committed to a timetable of unwinding quantitative easing, markets began pricing in higher for longer inflation. The overall impact of this was negative on longer duration assets such as growth stocks and longer maturity government and corporate bonds, in favour of value and income stocks – and to a degree shorter dated bonds. In the final weeks of the reporting period, the threat of, and ultimate Russian invasion of Ukraine caused volatility in markets, with the beneficiary being commodities at the expense of most other asset classes as inflationary fears became heightened even further.

On a regional basis, over the year, the US was the strongest market with a return of 21.2%, followed by the UK 13.0%, Europe 6.3%, and Japan on -1.6%. The weakest performance came from emerging markets, which delivered -6.8%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -5.7%.

We've seen a recovery in dividends from their pandemic lows although generally they are not at the level we saw pre-coronavirus, where many companies cancelled their dividend pay-outs (either voluntarily or following government pressure). Against this backdrop, income paying equities have been one of the investing bright spots of the 12 months of the reporting period. Both within the UK and in the US we've had managers deliver strong total returns. For example, the Schroder Income Fund in the UK returned 20.6%, while the JPMorgan US Equity Income Fund managed 20.4%. Both funds sit at the value end of the spectrum in terms of their investment style; but we were even able to get returns from holdings that sit more in the 'dividend growth' camp, such as the CC Japan Income & Growth Trust, which had a total return of 15.2%. There was very little to write home about in our fixed income allocation; the possible exception being the Royal London Sterling Extra Yield Bond Fund, which posted positive total return numbers of 3.5% from a portfolio of high yielding and often unrated bonds. Our strongest performing income yielder came from the FTF ClearBridge Global Infrastructure Income Fund, which returned 27.1%. It's also worth mentioning that we have held a small position to gold and broad commodities that while not paying an income, has proved to be a strong performer over the year, with the UBS ETF CMCI Composite SF UCITS ETF (a mix of different commodities) returning 57.3% for the reporting period.

We made a couple of small additions to the Fund over the course of the reporting year. In addition to switching the Fidelity Global Enhanced, for the Fidelity Global Dividend Fund (which is essentially the same fund but with a dividend growth focus instead of a high yield one), we added small positions to infrastructure in the form of an IPO from Pantheon Infrastructure and a China Government bond fund. Finally we added the First Trust US Equity Income UCITS ETF, which takes a quantitative approach to generating an income yield from the US market, and also adds more of a value factor to our US exposure. The cash for this came from selling our holding in Trojan Global Income and Church House Investment Grade Bond Fund. Overall, however, we have tried to keep the balance of the fund where it was. The only other change was we trimmed some of our gold exposure at the end of 2021 and repositioned it towards the broad commodity tracker, as well as selling our emerging market tracker, the Vanguard Emerging Market Fund.

Outlook

In terms of positioning we remain diversified, if a little more exposed to equities and alternatives at the expense on fixed income. This change, however has in many ways been the result of market movements. We have a higher, but more diversified US exposure, which is a conscious decision and a slightly lower emerging market allocation. Looking forward we perceive risks around geopolitics, as well as a more pronounced inflationary environment, which we believe will create volatility. By allocating to established fund managers with strong, repeatable processes we hope to be able to navigate the potentially difficult markets ahead.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Managed Income Fund X Accumulation	6.1%	19.5%	(9.8%)	3.5%	(0.8%)
IA Mixed Investments 20-60% Sector	2.7%	19.8%	(7.2%)	2.9%	0.8%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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 substantial 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 0.64% (31/3/2021 - 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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	176.63	153.73	176.39
Return before operating charges	13.07	29.97	(13.44)
Operating charges	(2.19)	(1.99)	(1.82)
Return after operating charges	10.88	27.98	(15.26)
Distributions	(5.65)	(5.08)	(7.40)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	181.86	176.63	153.73
After direct transaction costs of**	(0.01)	(0.01)	0.00
Performance			
Return after charges	6.16%	18.20%	(8.65%)
Other information			
Closing net asset value £'000	31,713	34,545	35,329
Closing number of units	17,438,238	19,557,272	22,980,386
Operating charges	1.19%	1.17%	1.02%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	188.50	178.90	184.20
Lowest unit price	175.70	152.30	147.60

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	235.30	198.86	218.68
Return before operating charges	17.45	39.02	(17.55)
Operating charges	(2.92)	(2.58)	(2.27)
Return after operating charges	14.53	36.44	(19.82)
Distributions	(7.62)	(6.64)	(9.31)
Retained distributions on accumulation units	7.62	6.64	9.31
Closing net asset value per unit*	249.83	235.30	198.86
After direct transaction costs of**	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	6.17%	18.32%	(9.06%)
Other information			
Closing net asset value £'000	82,340	88,244	85,693
Closing number of units	32,958,364	37,502,450	43,093,463
Operating charges	1.18%	1.16%	1.01%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	255.30	236.20	234.30
Lowest unit price	235.80	197.00	188.80

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 47.37% (31/3/2021 - 46.83%)			
United Kingdom - 19.01% (31/3/2021 - 18.10%)			
675,824	iShares Core FTSE 100 UCITS ETF	4,999	4.38
4,115,016	MI Chelverton UK Equity Income Fund	4,838	4.24
1,100,000	Premier Miton UK Multi Cap Income Fund	2,334	2.05
5,650,000	Schroder Income Fund	4,424	3.88
3,572,932	Threadneedle Specialist Investment Funds ICVC - UK Equity Alpha Income Fund	5,087	4.46
		21,682	19.01
Europe - 5.32% (31/3/2021 - 5.25%)			
2,000,704	BlackRock Continental European Income Fund	3,600	3.15
2,210,000	LF Montanaro Funds - LF Montanaro European Income Fund	2,471	2.17
		6,071	5.32
Asia Pacific (ex Japan) - 3.55% (31/3/2021 - 3.54%)			
301,000	Matthews Asia Funds - Asia ex Japan Dividend Fund	4,042	3.55
Japan - 2.14% (31/3/2021 - 1.95%)			
1,595,481	CC Japan Income & Growth Trust	2,433	2.13
335,096	CC Japan Income & Growth Trust Subscription Shares	10	0.01
		2,443	2.14
North America - 12.33% (31/3/2021 - 9.95%)			
100,000	First Trust US Equity Income UCITS ETF	2,420	2.12
1,335,104	JPMorgan Fund ICVC - US Equity Income Fund	5,921	5.19
8,239,615	Schroder US Equity Income Maximiser Fund	5,726	5.02
		14,067	12.33
Emerging Markets - 1.72% (31/3/2021 - 2.94%)			
259,681	Capital International Portfolios SICAV - Capital Emerging Markets Total	1,958	1.72
Global - 3.30% (31/3/2021 - 5.10%)			
1,718,880	Fidelity Investment Funds ICVC - Global Dividend Fund	3,763	3.30
FIXED INTEREST - 32.31% (31/3/2021 - 35.59%)			
United Kingdom Gilts & Corporate Bonds - 15.74% (31/3/2021 - 19.96%)			
965,000	Allianz UK & European Investment Funds - Allianz Strategic Bond Fund	1,119	0.98
3,485,000	Artemis Corporate Bond Fund	3,554	3.12
2,804,051	BlackRock Investment Funds - BlackRock Sterling Strategic Bond Fund	3,103	2.72

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United Kingdom Gilts & Corporate Bonds continued			
15,506	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	1,579	1.38
24,698	Lyxor Core UK Government Bond DR UCITS ETF	3,212	2.82
4,261,178	Royal London Asset Management Bond Funds - Sterling Extra Yield Bond Fund	4,312	3.78
16,800	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	1,077	0.94
		17,956	15.74
Dynamic Bonds - 7.15% (31/3/2021 - 7.06%)			
3,340,553	Janus Henderson Strategic Bond Fund	4,490	3.94
3,986,472	Schroder Strategic Credit Fund	3,664	3.21
		8,154	7.15
Non Equity Investment Instruments - 6.67% (31/3/2021 - 6.35%)			
3,410,421	MI TwentyFour - Monument Bond Fund	3,506	3.07
5,204,589	Royal London Short Duration Global High Yield Bond Fund	4,102	3.60
		7,608	6.67
Global - 1.86% (31/3/2021 - 2.22%)			
35,515	1167 Active Funds ICAV - Global High Income Bond Fund	2,125	1.86
Asia Pacific (ex Japan) - 0.89% (31/3/2021 - 0.00%)			
10,000	1167 Active Funds ICAV - China Government Bond Fund	1,012	0.89
ALTERNATIVE - 18.39% (31/3/2021 - 16.39%)			
1,044,126	AEW UK REIT	1,249	1.09
604,474	BBGI Global Infrastructure	1,053	0.92
1,365,000	Franklin Templeton Funds II - FTF ClearBridge Global Infrastructure Income Fund	1,927	1.69
1,732,560	GCP Asset Backed Income Fund	1,650	1.45
883,976	GCP Infrastructure Investments	976	0.86
589,696	HICL Infrastructure	1,050	0.92
1,148,965	Hipgnosis Songs Fund	1,383	1.21
593,750	International Public Partnerships	1,027	0.90
7,800	Invesco Physical Gold ETC	1,114	0.98
1,957,502	LXI REIT	2,893	2.54
328,500	Pantheon Infrastructure	348	0.30
65,700	Pantheon Infrastructure Subscription Shares	2	-
968,021	Renewables Infrastructure	1,307	1.15
1,685,000	Round Hill Music Royalty	1,337	1.17

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
79,100	Royal Mint Physical Gold ETC	1,164	1.02
30,700	UBS ETF CMCI Composite SF UCITS ETF	2,494	2.19
		20,974	18.39
	Portfolio of investments	111,855	98.07
	Net other assets	2,198	1.93
	Total net assets	114,053	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		4,180		18,007
Revenue	3	4,106		4,266	
Expenses	4	(658)		(693)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		3,448		3,573	
Taxation	5	(235)		(303)	
Net revenue after taxation for the year			3,213		3,270
Total return before distributions			7,393		21,277
Distributions	7		(3,738)		(3,824)
Change in net assets attributable to unitholders from investment activities			3,655		17,453

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		122,789		121,022
Amounts received on creation of units	4,885		4,767	
Amounts paid on cancellation of units	(19,901)		(23,118)	
		(15,016)		(18,351)
Dilution adjustment		4		9
Change in net assets attributable to unitholders from investment activities		3,655		17,453
Retained distribution on accumulation units		2,621		2,656
Closing net assets attributable to unitholders		114,053		122,789

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			111,855		121,330
Current assets					
Debtors	8	354		369	
Cash and bank balances	9	2,427		2,276	
Total other assets			2,781		2,645
Total assets			114,636		123,975
LIABILITIES					
Creditors					
Distribution payable		(275)		(308)	
Other creditors	10	(308)		(878)	
Total other liabilities			(583)		(1,186)
Total liabilities			(583)		(1,186)
Net assets attributable to unitholders			114,053		122,789

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	–	(9)
Gains on non-derivative securities	4,180	18,016
Net capital gains	4,180	18,007

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	833	687
Taxable overseas dividends	722	830
UK dividends	20	18
UK franked dividends from collective investment schemes	1,416	1,353
UK REIT dividends	205	242
UK unfranked dividends from collective investment schemes	910	1,136
Total revenue	4,106	4,266

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	658	693
Total expenses	658	693

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	235	303
Total taxation	235	303

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	3,448	3,573
Corporation tax at 20% (31/3/2021 - 20%)	690	715
Effects of:		
Revenue not subject to tax	(455)	(412)
Total taxation (see note 5(a))	235	303

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
1st Interim distribution	840	703
2nd Interim distribution	1,128	1,180
3rd Interim distribution	710	757
Final distribution	983	1,087
	3,661	3,727

Add: Revenue deducted on cancellation of units	98	118
Less: Revenue received on creation of units	(21)	(21)
Net distribution for the year	3,738	3,824

Reconciliation of distributions:

Net revenue after taxation	3,213	3,270
Capitalised fees	658	693
Tax relief on capitalised fees	(133)	(139)
Net distribution for the year	3,738	3,824

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	333	345
Receivable for creation of units	21	24
Total debtors	354	369

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	2,427	2,276

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	52	57
Corporation tax payable	104	127
Payable for cancellation of units	152	694
Total other creditors	308	878

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

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

The currency profile for the Managed Income Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	2	
Total	2	2,358	2,360

b) Interest rate risk

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	–	–	–	–

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	121,330	121,330
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
31/3/2022		
Level 1: Quoted prices	34,777	–
Level 2: Observable market data	77,078	–
Level 3: Unobservable data	–	–
	111,855	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	33,709	–
Level 2: Observable market data	87,621	–
Level 3: Unobservable data	–	–
	121,330	–

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 7.

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
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	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	1,596	–	–	2	0.13
Collective investment schemes	25,047	2	0.01	2	0.01
Total	26,643	2		4	
Total purchases including commission and taxes	26,649				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	32,785	3	0.01	–	–
Total	32,785	3		–	
Total sales net of commissions and taxes	32,782				
Total transaction costs		5		4	
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 0.20% (31/3/2021 - 0.30%).

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 290.

The balance due from the Managed Income Fund at the year end in respect of fees paid to the Manager was £51,852 (31/3/2021 - £57,177).

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

	Unit holding %	Related party name
Managed Income Fund	87.00	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022	X Income units	X Accumulation units
Opening units	19,557,272	37,502,450
Units created	1,722,792	710,747
Units cancelled	(3,841,826)	(5,254,833)
Closing units	17,438,238	32,958,364

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2022

Group 2: units purchased between 1 January 2022 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2022	Distribution Paid per Unit on 31/5/2021
X Income				
Group 1	1.5778	–	1.5778	1.5740
Group 2	0.2893	1.2885	1.5778	1.5740
X Accumulation				
Group 1	2.1486	–	2.1486	2.0783
Group 2	1.0966	1.0520	2.1486	2.0783

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 December 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2022	Distribution Paid per Unit on 28/2/2021
X Income				
Group 1	1.1018	–	1.1018	1.0375
Group 2	0.3949	0.7069	1.1018	1.0375
X Accumulation				
Group 1	1.4935	–	1.4935	1.3614
Group 2	0.4828	1.0107	1.4935	1.3614

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2021

Group 2: units purchased between 1 July 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
X Income				
Group 1	1.7285	–	1.7285	1.5563
Group 2	0.8907	0.8378	1.7285	1.5563
X Accumulation				
Group 1	2.3183	–	2.3183	2.0240
Group 2	1.1692	1.1491	2.3183	2.0240

Distribution tables

continued

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 June 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2021	Distribution Paid per Unit on 31/8/2020
X Income				
Group 1	1.2441	–	1.2441	0.9090
Group 2	0.5687	0.6754	1.2441	0.9090
X Accumulation				
Group 1	1.6569	–	1.6569	1.1756
Group 2	0.5877	1.0692	1.6569	1.1756

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 2022

Fund objective and policy

The investment objective of the Close Managed Conservative Fund ("the Managed Conservative Fund") is to achieve income and moderate capital growth.

The Managed Conservative Fund will invest primarily in third party managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

The underlying equity component 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), money market instruments and deposits.

The Managed Conservative Fund may also invest in other transferable securities (including closed-ended funds) and collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near 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.

Investment Report

Market commentary

In the 12 months to the 31st March 2022 the Close Managed Conservative Fund (X Acc) rose 4.3%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 2.7%.

During the reporting period markets endeavoured to shake off the impact of the coronavirus pandemic as vaccines across most of the developed world allowed economies to begin opening up. The speed at which this happened varied greatly from region to region and was ultimately curtailed by the emergence of the omicron variant towards the end of 2021. There was much debate within financial markets through 2021 about the degree to which inflation was transitory or not, with central banks initially issuing dovish statements, suggesting that inflation would come down once economies reopened and supply chains normalised. As the coronavirus waves and variants continued to impact the global economy, however, and as central banks began making clear statements that they were committed to a timetable of unwinding quantitative easing, markets began pricing in higher for longer inflation. The overall impact of this was negative on longer duration assets such as growth stocks and longer maturity government and corporate bonds, in favour of value and income stocks – and to a degree shorter dated bonds. In the final weeks of the reporting period, the threat of, and ultimate Russian invasion of Ukraine caused volatility in markets, with the beneficiary being commodities at the expense of most other asset classes as inflationary fears became heightened even further.

On a regional basis, over the year, the US was the strongest market with a return of 21.2%, followed by the UK 13.0%, Europe 6.3%, and Japan on -1.6%. The weakest performance came from emerging markets, which delivered -6.8%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -5.7%.

It was a year where market leading returns were hard to come by as it was generally large caps that outperformed and these make up the biggest weighting within indices. That being said we did see some good returns from a couple of our equity managers. The JPM UK Equity Plus Fund, for example, returned 15.2% compared to 13.0% for the UK market. It takes position sizes relative to their weight in the UK index, but crucially can take small short positions where the team have conviction in a stock's underperformance. In a similar vein was the Schroder ISF Asian Total Return fund, which although down -4.9% for the year, nonetheless outperformed the Asia ex-Japan index which fell -6.3% over the same period. It too is able to take small short positions; demonstrating that in periods of market dislocation it is still possible to generate returns within active management. There was little to write home about within fixed income, however, it was a better story within alternatives. All of our infrastructure holdings produced a positive return, and as we hold them partly to diversify our bond exposure, it was good to see them do so well relative to fixed income. The best performer was Renewables Infrastructure, which benefited from improving sentiment towards the sector and returned 16.9% for the reporting period. In September we added hedge fund long/short exposure in the form of the Invenomic US Equity Long/Short and the fund delivered 36.7% to the end of the reporting period. It's also worth mentioning that we have held positions in gold and broad commodities that have proved to be strong performers over the year, with the UBS ETF CMCI Composite SF UCITS ETF (a mix of different commodities) returning 57.3% for the reporting period.

We made a couple of small additions to the fund over the course of the reporting year. In addition to switching the Fidelity Global Enhanced, for the Fidelity Global Dividend Fund (which is essentially the same fund but with a dividend growth focus instead of a high yield one), we added small positions to infrastructure in the form of an IPO from Pantheon Infrastructure and a China Government bond fund. We also switched our European holdings from Crux European Special Situations and abrdn European Income into the ES Alliancebernstein Europe Ex UK Equity and BlackRock European Dynamic funds. We made the switch to get more of a value and core factor allocation to Europe. As mentioned we also added the Invenomic US Equity Long/Short within our alternative allocation. Finally we switched our Japan exposure from the very 'growth' orientated Baillie Gifford Japanese fund to the slightly more core SPARX Japan Sustainable Equity Fund, which also has a sustainable investment mandate which we thought brought a differentiator to our Japan allocation.

Outlook

In terms of positioning we remain diversified, if a little more exposed to equities and alternatives at the expense on fixed income. This change, however has in many ways been the result of market movements. We have a higher, but more diversified US exposure, which is a conscious decision and a slightly lower emerging market allocation. Looking forward we perceive risks around geopolitics, as well as a more pronounced inflationary environment, which we believe will create volatility. By allocating to established fund managers with strong, repeatable processes we hope to be able to navigate the potentially difficult markets ahead.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Managed Conservative Fund X Accumulation	4.3%	17.4%	(6.0%)	3.1%	0.4%
IA Mixed Investments 20-60% Sector	2.7%	19.8%	(7.2%)	2.9%	0.8%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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 substantial 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 0.62% (31/3/2021 - 0.61%).

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	203.14	176.80	192.05
Return before operating charges	11.24	31.54	(8.47)
Operating charges	(2.43)	(2.29)	(2.39)
Return after operating charges	8.81	29.25	(10.86)
Distributions	(2.87)	(2.91)	(4.39)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	209.08	203.14	176.80
After direct transaction costs of**	(0.00)	(0.01)	0.00
Performance			
Return after charges	4.34%	16.54%	(5.66%)
Other information			
Closing net asset value £'000	1,998	2,256	2,459
Closing number of units	955,559	1,110,381	1,390,672
Operating charges	1.15%	1.16%	1.21%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	217.10	207.30	205.70
Lowest unit price	201.80	174.90	171.80

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	237.36	203.54	215.67
Return before operating charges	13.14	36.42	(9.79)
Operating charges	(2.84)	(2.60)	(2.34)
Return after operating charges	10.30	33.82	(12.13)
Distributions	(3.37)	(3.41)	(5.25)
Retained distributions on accumulation units	3.37	3.41	5.25
Closing net asset value per unit*	247.66	237.36	203.54
After direct transaction costs of**	(0.00)	(0.01)	(0.01)
Performance			
Return after charges	4.34%	16.62%	(5.63%)
Other information			
Closing net asset value £'000	231,826	218,472	184,412
Closing number of units	93,607,165	92,043,743	90,601,296
Operating charges	1.15%	1.14%	1.05%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	255.20	240.70	233.30
Lowest unit price	237.30	201.40	194.80

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 50.69% (31/3/2021 - 44.34%)			
United Kingdom - 19.66% (31/3/2021 - 18.18%)			
420,000	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	2,825	1.21
1,150,000	ES River and Mercantile Global Recovery Fund	3,335	1.43
1,529,564	iShares Core FTSE 100 UCITS ETF	11,314	4.84
6,370,000	JPM UK Equity Plus Fund	8,268	3.53
7,657,127	Ninety One Funds Series I - UK Alpha Fund	11,081	4.74
6,417,718	Threadneedle Specialist Investment Funds ICVC - UK Equity Alpha Income Fund	9,137	3.91
		45,960	19.66
Europe - 5.21% (31/3/2021 - 5.39%)			
2,000,000	BlackRock European Dynamic Fund	5,371	2.30
2,800,000	ES Alliancebernstein Europe Ex UK Equity Fund	3,357	1.44
464,687	European Opportunities Trust	3,448	1.47
		12,176	5.21
Asia Pacific (ex Japan) - 3.06% (31/3/2021 - 3.49%)			
16,615	Schroder ISF Asian Total Return	7,163	3.06
Japan - 1.36% (31/3/2021 - 1.66%)			
27,000	SPARX Japan Sustainable Equity Fund	3,175	1.36
North America - 14.76% (31/3/2021 - 8.28%)			
605,762	Brown Advisory US Flexible Equity Fund	12,583	5.38
2,260,531	JPMorgan Fund ICVC - US Equity Income Fund	10,026	4.29
192,570	Lyxor Nasdaq-100 UCITS ETF	8,751	3.74
23,000	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	3,151	1.35
		34,511	14.76
Emerging Markets - 2.00% (31/3/2021 - 2.44%)			
21,001	Redwheel Global Emerging Markets Fund	4,681	2.00
Global - 4.64% (31/3/2021 - 4.90%)			
1,594,790	Fidelity Investment Funds ICVC - Global Dividend Fund	3,491	1.49
917,250	Lindsell Train Global Equity Fund	3,715	1.59
34,856	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	3,644	1.56
		10,850	4.64

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 30.19% (31/3/2021 - 38.56%)			
United Kingdom Gilts & Corporate Bonds - 12.41% (31/3/2021 - 20.22%)			
3,015,000	Allianz UK & European Investment Funds - Allianz Strategic Bond Fund	3,496	1.49
5,851,000	Artemis Corporate Bond Fund	5,968	2.55
5,909,388	BlackRock Investment Funds - BlackRock Sterling Strategic Bond Fund	6,539	2.80
22,771	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	2,318	0.99
65,354	Lyxor Core UK Government Bond DR UCITS ETF	8,499	3.63
34,500	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	2,211	0.95
		29,031	12.41
Dynamic Bonds - 10.12% (31/3/2021 - 11.45%)			
5,950,000	Janus Henderson Strategic Bond Fund	7,997	3.42
76,838	Nomura Funds Ireland - Global Dynamic Bond Fund	8,011	3.43
8,332,441	Schroder Strategic Credit Fund	7,658	3.27
		23,666	10.12
Non Equity Investment Instruments - 6.36% (31/3/2021 - 6.89%)			
7,081,002	MI TwentyFour - Monument Bond Fund	7,280	3.11
9,627,793	Royal London Short Duration Global High Yield Bond Fund	7,589	3.25
		14,869	6.36
Asia Pacific (ex Japan) - 1.30% (31/3/2021 - 0.00%)			
30,000	1167 Active Funds ICAV - China Government Bond Fund	3,036	1.30
ALTERNATIVE - 16.50% (31/3/2021 - 14.46%)			
1,182,583	BBGI Global Infrastructure	2,060	0.88
1,271,832	GCP Infrastructure Investments	1,404	0.60
1,191,418	HICL Infrastructure	2,121	0.91
1,856,405	Hipgnosis Songs Fund	2,235	0.96
1,260,754	International Public Partnerships	2,181	0.93
22,559	Invesco Physical Gold ETC	3,221	1.38
28,903	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	2,799	1.20
1,904,000	LXI REIT	2,814	1.20
390,477	Neuberger Berman Uncorrelated Strategies Fund	4,268	1.82
657,000	Pantheon Infrastructure	696	0.30
131,400	Pantheon Infrastructure Subscription Shares	4	-
1,680,552	Renewables Infrastructure	2,269	0.97

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
2,800,000	Round Hill Music Royalty	2,222	0.95
214,300	Royal Mint Physical Gold ETC	3,152	1.35
87,800	UBS ETF CMCI Composite SF UCITS ETF	7,134	3.05
		38,580	16.50
	Portfolio of investments	227,698	97.38
	Net other assets	6,126	2.62
	Total net assets	233,824	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		6,538		27,822
Revenue	3	4,606		4,540	
Expenses	4	(1,238)		(1,108)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		3,368		3,432	
Taxation	5	(184)		(301)	
Net revenue after taxation for the year			3,184		3,131
Total return before distributions			9,722		30,953
Distributions	7		(3,184)		(3,131)
Change in net assets attributable to unitholders from investment activities			6,538		27,822

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		220,728		186,894
Amounts received on creation of units	21,270		16,558	
Amounts paid on cancellation of units	(17,881)		(13,651)	
		3,389		2,907
Change in net assets attributable to unitholders from investment activities		6,538		27,822
Retained distribution on accumulation units		3,169		3,105
Closing net assets attributable to unitholders		233,824		220,728

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			227,698		214,907
Current assets					
Debtors	8	843		610	
Cash and bank balances	9	5,564		5,739	
Total other assets			6,407		6,349
Total assets			234,105		221,256
LIABILITIES					
Creditors					
Distribution payable		(15)		(15)	
Other creditors	10	(266)		(513)	
Total other liabilities			(281)		(528)
Total liabilities			(281)		(528)
Net assets attributable to unitholders			233,824		220,728

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	–	(20)
Gains on non-derivative securities	6,538	27,842
Net capital gains	6,538	27,822

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	1,241	880
Rebate of fees from holdings in third party collective investment schemes	58	8
Taxable overseas dividends	799	1,170
UK franked dividends from collective investment schemes	1,206	1,048
UK REIT dividends	104	–
UK unfranked dividends from collective investment schemes	1,198	1,434
Total revenue	4,606	4,540

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,238	1,108
Total expenses	1,238	1,108

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	184	301
Total taxation	184	301

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	3,368	3,432
Corporation tax at 20% (31/3/2021 - 20%)	674	686
Effects of:		
Revenue not subject to tax	(490)	(385)
Total taxation (see note 5(a))	184	301

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	1,450	1,711
Final distribution	1,747	1,430
	3,197	3,141
Add: Revenue deducted on cancellation of units	62	51
Less: Revenue received on creation of units	(75)	(61)
Net distribution for the year	3,184	3,131

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	291	293
Receivable for creation of units	552	317
Total debtors	843	610

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	5,564	5,739

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	103	99
Corporation tax payable	117	192
Payable for cancellation of units	46	222
Total other creditors	266	513

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	18,026	18,026

The currency profile for the Managed Conservative Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	16,253	16,253

b) Interest rate risk

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	–	–	–	–

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	214,907	214,907
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
31/3/2022		
Level 1: Quoted prices	68,054	–
Level 2: Observable market data	159,644	–
Level 3: Unobservable data	–	–
	227,698	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	57,799	–
Level 2: Observable market data	157,108	–
Level 3: Unobservable data	–	–
	214,907	–

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 7.

Notes to the Financial statements

continued

13. Portfolio transaction costs

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%	

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	4,227	–	–	–	–
Collective investment schemes	50,088	5	0.01	2	–
Total	54,315	5		2	
Total purchases including commission and taxes	54,322				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	37,559	4	0.01	–	–
Total	37,559	4		–	
Total sales net of commissions and taxes	37,555				
Total transaction costs		9		2	
Total transaction costs as a % of average net assets		0.01%		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% (31/3/2021 - 0.31%).

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 290.

Notes to the Financial statements

continued

14. Related parties continued

The balance due from the Managed Conservative Fund at the year end in respect of fees paid to the Manager was £102,619 (31/3/2021 - £98,610).

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

	Unit holding %	Related party name
Managed Conservative Fund	78.06	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	X Income units	X Accumulation units
Opening units	1,110,381	92,043,743
Units created	112,168	8,606,442
Units cancelled	(61,949)	(7,218,182)
Units converted	(205,041)	175,162
Closing units	955,559	93,607,165

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
X Income				
Group 1	1.5737	–	1.5737	1.3232
Group 2	0.7598	0.8139	1.5737	1.3232
X Accumulation				
Group 1	1.8504	–	1.8504	1.5372
Group 2	0.7590	1.0914	1.8504	1.5372

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
X Income				
Group 1	1.2963	–	1.2963	1.5905
Group 2	0.4550	0.8413	1.2963	1.5905
X Accumulation				
Group 1	1.5154	–	1.5154	1.8773
Group 2	0.7896	0.7258	1.5154	1.8773

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 2022

Fund objective and policy

The investment objective of the Close Managed Balanced Fund ("the Managed Balanced Fund") is to generate capital growth with some income.

The Managed Balanced Fund will invest primarily in third party managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

The underlying equity component 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), money market instruments and deposits.

The Managed 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.

The Managed 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 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.

Investment Report

Market commentary

In the 12 months to the 31st March 2022 the Close Managed Balanced Fund (X Acc) rose 3.5%, whilst the IA Mixed Investment (40%-85% Shares) sector rose 5.2%.

During the reporting period markets endeavoured to shake off the impact of the coronavirus pandemic as vaccines across most of the developed world allowed economies to begin opening up. The speed at which this happened varied greatly from region to region and was ultimately curtailed by the emergence of the omicron variant towards the end of 2021. There was much debate within financial markets through 2021 about the degree to which inflation was transitory or not, with central banks initially issuing dovish statements, suggesting that inflation would come down once economies reopened and supply chains normalised. As the coronavirus waves and variants continued to impact the global economy, however, and as central banks began making clear statements that they were committed to a timetable of unwinding quantitative easing, markets began pricing in higher for longer inflation. The overall impact of this was negative on longer duration assets such as growth stocks and longer maturity government and corporate bonds, in favour of value and income stocks – and to a degree shorter dated bonds. In the final weeks of the reporting period, the threat of, and ultimate Russian invasion of Ukraine caused volatility in markets, with the beneficiary being commodities at the expense of most other asset classes as inflationary fears became heightened even further.

On a regional basis, over the year, the US was the strongest market with a return of 21.2%, followed by the UK 13.0%, Europe 6.3%, and Japan on -1.6%. The weakest performance came from emerging markets, which delivered -6.8%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -5.7%.

It was a year where market leading returns were hard to come by as it was generally large caps that outperformed and these make up the biggest weighting within indices. That being said we did see some good returns from a couple of our equity managers. The JPM UK Equity Plus Fund, for example, returned 15.2% compared to 13.0% for the UK market. It takes position sizes relative to their weight in the UK index, but crucially can take small short positions where the team have conviction in a stocks underperformance. In a similar vein was the Schroder ISF Asian Total Return fund, which although down -4.9% for the year, nonetheless outperformed the Asia ex-Japan index which fell -6.3% over the same period. It too is able to take small short positions; demonstrating that in periods of market dislocation it is still possible to generate returns within active management. There was little to write home about within fixed income, however, it was a better story within alternatives. All of our infrastructure holdings produced a positive return, and as we hold them partly to diversify our bond exposure, it was good to see them do so well relative to fixed income. The best performer was Renewables Infrastructure, which benefited from improving sentiment towards the sector and returned 16.9% for the reporting period. In September we added hedge fund long/short exposure in the form of the Invenomic US Equity Long/Short and the fund delivered 36.7% to the end of the reporting period. It's also worth mentioning that we have held positions in gold and broad commodities that have proved to be strong performers over the year, with the UBS ETF CMCI Composite SF UCITS ETF (a mix of different commodities) returning 57.3% for the reporting period.

We made a couple of small additions to the fund over the course of the reporting year such as adding UK small cap exposure by way of TM Tellworth UK Smaller Companies Fund and we added small positions to infrastructure in the form of an IPO from Pantheon Infrastructure and a China Government bond fund. We also switched our European holdings from Crux European Special Situations and the Eurostoxx tracker into the Carmignac European Leaders and BlackRock European Dynamic funds. However, it's worth noting that we ultimately sold Carmignac as inflationary pressures mounted and we wanted to be more positioned to value and quality factors in Europe. As mentioned we also added the Invenomic US Equity Long/Short within our alternative allocation. Finally we switched our Japan exposure from the very 'growth' orientated Baillie Gifford Japanese fund to the slightly more core SPARX Japan Sustainable Equity Fund, which also has a sustainable investment mandate which we thought brought a differentiator to our Japan allocation.

Outlook

In terms of positioning we remain diversified, if a little more exposed to equities and alternatives at the expense on fixed income. This change, however has in many ways been the result of market movements. We have a higher, but more diversified US exposure, which is a conscious decision and a slightly lower emerging market allocation. Looking forward we perceive risks around geopolitics, as well as a more pronounced inflationary environment, which we believe will create volatility. By allocating to established fund managers with strong, repeatable processes we hope to be able to navigate the potentially difficult markets ahead.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Managed Balanced Fund X Accumulation	3.5%	26.3%	(6.2%)	4.4%	2.4%
IA Mixed Investments 40-85% Sector	5.2%	26.4%	(8.0%)	4.3%	1.5%

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

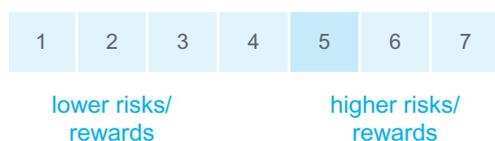
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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 substantial 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 0.59% (31/3/2021 - 0.60%).

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	281.17	224.84	238.21
Return before operating charges	12.49	59.30	(10.75)
Operating charges	(3.28)	(2.97)	(2.62)
Return after operating charges	9.21	56.33	(13.37)
Distributions	(2.58)	(2.74)	(3.41)
Retained distributions on accumulation units	2.58	2.74	3.41
Closing net asset value per unit*	290.38	281.17	224.84
After direct transaction costs of**	(0.01)	(0.04)	(0.01)
Performance			
Return after charges	3.28%	25.05%	(5.61%)
Other information			
Closing net asset value £'000	386,909	345,657	260,785
Closing number of units	133,243,466	122,935,758	115,988,110
Operating charges	1.11%	1.12%	1.05%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	309.60	290.70	265.00
Lowest unit price	273.30	221.30	212.60

*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.

Portfolio statement

as at 31 March 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 69.20% (31/3/2021 - 66.15%)			
United Kingdom - 24.22% (31/3/2021 - 22.59%)			
888,000	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	5,972	1.54
2,850,000	ES River and Mercantile Global Recovery Fund	8,266	2.14
2,305,851	iShares Core FTSE 100 UCITS ETF	17,056	4.41
10,120,000	JPM UK Equity Plus Fund	13,136	3.39
3,433,967	Liontrust Special Situations Fund	16,644	4.30
10,871,480	Ninety One Funds Series I - UK Alpha Fund	15,732	4.07
2,810,000	Thesis - TM Tellworth UK Smaller Companies Fund	3,937	1.02
9,114,939	Threadneedle Specialist Investment Funds ICVC - UK Equity Alpha Income Fund	12,977	3.35
		93,720	24.22
Europe - 7.41% (31/3/2021 - 7.98%)			
139,163	Barings UK Unit Trust Funds - Barings Europe Select Trust	6,557	1.70
2,500,000	BlackRock European Dynamic Fund	6,714	1.74
7,275,000	ES Alliancebernstein Europe Ex UK Equity Fund	8,723	2.25
898,080	European Opportunities Trust	6,664	1.72
		28,658	7.41
Asia Pacific (ex Japan) - 5.87% (31/3/2021 - 6.92%)			
3,650,000	Allianz International Investment Funds - Allianz China A Shares Equity	3,772	0.98
4,000,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	4,226	1.09
34,127	Schroder ISF Asian Total Return	14,713	3.80
		22,711	5.87
Japan - 1.82% (31/3/2021 - 2.29%)			
60,000	SPARX Japan Sustainable Equity Fund	7,055	1.82
North America - 19.67% (31/3/2021 - 14.82%)			
930,919	Baillie Gifford Overseas Growth Funds ICVC - American Fund	13,387	3.46
911,093	Brown Advisory US Flexible Equity Fund	18,926	4.89
236,900	Lyxor Nasdaq-100 UCITS ETF	10,766	2.78
38,000	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	5,206	1.35
600,000	Threadneedle Lux - US Disciplined Core Equities	8,474	2.19
292,171	Vanguard S&P 500 UCITS ETF	19,339	5.00
		76,098	19.67

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Emerging Markets - 2.61% (31/3/2021 - 3.37%)		
45,401	Redwheel Global Emerging Markets Fund	10,118	2.61
	Global - 7.60% (31/3/2021 - 8.18%)		
834,468	Brown Advisory Global Leaders Fund	14,411	3.73
1,587,909	Lindsell Train Global Equity Fund	6,431	1.66
49,454	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	5,171	1.34
330,000	Scottish Mortgage Investment Trust	3,384	0.87
		29,397	7.60
	FIXED INTEREST - 13.23% (31/3/2021 - 19.99%)		
	United Kingdom Gilts & Corporate Bonds - 9.04% (31/3/2021 - 15.87%)		
2,185,000	Allianz UK & European Investment Funds - Allianz Strategic Bond Fund	2,533	0.65
4,800,000	Artemis Corporate Bond Fund	4,896	1.27
4,363,737	Baillie Gifford Strategic Bond Fund	3,672	0.95
6,000,622	BlackRock Investment Funds - BlackRock Sterling Strategic Bond Fund	6,640	1.72
40,293	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	4,103	1.06
83,747	Lyxor Core UK Government Bond DR UCITS ETF	10,890	2.81
35,000	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	2,244	0.58
		34,978	9.04
	Dynamic Bonds - 3.41% (31/3/2021 - 4.12%)		
3,600,000	Janus Henderson Strategic Bond Fund	4,838	1.25
80,012	Nomura Funds Ireland - Global Dynamic Bond Fund	8,342	2.16
		13,180	3.41
	Asia Pacific (ex Japan) - 0.78% (31/3/2021 - 0.00%)		
30,000	1167 Active Funds ICAV - China Government Bond Fund	3,036	0.78
	ALTERNATIVE - 13.70% (31/3/2021 - 12.17%)		
1,505,432	BBGI Global Infrastructure	2,622	0.68
2,038,779	GCP Infrastructure Investments	2,251	0.58
1,436,237	HICL Infrastructure	2,556	0.66
1,550,000	Hipgnosis Songs Fund	1,866	0.48
1,577,995	International Public Partnerships	2,730	0.70
36,507	Invesco Physical Gold ETC	5,212	1.35
45,116	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	4,370	1.13
576,786	Neuberger Berman Uncorrelated Strategies Fund	6,304	1.63

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
1,080,000	Pantheon Infrastructure	1,145	0.30
216,000	Pantheon Infrastructure Subscription Shares	7	–
2,408,458	Renewables Infrastructure	3,251	0.84
5,300,000	Round Hill Music Royalty	4,207	1.09
352,500	Royal Mint Physical Gold ETC	5,185	1.34
139,000	UBS ETF CMCI Composite SF UCITS ETF	11,294	2.92
		53,000	13.70
	Portfolio of investments	371,951	96.13
	Net other assets	14,958	3.87
	Total net assets	386,909	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		7,833		62,632
Revenue	3	5,297		4,893	
Expenses	4	(1,975)		(1,621)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		3,322		3,272	
Taxation	5	–		(51)	
Net revenue after taxation for the year			3,322		3,221
Total return before distributions			11,155		65,853
Distributions	7		(3,322)		(3,221)
Change in net assets attributable to unitholders from investment activities			7,833		62,632

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			345,657		260,821
Amounts received on creation of units		46,424		32,360	
Amounts paid on cancellation of units		(16,391)		(13,434)	
			30,033		18,926
Dilution adjustment			(6)		(4)
Change in net assets attributable to unitholders from investment activities			7,833		62,632
Retained distribution on accumulation units	7		3,392		3,282
Closing net assets attributable to unitholders			386,909		345,657

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			371,951		339,807
Current assets					
Debtors	8	1,892		1,540	
Cash and bank balances	9	13,230		10,157	
Total other assets			15,122		11,697
Total assets			387,073		351,504
LIABILITIES					
Creditors					
Other creditors	10	(164)		(5,847)	
Total other liabilities			(164)		(5,847)
Total liabilities			(164)		(5,847)
Net assets attributable to unitholders			386,909		345,657

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency gains/(losses)	5	(40)
Gains on non-derivative securities	7,828	62,672
Net capital gains	7,833	62,632

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	2,217	1,701
Rebate of fees from holdings in third party collective investment schemes	4	14
Taxable overseas dividends	514	992
UK franked dividends from collective investment schemes	1,789	1,319
UK unfranked dividends from collective investment schemes	773	867
Total revenue	5,297	4,893

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,975	1,621
Total expenses	1,975	1,621

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Corporation tax	–	51
Total taxation	–	51

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	3,322	3,272
Corporation tax at 20% (31/3/2021 - 20%)	664	654
Effects of:		
Movement in unrecognised tax losses	137	–
Revenue not subject to tax	(801)	(603)
Total taxation (see note 5(a))	–	51

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 2022 there is a potential deferred tax asset of £136,832 (31/3/2021 - £nil) due to tax losses of £684,158 (31/3/2021 - £nil). It is unlikely that the Managed Balanced Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	1,590	1,880
Final distribution	1,802	1,402
	3,392	3,282
Add: Revenue deducted on cancellation of units	34	31
Less: Revenue received on creation of units	(104)	(92)
Net distribution for the year	3,322	3,221

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	186	237
Receivable for creation of units	1,706	1,303
Total debtors	1,892	1,540

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	13,230	10,157

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	164	151
Corporation tax payable	–	44
Payable for cancellation of units	–	544
Purchases awaiting settlement	–	5,108
Total other creditors	164	5,847

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	28,579	28,579

The currency profile for the Managed Balanced Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	54	
Total	54	26,138	26,192

b) Interest rate risk

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	–	–	–	–

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	339,807	339,807
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
31/3/2022		
Level 1: Quoted prices	116,772	–
Level 2: Observable market data	255,179	–
Level 3: Unobservable data	–	–
	371,951	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	102,652	–
Level 2: Observable market data	237,155	–
Level 3: Unobservable data	–	–
	339,807	–

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 7.

Notes to the Financial statements

continued

13. Portfolio transaction costs

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					
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%	

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	3,986	–	–	–	–
Collective investment schemes	98,502	13	0.01	27	0.03
Total	102,488	13		27	
Total purchases including commission and taxes	102,528				
Sales					
Collective investment schemes	64,121	4	0.01	–	–
Total	64,121	4		–	
Total sales net of commissions and taxes	64,117				
Total transaction costs		17		27	
Total transaction costs as a % of average net assets		0.00%		0.01%	

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 0.20% (31/3/2021 - 0.31%).

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 290.

Notes to the Financial statements

continued

14. Related parties continued

The balance due from the Managed Balanced Fund at the year end in respect of fees paid to the Manager was £164,580 (31/3/2021 - £151,286).

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

	Unit holding %	Related party name
Managed Balanced Fund	70.91	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	X Accumulation units
Opening units	122,935,758
Units created	15,838,804
Units cancelled	(5,531,096)
Closing units	133,243,466

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
X Accumulation				
Group 1	1.3522	–	1.3522	1.1402
Group 2	0.4814	0.8708	1.3522	1.1402

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
X Accumulation				
Group 1	1.2279	–	1.2279	1.6008
Group 2	0.7463	0.4816	1.2279	1.6008

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 2022

Fund objective and policy

The investment objective of the Close Managed Growth Fund ("the Managed Growth Fund") is to generate capital growth.

The Managed Growth Fund will invest primarily in third party managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

The underlying equity component 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), money market instruments and deposits.

The Managed 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.

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.

Investment Report

Market commentary

In the 12 months to the 31st March 2022 the Close Managed Growth Fund (X Acc) rose 3.0%, whilst the IA Flexible Investment sector rose 5.0%.

During the reporting period markets endeavoured to shake off the impact of the coronavirus pandemic as vaccines across most of the developed world allowed economies to begin opening up. The speed at which this happened varied greatly from region to region and was ultimately curtailed by the emergence of the omicron variant towards the end of 2021. There was much debate within financial markets through 2021 about the degree to which inflation was transitory or not, with central banks initially issuing dovish statements, suggesting that inflation would come down once economies reopened and supply chains normalised. As the coronavirus waves and variants continued to impact the global economy, however, and as central banks began making clear statements that they were committed to a timetable of unwinding quantitative easing, markets began pricing in higher for longer inflation. The overall impact of this was negative on longer duration assets such as growth stocks and longer maturity government and corporate bonds, in favour of value and income stocks – and to a degree shorter dated bonds. In the final weeks of the reporting period, the threat of, and ultimate Russian invasion of Ukraine caused volatility in markets, with the beneficiary being commodities at the expense of most other asset classes as inflationary fears became heightened even further.

On a regional basis, over the year, the US was the strongest market with a return of 21.2%, followed by the UK 13.0%, Europe 6.3%, and Japan on -1.6%. The weakest performance came from emerging markets, which delivered -6.8%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -5.7%.

It was a year where market leading returns were hard to come by as it was generally large caps that outperformed and these make up the biggest weighting within indices. That being said we did see some good relative returns from our Asian equity managers with Invesco Asian Fund down -2.7% and Schroder ISF Asian Total Return down -4.9% but both were ahead of the index which fell -6.3%. Invesco are contrarian investors who look to invest in companies that are temporarily mispriced and this style of investing has been rewarded by the markets. By contrast, Schroder look for business that grow their earnings but they can also take small short positions; demonstrating that in periods of market dislocation it is still possible to generate returns within active management. There was little to write home about within fixed income, however, it was a better story within alternatives. All of our infrastructure holdings produced a positive return, and as we hold them partly to diversify our bond exposure, it was good to see them do so well relative to fixed income. The best performer was Renewables Infrastructure, which benefited from improving sentiment towards the sector and returned 16.9% for the reporting period. In September we added hedge fund long/short exposure in the form of the Invenomic US Equity Long/Short UCITS Fund and the fund delivered 36.7% to the end of the reporting period. It's also worth mentioning that we have held positions in gold and broad commodities that have proved to be strong performers over the year, with the UBS ETF CMCI Composite SF UCITS ETF (a mix of different commodities) returning 57.3% for the reporting period.

We made a couple of small additions to the fund over the course of the reporting year such as adding UK small cap exposure by way of TM Tellworth UK Smaller Companies Fund and we added small positions to infrastructure in the form of an IPO from Pantheon Infrastructure and a China Government bond fund. In specialist thematic exposure we bought the Seraphim Space Investment Trust at IPO to gain exposure to a potentially growing sector at early stage. We also switched our European holdings from Crux European Special Situations and the Eurostoxx tracker into the Carmignac European Leaders and BlackRock European Dynamic funds. However, it's worth noting that we ultimately sold Carmignac as inflationary pressures mounted and we wanted to be more positioned to value and quality factors in Europe. As mentioned we also added the Invenomic US Equity Long/Short UCITS Fund within our alternative allocation. Finally we switched our Japan exposure from the very 'growth' orientated Baillie Gifford Japanese fund to the slightly more core SPARX Japan Sustainable Equity Fund, which also has a sustainable investment mandate which we thought brought a differentiator to our Japan allocation.

Outlook

In terms of positioning we remain diversified, if a little more exposed to equities and alternatives at the expense on fixed income. This change, however has in many ways been the result of market movements. We have a higher, but more diversified US exposure, which is a conscious decision and a slightly lower emerging market allocation. Looking forward we perceive risks around geopolitics, as well as a more pronounced inflationary environment, which we believe will create volatility. By allocating to established fund managers with strong, repeatable processes we hope to be able to navigate the potentially difficult markets ahead.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Managed Growth Fund X Accumulation	3.0%	34.8%	(6.3%)	4.4%	4.1%
IA Flexible Investment Sector	5.0%	29.1%	(8.1%)	3.3%	2.4%

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

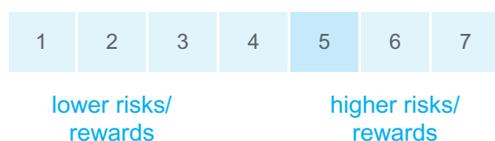
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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 substantial 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 0.59% (31/3/2021 - 0.58%).

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	318.36	238.88	253.12
Return before operating charges	11.60	82.66	(11.46)
Operating charges	(3.66)	(3.18)	(2.78)
Return after operating charges	7.94	79.48	(14.24)
Distributions	(2.06)	(2.22)	(2.71)
Retained distributions on accumulation units	2.06	2.22	2.71
Closing net asset value per unit*	326.30	318.36	238.88
After direct transaction costs of**	(0.00)	(0.03)	(0.01)
Performance			
Return after charges	2.49%	33.27%	(5.63%)
Other information			
Closing net asset value £'000	98,600	84,211	50,903
Closing number of units	30,217,947	26,451,458	21,308,343
Operating charges	1.09%	1.08%	1.04%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	355.80	330.80	287.80
Lowest unit price	303.50	233.80	223.20

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 82.29% (31/3/2021 - 77.20%)			
United Kingdom - 24.32% (31/3/2021 - 22.06%)			
333,500	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	2,243	2.28
1,136,000	ES River and Mercantile Global Recovery Fund	3,295	3.34
602,189	iShares Core FTSE 100 UCITS ETF	4,454	4.52
790,852	Liontrust Special Situations Fund	3,833	3.89
2,713,678	Ninety One Funds Series I - UK Alpha Fund	3,927	3.98
500,000	Seraphim Space Investment Trust	515	0.52
1,464,000	Thesis - TM Tellworth UK Smaller Companies Fund	2,052	2.08
2,571,746	Threadneedle Specialist Investment Funds ICVC - UK Equity Alpha Income Fund	3,661	3.71
		23,980	24.32
Europe - 11.57% (31/3/2021 - 11.96%)			
38,086	Barings UK Unit Trust Funds - Barings Europe Select Trust	1,795	1.82
13,900	Berenberg Europe EX UK Focus Fund	1,191	1.21
650,000	BlackRock European Dynamic Fund	1,746	1.77
565,000	Chrysalis Investments	994	1.01
2,854,000	ES Alliancebernstein Europe Ex UK Equity Fund	3,422	3.47
304,635	European Opportunities Trust	2,260	2.29
		11,408	11.57
Asia Pacific (ex Japan) - 9.08% (31/3/2021 - 9.37%)			
1,500,000	Allianz International Investment Funds - Allianz China A Shares Equity	1,550	1.57
433,767	Invesco Far Eastern Investment Series - Asian Fund	2,379	2.41
1,250,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	1,320	1.34
8,603	Schroder ISF Asian Total Return	3,709	3.76
		8,958	9.08
Japan - 2.66% (31/3/2021 - 3.37%)			
22,300	SPARX Japan Sustainable Equity Fund	2,622	2.66
North America - 23.06% (31/3/2021 - 16.72%)			
271,294	Baillie Gifford Overseas Growth Funds ICVC - American Fund	3,901	3.96
245,649	Brown Advisory US Flexible Equity Fund	5,103	5.18
83,310	Lyxor Nasdaq-100 UCITS ETF	3,786	3.84
7,500	MontLake UCITS Platform ICAV - Invenomic US Equity Long/Short UCITS Fund	1,028	1.04

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
North America continued			
286,000	Threadneedle Lux - US Disciplined Core Equities	4,039	4.09
73,758	Vanguard S&P 500 UCITS ETF	4,882	4.95
		22,739	23.06
Emerging Markets - 2.86% (31/3/2021 - 3.61%)			
12,652	Redwheel Global Emerging Markets Fund	2,820	2.86
Global - 8.74% (31/3/2021 - 10.11%)			
199,842	Brown Advisory Global Leaders Fund	3,451	3.50
519,485	Lindsell Train Global Equity Fund	2,104	2.14
7,187	Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	751	0.76
224,914	Scottish Mortgage Investment Trust	2,307	2.34
		8,613	8.74
FIXED INTEREST - 5.15% (31/3/2021 - 9.46%)			
United Kingdom Gilts & Corporate Bonds - 3.76% (31/3/2021 - 8.63%)			
460,000	Artemis Corporate Bond Fund	469	0.48
763,522	BlackRock Investment Funds - BlackRock Sterling Strategic Bond Fund	845	0.86
5,704	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	581	0.59
10,731	Lyxor Core UK Government Bond DR UCITS ETF	1,395	1.41
6,500	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	417	0.42
		3,707	3.76
Dynamic Bonds - 0.88% (31/3/2021 - 0.83%)			
643,000	Janus Henderson Strategic Bond Fund	864	0.88
Asia Pacific (ex Japan) - 0.51% (31/3/2021 - 0.00%)			
5,000	1167 Active Funds ICAV - China Government Bond Fund	506	0.51
ALTERNATIVE - 9.79% (31/3/2021 - 7.71%)			
267,591	BBGI Global Infrastructure	466	0.47
391,927	GCP Infrastructure Investments	433	0.44
288,749	HICL Infrastructure	514	0.52
200,000	International Public Partnerships	346	0.35
7,418	Invesco Physical Gold ETC	1,059	1.08
8,230	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS	797	0.81
70,100	Neuberger Berman Uncorrelated Strategies Fund	766	0.78
279,000	Pantheon Infrastructure	296	0.30

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
ALTERNATIVE continued			
55,800	Pantheon Infrastructure Subscription Shares	2	–
510,230	Renewables Infrastructure	689	0.70
1,180,000	Round Hill Music Royalty	937	0.95
72,000	Royal Mint Physical Gold ETC	1,059	1.07
28,200	UBS ETF CMCI Composite SF UCITS ETF	2,291	2.32
		9,655	9.79
	Portfolio of investments	95,872	97.23
	Net other assets	2,728	2.77
	Total net assets	98,600	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		1,138		17,100
Revenue	3	1,068		832	
Expenses	4	(478)		(334)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		590		498	
Taxation	5	–		–	
Net revenue after taxation for the year			590		498
Total return before distributions			1,728		17,598
Distributions	7		(590)		(498)
Change in net assets attributable to unitholders from investment activities			1,138		17,100

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			84,211		50,905
Amounts received on creation of units		18,116		19,740	
Amounts paid on cancellation of units		(5,473)		(4,062)	
			12,643		15,678
Dilution adjustment			–		(2)
Change in net assets attributable to unitholders from investment activities			1,138		17,100
Retained distribution on accumulation units	7		608		530
Closing net assets attributable to unitholders			98,600		84,211

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			95,872		79,471
Current assets					
Debtors	8	428		783	
Cash and bank balances	9	2,340		5,688	
Total other assets			2,768		6,471
Total assets			98,640		85,942
LIABILITIES					
Creditors					
Other creditors	10	(40)		(1,731)	
Total other liabilities			(40)		(1,731)
Total liabilities			(40)		(1,731)
Net assets attributable to unitholders			98,600		84,211

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	–	(9)
Gains on non-derivative securities	1,138	17,109
Net capital gains	1,138	17,100

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	517	365
Rebate of fees from holdings in third party collective investment schemes	3	3
Taxable overseas dividends	45	102
UK franked dividends from collective investment schemes	440	306
UK unfranked dividends from collective investment schemes	63	56
Total revenue	1,068	832

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	478	334
Total expenses	478	334

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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	590	498
Corporation tax at 20% (31/3/2021 - 20%)	118	100
Effects of:		
Movement in unrecognised tax losses	73	35
Revenue not subject to tax	(191)	(135)
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 2022 there is a potential deferred tax asset of £217,687 (31/3/2021 - £143,956) due to tax losses of £1,088,435 (31/3/2021 - £719,778). It is unlikely that the Managed Growth Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	261	306
Final distribution	347	224
	608	530
Add: Revenue deducted on cancellation of units	7	8
Less: Revenue received on creation of units	(25)	(40)
Net distribution for the year	590	498

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	31	44
Receivable for creation of units	397	739
Total debtors	428	783

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	2,340	5,688

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	40	35
Payable for cancellation of units	–	22
Purchases awaiting settlement	–	1,674
Total other creditors	40	1,731

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	7,098	7,098

The currency profile for the Managed Growth Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	13	
Total	13	5,889	5,902

b) Interest rate risk

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	–	–	–	–

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	79,471	79,471
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
31/3/2022		
Level 1: Quoted prices	29,683	–
Level 2: Observable market data	66,189	–
Level 3: Unobservable data	–	–
	95,872	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	25,681	–
Level 2: Observable market data	53,790	–
Level 3: Unobservable data	–	–
	79,471	–

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 7.

Notes to the Financial statements

continued

13. Portfolio transaction costs

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					
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%	

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	1,538	–	–	–	–
Collective investment schemes	29,436	3	0.01	4	0.01
Total	30,974	3		4	
Total purchases including commission and taxes	30,981				
Sales					
Collective investment schemes	16,577	1	0.01	–	–
Total	16,577	1		–	
Total sales net of commissions and taxes	16,576				
Total transaction costs		4		4	
Total transaction costs as a % of average net assets		0.00%		0.01%	

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 0.21% (31/3/2021 - 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 290.

Notes to the Financial statements

continued

14. Related parties continued

The balance due from the Managed Growth Fund at the year end in respect of fees paid to the Manager was £40,321 (31/3/2021 - £34,423).

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

	Unit holding %	Related party name
Managed Growth Fund	63.61	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	X Accumulation units
Opening units	26,451,458
Units created	5,405,144
Units cancelled	(1,638,655)
Closing units	30,217,947

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
X Accumulation				
Group 1	1.1477	–	1.1477	0.8480
Group 2	0.4838	0.6639	1.1477	0.8480

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
X Accumulation				
Group 1	0.9133	–	0.9133	1.3689
Group 2	0.5806	0.3327	0.9133	1.3689

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 Select Fixed Income Fund

For the year ended 31 March 2022

Fund objective and policy

The investment objective of the Close Select Fixed Income Fund ("the Select Fund") is to generate income while maintaining its capital value over the medium term.

The Select Fund will invest mainly in Sterling denominated fixed interest securities (including government bonds and corporate bonds) and deposits (including money market instruments), and may also invest in international fixed income securities.

In order to gain indirect exposure to fixed interest securities and deposits (including money market instruments), the Select Fund may also invest in collective investment schemes (which may include schemes managed by the Manager or an affiliate of the Manager) and closed-ended funds.

The Select Fund may use derivatives for efficient portfolio management.

Currency hedging for exposure in foreign currencies was initiated in March 2015 and the Manager has had discretion to hedge up to 80% of all non-sterling currency positions. Effective April 2021, post financial year end, the non-sterling currency hedging limit was formally reviewed and increased to 95%.

Investment Report

Market commentary

Fund Performance

The Select Fixed Income fund returned -1.1% in the 12 months to 31st March 2022. Over the same time period, the IA Strategic Bond sector returned -2.2%.

Macro Backdrop

Newsflow over the last 12-months has been dominated by 4 key items: 1) the easing of social restrictions as coronavirus risks subside; 2) fears over supply-chain bottlenecks and impact on inflation; 3) the Russia-Ukraine crisis; and 4) Central Bank actions to combat high levels of inflation across all major markets.

Against this backdrop, the Federal Reserve raised rates (to 0.25 – 0.50%) for the first time since December 2018; the Bank of England raised rates 3 times to 0.75% (from 0.10%); and the ECB kept the policy rate stable (at -0.50%), but rhetoric has become increasingly hawkish – indicating the ECB may raise rates in the next 12 months.

In the UK, March 2022 Composite PMI data remained strong at 60.9 (Mar-21 = 56.4). Despite the strong PMI data, consensus 2022 GDP growth forecasts were volatile, and in March 2022 they were downgraded to +4.0% (from +4.3% in Feb-22, and +4.5% in Jan-22). Inflation was also volatile over the last 12 months, rising from just +0.7% in March 2021, to +6.2% in February 2022.

In the US, March 2022 Composite PMI data remained strong (albeit volatile) at 57.7 (Mar-21 = 59.7). Despite the strong PMI data, consensus 2022 GDP growth forecasts were similarly volatile. Much like the UK, March 2022 forecasts were again downgraded to +3.5% (from +3.7% in Feb-22). Inflation was also volatile over the last 12 months, rising from just +2.6% in March 2021, to +8.5% in March 2022.

In the Eurozone, March 2022 Composite PMI data remained relatively strong (though not as strong as UK or US) at 54.9 (Mar-21 = 53.2). In-line with the UK and US, consensus 2022 GDP growth forecasts have been steadily revised downwards to +3.2% (from +4.0% in Feb-22). Inflation was also volatile over the last 12 months, rising from just +1.3% in March 2021, to +7.5% in March 2022.

Portfolio Characteristics

On the portfolio construction side, cash levels are 6%; duration is 3.1 years; and the yield to expected call is 4.4% (Yield to Maturity = 5.0%, but we believe the lower figure is a more accurate measure of yield). The average rating on the fund is BBB+, and the unrated portion of the fund is just 5.2%.

Outlook & Strategy

In order to ensure capital preservation and deliver a high level of monthly income, we continue to seek out the best risk/reward ideas across investment grade, unrated and high yield bond 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 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Select Fund X Income	(1.1%)	15.2%	(2.8%)	3.1%	2.9%
IA Sterling Strategic Bond Sector*	(2.2%)	12.4%	(1.4%)	2.1%	2.3%

Source: Produced by Close Asset Management (UK) Limited 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 3 because funds of this type have experienced low to 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.

Effective from 1 February 2022, the synthetic risk and reward indicator for the Select Fund changed from 4 to 3.

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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	104.55	93.95	101.40
Return before operating charges	(0.57)	15.00	(2.39)
Operating charges	(0.14)	(0.13)	(0.13)
Return after operating charges	(0.71)	14.87	(2.52)
Distributions	(4.22)	(4.27)	(4.93)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	99.62	104.55	93.95
After direct transaction costs of**	0.00	(0.01)	(0.01)
Performance			
Return after charges	(0.68%)	15.83%	(2.49%)
Other information			
Closing net asset value £'000	52,243	76,790	81,275
Closing number of units	52,440,388	73,446,738	86,510,011
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	106.90	105.20	106.40
Lowest unit price	99.88	94.35	92.72

For the year ended X Income units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	104.48	93.89	101.33
Return before operating charges	(0.57)	15.00	(2.39)
Operating charges	(0.50)	(0.49)	(0.49)
Return after operating charges	(1.07)	14.51	(2.88)
Distributions	(3.85)	(3.92)	(4.56)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	99.56	104.48	93.89
After direct transaction costs of**	0.00	(0.01)	(0.01)
Performance			
Return after charges	(1.02%)	15.45%	(2.84%)
Other information			
Closing net asset value £'000	82,559	70,317	78,063
Closing number of units	82,922,137	67,299,664	83,145,136
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	106.80	105.10	106.40
Lowest unit price	99.80	94.28	92.63

*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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	113.79	98.39	101.57
Return before operating charges	(0.73)	15.92	(2.67)
Operating charges	(0.56)	(0.52)	(0.51)
Return after operating charges	(1.29)	15.40	(3.18)
Distributions	(4.26)	(4.18)	(4.67)
Retained distributions on accumulation units	4.26	4.18	4.67
Closing net asset value per unit*	112.50	113.79	98.39
After direct transaction costs of**	0.00	(0.01)	(0.01)
Performance			
Return after charges	(1.13%)	15.65%	(3.13%)
Other information			
Closing net asset value £'000	26,951	18,723	20,588
Closing number of units	23,956,603	16,454,027	20,925,838
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	117.70	114.20	110.60
Lowest unit price	112.30	98.79	96.68

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 93.47% (31/3/2021 - 90.74%)			
Sterling Denominated Fixed Rate Corporate Bonds - 50.33% (31/3/2021 - 52.05%)			
£1,250,000	A2D Funding II 4.5% 30/9/2026	1,339	0.83
£3,900,000	A2Dominion Housing 3.5% 15/11/2028	4,016	2.48
£4,170,000	abrdrn 5.25% Perpetual	4,064	2.51
£4,200,000	Bank of Ireland 3.125% 19/9/2027	4,201	2.60
£2,700,000	BHP Billiton Finance 6.5% 22/10/2077	2,744	1.70
£2,368,300	Burford Capital 5% 1/12/2026	2,283	1.41
£1,800,000	Co-Operative 7.5% 8/7/2026	1,909	1.18
£3,800,750	Co-Operative 11% 18/12/2025	4,561	2.82
£4,379,000	Hiscox 6.125% 24/11/2045	4,636	2.87
£3,350,000	Jerrold Finco 5.25% 15/1/2027	3,223	1.99
£2,000,000	Jupiter Fund Management 8.875% 27/7/2030	2,266	1.40
£4,259,000	Just 9% 26/10/2026	5,013	3.10
£1,600,000	Lloyds Bank Corporate Markets 1.5% 23/6/2023	1,587	0.98
£3,980,000	Paragon Banking 4.375% 25/9/2031	4,124	2.55
£2,375,000	Paragon Banking 6% 28/8/2024	2,505	1.55
£1,800,000	Pension Insurance 4.625% 7/5/2031	1,833	1.13
£1,600,000	Pension Insurance 6.5% 3/7/2024	1,719	1.06
£2,800,000	Phoenix 5.867% 13/6/2029	3,136	1.94
£2,000,000	QBE Insurance 6.115% 24/5/2042	2,016	1.25
£2,500,000	Rothsay Life 3.375% 12/7/2026	2,491	1.54
£350,000	Rothsay Life 6.875% Perpetual	370	0.23
£3,150,000	Rothsay Life 8% 30/10/2025	3,600	2.22
£1,800,000	Scottish Widows 5.5% 16/6/2023	1,860	1.15
£2,000,000	Shawbrook 9% 10/10/2030	2,039	1.26
£1,279,000	TP ICAP Finance 5.25% 26/1/2024	1,315	0.81
£650,000	TP ICAP Finance 5.25% 29/5/2026	675	0.42
£2,300,000	Travis Perkins 3.75% 17/2/2026	2,277	1.41
£2,517,000	Travis Perkins 4.5% 7/9/2023	2,542	1.57
£2,600,000	Utmost 4% 15/12/2031	2,363	1.46
£4,550,000	Virgin Money UK 5.125% 11/12/2030	4,702	2.91
		81,409	50.33

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Floating Rate Corporate Bonds - 2.63% (31/3/2021 - 1.51%)			
£4,200,000	Nationwide Building Society 5.875% FRN Perpetual	4,258	2.63
Euro Denominated Fixed Rate Corporate Bonds - 8.43% (31/3/2021 - 7.58%)			
€2,900,000	AT&T 2.875% Perpetual	2,383	1.47
€1,500,000	EDP - Energias de Portugal 1.5% 14/3/2082	1,141	0.71
€5,000,000	Holcim Finance Luxembourg 3% Perpetual	4,230	2.61
€5,250,000	International Personal Finance 9.75% 12/11/2025	4,222	2.61
€2,000,000	Volkswagen International Finance 3.875% Perpetual	1,661	1.03
		13,637	8.43
Euro Denominated Floating Rate Corporate Bonds - 1.37% (31/3/2021 - 1.37%)			
€2,600,000	Barclays 2% FRN 7/2/2028	2,209	1.37
United States Dollar Denominated Fixed Rate Corporate Bonds - 29.65% (31/3/2021 - 27.67%)			
\$2,604,000	Barclays Bank 7.625% 21/11/2022	2,027	1.25
\$2,550,000	Beazley Insurance DAC 5.5% 10/9/2029	1,927	1.19
\$4,650,000	Beazley Insurance DAC 5.875% 4/11/2026	3,646	2.25
\$5,000,000	Burford Capital Finance 6.125% 12/8/2025	3,738	2.31
\$600,000	Burford Capital Global Finance 6.25% 15/4/2028	463	0.29
\$3,500,000	Dresdner Funding Trust I 8.151% 30/6/2031	3,353	2.07
\$6,400,000	Hikma Finance USA 3.25% 9/7/2025	4,715	2.92
\$4,560,000	Lancashire 5.625% 18/9/2041	3,221	1.99
\$7,456,000	Louis Dreyfus Finance 5.25% 13/6/2023	5,727	3.54
\$6,850,000	Perenti Finance Pty 6.5% 7/10/2025	5,172	3.20
\$1,400,000	Pershing Square 3.25% 15/11/2030	982	0.61
\$2,500,000	Phoenix 4.75% 4/9/2031	1,883	1.16
\$4,450,000	QBE Insurance 7.5% 24/11/2043	3,557	2.20
\$5,100,000	Trafigura Funding 5.25% 19/3/2023	3,767	2.33
\$4,216,000	Trafigura Pte 5.875% Perpetual	2,810	1.74
\$1,200,000	UBS 7% Perpetual	965	0.60
		47,953	29.65
United States Dollar Denominated Floating Rate Corporate Bonds - 1.06% (31/3/2021 - 0.56%)			
\$1,200,000	Credit Suisse 6.25% FRN Perpetual	918	0.56
\$1,200,000	Zurich Finance Ireland Designated Activity 3% FRN 19/4/2051	805	0.50
		1,723	1.06

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	DERIVATIVES* - (0.02%) (31/3/2021 - (0.13%))		
	Open Forward Currency Contracts - (0.02%) (31/3/2021 - (0.13%))		
£13,463,972	Bought GBP 13,463,972 : Sold EUR 16,016,322	(75)	(0.05)
£1,603,038	Bought GBP 1,603,038 : Sold EUR 1,897,519	(1)	–
£47,674,472	Bought GBP 47,674,472 : Sold USD 62,707,531	45	0.03
		(31)	(0.02)
	Portfolio of investments	151,158	93.45
	Net other assets	10,595	6.55
	Total net assets	161,753	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 £27,546.

Financial statements

Statement of total return for the year ended 31 March 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital (losses)/gains	2		(8,333)		20,647
Revenue	3	7,000		8,423	
Expenses	4	(572)		(607)	
Interest payable and similar charges	6	–		(5)	
Net revenue before taxation for the year		6,428		7,811	
Taxation	5	–		(15)	
Net revenue after taxation for the year			6,428		7,796
Total return before distributions			(1,905)		28,443
Distributions	7		(6,428)		(7,796)
Change in net assets attributable to unitholders from investment activities			(8,333)		20,647

Statement of change in net assets attributable to unitholders for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		165,830		179,926
Amounts received on creation of units	46,017		35,716	
Amounts paid on cancellation of units	(42,769)		(71,531)	
		3,248		(35,815)
Dilution adjustment		166		314
Change in net assets attributable to unitholders from investment activities		(8,333)		20,647
Retained distribution on accumulation units		842		758
Closing net assets attributable to unitholders		161,753		165,830

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			151,234		150,511
Current assets					
Debtors	8	3,405		2,743	
Cash and bank balances	9	7,962		13,672	
Total other assets			11,367		16,415
Total assets			162,601		166,926
LIABILITIES					
Investment liabilities			(76)		(258)
Creditors					
Distribution payable		(496)		(488)	
Other creditors	10	(276)		(350)	
Total other liabilities			(772)		(838)
Total liabilities			(848)		(1,096)
Net assets attributable to unitholders			161,753		165,830

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)/gains

	Year to 31/3/2022	Year to 31/3/2021
	GBP	GBP
	£'000	£'000
Net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on forward currency contracts	(879)	3,078
(Losses)/gains on non-derivative securities	(5,939)	16,972
Currency (losses)/gains	(1,515)	597
Net capital (losses)/gains	(8,333)	20,647

3. Revenue

	Year to 31/3/2022	Year to 31/3/2021
	GBP	GBP
	£'000	£'000
Interest from overseas fixed interest securities	3,455	3,303
Interest from UK fixed interest securities	3,545	4,631
Non-taxable overseas dividends	–	150
UK dividends	–	339
Total revenue	7,000	8,423

4. Expenses

	Year to 31/3/2022	Year to 31/3/2021
	GBP	GBP
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	572	607
Total expenses	572	607

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation (credit)/charge in the year		
Overseas tax	–	15
Total taxation	–	15

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	6,428	7,811
Corporation tax at 20% (31/3/2021 - 20%)	1,286	1,562

Effects of:

Overseas tax	–	15
Revenue not subject to tax	–	(97)
Tax deductible interest distributions	(1,286)	(1,465)
Total taxation (see note 5(a))	–	15

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	–	5
	–	5

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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
1st Interim distribution	534	748
2nd Interim distribution	507	1,066
3rd Interim distribution	531	681
4th Interim distribution	533	695
5th Interim distribution	547	614
6th Interim distribution	531	602
7th Interim distribution	531	593
8th Interim distribution	543	569
9th Interim distribution	548	590
10th Interim distribution	517	576
11th Interim distribution	505	452
Final distribution	592	547
	6,419	7,733
Add: Revenue deducted on cancellation of units	84	121
Less: Revenue received on creation of units	(75)	(58)
Net distribution for the year	6,428	7,796

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	2,930	2,556
Receivable for creation of units	475	187
Total debtors	3,405	2,743

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Cash and bank balances	7,962	13,672

10. Other creditors

	As at 31/3/2022	As at 31/3/2021
	GBP £'000	GBP £'000
Accrued expenses	51	44
Payable for cancellation of units	225	306
Total other creditors	276	350

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	Euro	–	
US Dollar	–	2,731	2,731
Total	–	3,815	3,815

The currency profile for the Select Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	Euro	–	
US Dollar	–	9,851	9,851
Total	–	13,057	13,057

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 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)

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	5,699	144,754	58	150,511
Investment liabilities	–	–	(258)	(258)

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
31/3/2022		
Level 1: Quoted prices	–	–
Level 2: Observable market data	151,234	(76)
Level 3: Unobservable data	–	–
	151,234	(76)

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	–	–
Level 2: Observable market data	150,511	(258)
Level 3: Unobservable data	–	–
	150,511	(258)

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 7.

d) Credit rating

Bond holdings by credit ratings breakdown	% of net assets as at 31/3/2022	% of net assets as at 31/3/2021
Investment Grade	23.24	19.08
Below Investment Grade	34.04	30.45
Not Rated	36.19	41.21
	93.47	90.74

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	172,791	–	–	–	–
Total	172,791	–		–	
Total purchases including commission and taxes	172,791				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	6,300	–	–	–	–
Debt instruments (direct)	174,709	–	–	–	–
Collective investment schemes	14,230	11	0.08	–	–
Total	195,239	11		–	
Total sales net of commissions and taxes	195,228				

Total transaction costs		11		–	
Total transaction costs as a % of average net assets		0.01%		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.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Select 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 Select 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 Select 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 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 0.82% (31/3/2021 - 0.72%).

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 290.

The balance due from the Select Fund at the year end in respect of fees paid to the Manager was £50,680 (31/3/2021 - £44,495).

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

	Unit holding %	Related party name
Select Fund	35.73	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	I Income units	X Income units	X Accumulation units
Opening units	73,446,738	67,299,664	16,454,027
Units created	2,159,912	31,430,858	9,240,616
Units cancelled	(23,144,372)	(15,830,297)	(1,738,040)
Units converted	(21,890)	21,912	–
Closing units	52,440,388	82,922,137	23,956,603

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 2022

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 March 2022

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

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/4/2022	Distribution Paid per Unit on 30/4/2021
I Income				
Group 1	0.3852	–	0.3852	0.3612
Group 2	0.0902	0.2950	0.3852	0.3612
X Income				
Group 1	0.3550	–	0.3550	0.3307
Group 2	0.1588	0.1962	0.3550	0.3307
X Accumulation				
Group 1	0.3999	–	0.3999	0.3591
Group 2	0.2151	0.1848	0.3999	0.3591

11th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased between 1 February 2022 and 28 February 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/3/2022	Distribution Paid per Unit on 31/3/2021
I Income				
Group 1	0.3254	–	0.3254	0.2896
Group 2	0.1720	0.1534	0.3254	0.2896
X Income				
Group 1	0.2978	–	0.2978	0.2611
Group 2	0.1728	0.1250	0.2978	0.2611
X Accumulation				
Group 1	0.3345	–	0.3345	0.2829
Group 2	0.1955	0.1390	0.3345	0.2829

Distribution tables

continued

10th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2022

Group 2: units purchased between 1 January 2022 and 31 January 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2022	Distribution Paid per Unit on 28/2/2021
I Income				
Group 1	0.3388	–	0.3388	0.3364
Group 2	0.1366	0.2022	0.3388	0.3364
X Income				
Group 1	0.3075	–	0.3075	0.3051
Group 2	0.1131	0.1944	0.3075	0.3051
X Accumulation				
Group 1	0.3442	–	0.3442	0.3293
Group 2	0.1520	0.1922	0.3442	0.3293

9th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 December 2021

Group 2: units purchased between 1 December 2021 and 31 December 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/1/2022	Distribution Paid per Unit on 31/1/2021
I Income				
Group 1	0.3443	–	0.3443	0.3419
Group 2	0.1128	0.2315	0.3443	0.3419
X Income				
Group 1	0.3129	–	0.3129	0.3108
Group 2	0.1552	0.1577	0.3129	0.3108
X Accumulation				
Group 1	0.3492	–	0.3492	0.3346
Group 2	0.1893	0.1599	0.3492	0.3346

Distribution tables

continued

8th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased between 1 November 2021 and 30 November 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/12/2021	Distribution Paid per Unit on 31/12/2020
I Income				
Group 1	0.3454	–	0.3454	0.3146
Group 2	0.1754	0.1700	0.3454	0.3146
X Income				
Group 1	0.3152	–	0.3152	0.2849
Group 2	0.2630	0.0522	0.3152	0.2849
X Accumulation				
Group 1	0.3506	–	0.3506	0.3058
Group 2	0.1794	0.1712	0.3506	0.3058

7th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 October 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
I Income				
Group 1	0.3582	–	0.3582	0.3241
Group 2	0.1802	0.1780	0.3582	0.3241
X Income				
Group 1	0.3268	–	0.3268	0.2936
Group 2	0.0915	0.2353	0.3268	0.2936
X Accumulation				
Group 1	0.3626	–	0.3626	0.3142
Group 2	0.1291	0.2335	0.3626	0.3142

Distribution tables

continued

6th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 September 2021

Group 2: units purchased between 1 September 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/10/2021	Distribution Paid per Unit on 31/10/2020
I Income				
Group 1	0.3504	–	0.3504	0.3289
Group 2	0.1236	0.2268	0.3504	0.3289
X Income				
Group 1	0.3195	–	0.3195	0.2998
Group 2	0.1400	0.1795	0.3195	0.2998
X Accumulation				
Group 1	0.3534	–	0.3534	0.3199
Group 2	0.1081	0.2453	0.3534	0.3199

5th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 August 2021

Group 2: units purchased between 1 August 2021 and 31 August 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/9/2021	Distribution Paid per Unit on 30/9/2020
I Income				
Group 1	0.3611	–	0.3611	0.3344
Group 2	0.1955	0.1656	0.3611	0.3344
X Income				
Group 1	0.3293	–	0.3293	0.3035
Group 2	0.1797	0.1496	0.3293	0.3035
X Accumulation				
Group 1	0.3631	–	0.3631	0.3219
Group 2	0.1372	0.2259	0.3631	0.3219

Distribution tables

continued

4th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2021

Group 2: units purchased between 1 July 2021 and 31 July 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2021	Distribution Paid per Unit on 31/8/2020
I Income				
Group 1	0.3535	–	0.3535	0.3635
Group 2	0.1063	0.2472	0.3535	0.3635
X Income				
Group 1	0.3219	–	0.3219	0.3332
Group 2	0.0475	0.2744	0.3219	0.3332
X Accumulation				
Group 1	0.3535	–	0.3535	0.3538
Group 2	0.1230	0.2305	0.3535	0.3538

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 June 2021

Group 2: units purchased between 1 June 2021 and 30 June 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
I Income				
Group 1	0.3610	–	0.3610	0.3521
Group 2	0.2015	0.1595	0.3610	0.3521
X Income				
Group 1	0.3302	–	0.3302	0.3241
Group 2	0.1511	0.1791	0.3302	0.3241
X Accumulation				
Group 1	0.3618	–	0.3618	0.3426
Group 2	0.2180	0.1438	0.3618	0.3426

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 May 2021

Group 2: units purchased between 1 May 2021 and 31 May 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/6/2021	Distribution Paid per Unit on 30/6/2020
I Income				
Group 1	0.3451	–	0.3451	0.5404
Group 2	0.1058	0.2393	0.3451	0.5404
X Income				
Group 1	0.3134	–	0.3134	0.5111
Group 2	0.1606	0.1528	0.3134	0.5111
X Accumulation				
Group 1	0.3422	–	0.3422	0.5376
Group 2	0.1900	0.1522	0.3422	0.5376

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 April 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/5/2021	Distribution Paid per Unit on 31/5/2020
I Income				
Group 1	0.3512	–	0.3512	0.3859
Group 2	0.1648	0.1864	0.3512	0.3859
X Income				
Group 1	0.3194	–	0.3194	0.3581
Group 2	0.0899	0.2295	0.3194	0.3581
X Accumulation				
Group 1	0.3481	–	0.3481	0.3753
Group 2	0.2346	0.1135	0.3481	0.3753

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 2022

Fund objective and policy

The investment objective of the Close Tactical Select Passive Conservative Fund ("the Tactical Conservative Fund") is to achieve income and moderate capital growth.

The Tactical Conservative Fund will invest primarily in passively managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

Allocation between the schemes and funds in which the Tactical Conservative Fund invests will be actively managed.

The underlying equity component 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), money market instruments and deposits.

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.

The Tactical 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 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.

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).

From March to September 2021, the broad equity markets had been strong despite the rate increase fears that caused the markets to go down at end of February. As such, the Fund did fairly well during this period and was up +4.4%. Most of the gains came from Q2 2021 when the Fund was up +3.7%. This was on the back of a better economic outlook warranted by vaccine rollout at the time and the anticipation of the ending of lockdowns. With opening of the economies priced in already, Q3 was relatively flat as the markets rallied in July and August just to come back down in September. The September crash was instigated by China's crackdown on tech companies. Overall for Q3 2021 the Fund was still positive and returned +0.7%. The next half year from September 2021 to March 2022 was the exact opposite, with interest rates rising across the developed markets and inflation hitting the decade's high at high single digits. This was particularly bad for high growth tech companies that were in the "stay at home" theme as the world was recovering from pandemic and people going back to the office. The final quarter of 2021 was a bit better and the Fund was up +2.0%. On the other hand, the beginning of 2022 has been difficult to manoeuvre, with bad news hitting the markets at the same time. We now have higher inflation prompting more aggressive rate hikes, while we are still not fully out of the pandemic and Russia invading Ukraine. However, due to its multi-asset nature and diversification benefits the Fund did relatively well being down only -2.9% for Q1 2022 while the peer group IA 20-60 was down -3.3%. Regardless, over the full 12 months to end of March 2022 the Fund was still up at +3.5%, outperforming the IA 20-60 peer group which was only up +2.7%.

As the dispersion of stock returns has come down, we have been able to take advantage of this in our fund and kept the Fund steady. Being well diversified with exposure to commodities, the Q1 2022 falls had much less of an impact than for a single asset class or simple equity and bond portfolio. The benefit of being able to hold shorter duration bonds has helped the performance. Holdings like First Trust US Equity Income UCITS ETF to which we have added to earlier this year have also helped to balance our allocation to tech and growth areas.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Tactical Conservative Fund X Accumulation	3.5%	15.6%	(6.1%)	4.1%	0.1%
IA Mixed Investments 20-60% Sector	2.7%	19.8%	(7.2%)	2.9%	0.8%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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
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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 substantial 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 0.16% (31/3/2021 - 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	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	237.62	208.20	226.49
Return before operating charges	8.97	33.80	(13.16)
Operating charges	(1.18)	(1.11)	(1.12)
Return after operating charges	7.79	32.69	(14.28)
Distributions	(3.51)	(3.27)	(4.01)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	241.90	237.62	208.20
After direct transaction costs of**	(0.01)	(0.02)	(0.02)
Performance			
Return after charges	3.28%	15.70%	(6.30%)
Other information			
Closing net asset value £'000	7,087	6,703	10,540
Closing number of units	2,929,650	2,820,738	5,062,463
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.01%	0.01%	0.01%
Prices*			
Highest unit price	254.10	243.60	243.00
Lowest unit price	235.40	206.30	197.20

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	277.65	239.89	256.37
Return before operating charges	10.49	39.04	(15.20)
Operating charges	(1.39)	(1.28)	(1.28)
Return after operating charges	9.10	37.76	(16.48)
Distributions	(4.12)	(3.78)	(4.56)
Retained distributions on accumulation units	4.12	3.78	4.56
Closing net asset value per unit*	286.75	277.65	239.89
After direct transaction costs of**	(0.01)	(0.02)	(0.03)
Performance			
Return after charges	3.28%	15.74%	(6.43%)
Other information			
Closing net asset value £'000	218,713	213,635	167,396
Closing number of units	76,274,376	76,942,904	69,780,663
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.01%	0.01%	0.01%
Prices*			
Highest unit price	299.50	283.10	277.80
Lowest unit price	277.40	237.70	225.40

*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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 43.66% (31/3/2021 - 45.20%)			
United Kingdom - 18.29% (31/3/2021 - 16.86%)			
85,400	Amundi Prime UK Mid & Small Cap	2,039	0.90
7,472,055	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	14,518	6.43
1,237,310	iShares Core FTSE 100 UCITS ETF	9,153	4.05
151,165	Vanguard FTSE 100 UCITS ETF	5,010	2.22
76,805	Vanguard FTSE 250 UCITS ETF	2,517	1.12
34,195	Vanguard FTSE UK All Share Index Unit Trust	8,065	3.57
		41,302	18.29
Europe - 4.58% (31/3/2021 - 7.45%)			
289,215	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	3,246	1.44
128,845	Vanguard FTSE Developed Europe ex UK UCITS ETF	3,865	1.71
92,170	Xtrackers Euro Stoxx 50 UCITS ETF	3,225	1.43
		10,336	4.58
Asia Pacific (ex Japan) - 3.34% (31/3/2021 - 3.33%)			
2,212,435	HSBC Index Tracker Investment Funds - Pacific Index Fund	7,553	3.34
Japan - 0.89% (31/3/2021 - 0.95%)			
47,000	Amundi Prime Japan UCITS ETF DR (D)	965	0.43
934,310	HSBC Index Tracker Investment Funds - Japan Index Fund	1,043	0.46
		2,008	0.89
North America - 12.00% (31/3/2021 - 11.02%)			
202,320	First Trust US Equity Income UCITS ETF	4,896	2.17
9,550	Invesco Technology S&P US Select Sector UCITS ETF	2,884	1.28
59,790	Lyxor Nasdaq-100 UCITS ETF	2,717	1.20
109,810	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	2,483	1.10
87,630	SPDR S&P U.S. Financials Select Sector UCITS ETF	2,904	1.28
79,790	Vanguard S&P 500 UCITS ETF	5,281	2.34
9,345	Vanguard US Equity Index Fund	5,934	2.63
		27,099	12.00
Emerging Markets - 2.85% (31/3/2021 - 3.18%)			
1,602,700	Amundi MSCI Emerging Markets UCITS ETF	6,428	2.85

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
137,675	Global - 1.71% (31/3/2021 - 2.41%) VanEck Video Gaming and eSports UCITS ETF	3,865	1.71
	FIXED INTEREST - 41.65% (31/3/2021 - 42.15%)		
	United Kingdom Gilts & Corporate Bonds - 41.65% (31/3/2021 - 42.15%)		
3,845,430	Close Sustainable Bond Portfolio Fund ⁺	3,642	1.61
14,882,890	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	13,954	6.18
28,165	Invesco UK Gilt 1-5 Year UCITS ETF	1,104	0.49
81,050	iShares Core Sterling Corporate Bond UCITS ETF	11,363	5.03
120,895	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	12,310	5.45
67,535	JPMorgan BetaBuilders UK Gilt 1-5 YR UCITS ETF	6,626	2.94
77,105	Lyxor Core UK Government Bond DR UCITS ETF	10,027	4.44
40,910	Lyxor Core UK Government Inflation-Linked Bond DR UCITS ETF	8,571	3.80
808,580	Lyxor UK Government Bond 0-5Y DR UCITS ETF	13,956	6.18
425,670	SPDR Barclays 0-5 Year Sterling Corporate Bond UCITS ETF	12,485	5.53
		94,038	41.65
	ALTERNATIVE - 9.90% (31/3/2021 - 7.78%)		
18,050	Invesco Physical Gold ETC	2,577	1.14
217,240	iShares Global Infrastructure UCITS ETF	5,814	2.58
255,630	L&G Cyber Security UCITS ETF	4,819	2.13
175,810	Royal Mint Physical Gold ETC	2,586	1.15
80,660	UBS ETF CMCI Composite SF UCITS ETF	6,554	2.90
		22,350	9.90
	Portfolio of investments	214,979	95.21
	Net other assets	10,821	4.79
	Total net assets	225,800	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		4,228		25,788
Revenue	3	4,219		3,811	
Expenses	4	(727)		(662)	
Interest payable and similar charges	6	–		(2)	
Net revenue before taxation for the year		3,492		3,147	
Taxation	5	(247)		(235)	
Net revenue after taxation for the year			3,245		2,912
Total return before distributions			7,473		28,700
Distributions	7		(3,245)		(2,912)
Change in net assets attributable to unitholders from investment activities			4,228		25,788

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders		220,338		177,936
Amounts received on creation of units	20,237		29,626	
Amounts paid on cancellation of units	(22,136)		(15,855)	
		(1,899)		13,771
Dilution adjustment		4		2
Change in net assets attributable to unitholders from investment activities		4,228		25,788
Retained distribution on accumulation units		3,129		2,841
Closing net assets attributable to unitholders		225,800		220,338

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			214,979		209,605
Current assets					
Debtors	8	1,305		727	
Cash and bank balances	9	9,727		11,939	
Total other assets			11,032		12,666
Total assets			226,011		222,271
LIABILITIES					
Creditors					
Distribution payable		(41)		(37)	
Other creditors	10	(170)		(1,896)	
Total other liabilities			(211)		(1,933)
Total liabilities			(211)		(1,933)
Net assets attributable to unitholders			225,800		220,338

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	(4)	–
Gains on non-derivative securities	4,232	25,788
Net capital gains	4,228	25,788

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	1,543	1,233
Taxable overseas dividends	1,455	1,336
UK franked dividends from collective investment schemes	714	738
UK unfranked dividends from collective investment schemes	507	504
Total revenue	4,219	3,811

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	727	662
Total expenses	727	662

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	247	235
Total taxation	247	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	3,492	3,147
Corporation tax at 20% (31/3/2021 - 20%)	698	629
Effects of:		
Revenue not subject to tax	(451)	(394)
Total taxation (see note 5(a))	247	235

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	1,920	1,753
Final distribution	1,311	1,218
	3,231	2,971
Add: Revenue deducted on cancellation of units	88	64
Less: Revenue received on creation of units	(74)	(123)
Net distribution for the year	3,245	2,912

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	98	102
Receivable for creation of units	1,207	625
Total debtors	1,305	727

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	9,727	11,939

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	60	60
Corporation tax payable	110	105
Payable for cancellation of units	–	1,731
Total other creditors	170	1,896

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
US Dollar	29	23,477	23,506
Total	29	23,477	23,506

The currency profile for the Tactical Conservative Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Euro	17	–	17
US Dollar	27	24,107	24,134
Total	44	24,107	24,151

b) Interest rate risk

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	–	–	–	–

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	209,605	209,605
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
31/3/2022		
Level 1: Quoted prices	160,270	–
Level 2: Observable market data	54,709	–
Level 3: Unobservable data	–	–
	214,979	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	155,801	–
Level 2: Observable market data	53,804	–
Level 3: Unobservable data	–	–
	209,605	–

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 7.

13. Portfolio transaction costs

Year to 31 March 2022

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	29,961	6	0.02	–	–
Total	29,961	6		–	
Total purchases including commission and taxes	29,967				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
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%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	48,950	9	0.02	–	–
Total	48,950	9		–	
Total purchases including commission and taxes	48,959				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	31,552	5	0.02	–	–
Total	31,552	5		–	
Total sales net of commissions and taxes	31,547				

Total transaction costs	14	–
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 0.14% (31/3/2021 - 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 290.

The balance due from the Tactical Conservative Fund at the year end in respect of fees paid to the Manager was £59,969 (31/3/2021 - £59,825).

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

	Unit holding %	Related party name
Tactical Conservative Fund	73.69	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	X Income units	X Accumulation units
Opening units	2,820,738	76,942,904
Units created	372,083	6,780,051
Units cancelled	(165,409)	(7,532,698)
Units converted	(97,762)	84,119
Closing units	2,929,650	76,274,376

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
X Income				
Group 1	1.4124	–	1.4124	1.3194
Group 2	0.9265	0.4859	1.4124	1.3194
X Accumulation				
Group 1	1.6644	–	1.6644	1.5343
Group 2	0.6525	1.0119	1.6644	1.5343

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
X Income				
Group 1	2.0978	–	2.0978	1.9467
Group 2	1.0975	1.0003	2.0978	1.9467
X Accumulation				
Group 1	2.4511	–	2.4511	2.2433
Group 2	1.4218	1.0293	2.4511	2.2433

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 2022

Fund objective and policy

The investment objective of the Close Tactical Select Passive Balanced Fund ("the Tactical Balanced Fund") is to generate capital growth with some income.

The Tactical Balanced Fund will invest primarily in passively managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

Allocation between the schemes and funds in which the Tactical Balanced Fund invests will be actively managed.

The underlying equity component 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), money market instruments and deposits.

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.

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.

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).

From March to September 2021, the broad equity markets have been strong despite the rate increase fears that caused the markets to go down at end of February. As such, the Fund did fairly well during this period and was up +5.8%. Most of the gains came from Q2 2021 when the Fund was up +4.5%. This was on the back of a better economic outlook warranted by vaccine rollout at the time and the anticipation of the ending of lockdowns. With opening of the economies priced in already, Q3 was relatively flat as the markets rallied in July and August just to come back down in September. The September crash was instigated by China's crackdown on tech companies. Overall for Q3 2021 the Fund was still positive and returned +1.2%. The next half year from September 2021 to March 2022 was the exact opposite, with interest rates rising across the developed markets and inflation hitting decades high at high single digits. This was particularly bad for high growth tech companies that were in the "stay at home" theme as the world was recovering from pandemic and people going back to the office. Final quarter of 2021 was a bit better and the Fund was up +2.8%. On the other hand, beginning of 2022 has been difficult to manoeuvre, with bad news hitting the markets at the same time. We now have higher inflation prompting more aggressive rate hikes, while we are still not fully out of the pandemic and Russia invading Ukraine. However, due to its multi-asset nature and diversification benefits the Fund did relatively well being down only -2.7% for Q1 2022 while the peer group IA 40-85 was down -3.6%. Regardless, over the full 12 months to end of March 2022 the Fund was still up at +5.8%, outperforming the IA 40-85 peer group which was only up +5.3%.

As the dispersion of stock returns has come down, we have been able to take advantage of this in our fund and kept the Fund steady. Being well diversified with exposure to commodities, the Q1 2022 falls had much less of an impact than for a single asset class or simple equity and bond portfolio. The benefit of being able to hold shorter duration bonds has helped the performance. Holdings like First Trust US Equity Income UCITS ETF to which we have added to earlier this year have also helped balance our allocation to tech and growth areas.

Investment Report

continued

Fund Performance

Performance for the Tactical Balanced Fund over the last five years.

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Tactical Balanced Fund X Accumulation	5.8%	22.8%	(8.5%)	4.9%	0.6%
IA Mixed Investments 40-85% Sector	5.2%	26.4%	(8.0%)	4.3%	1.5%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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
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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 substantial 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 0.16% (31/3/2021 - 0.17%).

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*	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	106.33	86.58	100.00
Return before operating charges	6.30	20.02	(13.15)
Operating charges	(0.29)	(0.27)	(0.27)
Return after operating charges	6.01	19.75	(13.42)
Distributions	(1.88)	(1.64)	(1.21)
Retained distributions on accumulation units	1.88	1.64	1.21
Closing net asset value per unit**	112.34	106.33	86.58
After direct transaction costs of***	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	5.65%	22.81%	(13.42%)
Other information			
Closing net asset value £'000	1,603	1,803	1,384
Closing number of units	1,426,953	1,695,720	1,599,253
Operating charges	0.26%	0.27%	0.27%
Direct transaction costs***	0.00%	0.01%	0.01%
Prices**			
Highest unit price	117.20	108.10	104.80
Lowest unit price	106.70	84.77	81.21

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	315.00	256.96	281.49
Return before operating charges	18.80	59.55	(23.03)
Operating charges	(1.66)	(1.51)	(1.50)
Return after operating charges	17.14	58.04	(24.53)
Distributions	(4.92)	(4.31)	(5.29)
Retained distributions on accumulation units	4.92	4.31	5.29
Closing net asset value per unit**	332.14	315.00	256.96
After direct transaction costs of***	(0.02)	(0.02)	(0.03)
Performance			
Return after charges	5.44%	22.59%	(8.71%)
Other information			
Closing net asset value £'000	321,642	283,012	214,721
Closing number of units	96,838,440	89,845,748	83,562,057
Operating charges	0.50%	0.51%	0.51%
Direct transaction costs***	0.00%	0.01%	0.01%
Prices**			
Highest unit price	346.80	320.50	311.10
Lowest unit price	315.50	251.50	240.90

*I Accumulation unit class launched 15 July 2019.

**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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 64.63% (31/3/2021 - 64.24%)			
United Kingdom - 23.27% (31/3/2021 - 20.59%)			
284,055	Amundi Prime UK Mid & Small Cap	6,782	2.10
5,709,063	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	17,847	5.52
1,993,300	iShares Core FTSE 100 UCITS ETF	14,744	4.56
317,295	Vanguard FTSE 100 UCITS ETF	10,517	3.25
314,025	Vanguard FTSE 250 UCITS ETF	10,292	3.19
63,751	Vanguard FTSE UK All Share Index Unit Trust	15,035	4.65
		75,217	23.27
Europe - 8.59% (31/3/2021 - 11.33%)			
706,425	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	7,927	2.45
351,980	Vanguard FTSE Developed Europe ex UK UCITS ETF	10,558	3.27
181,340	Xtrackers Euro Stoxx 50 UCITS ETF	9,283	2.87
		27,768	8.59
Asia Pacific (ex Japan) - 4.71% (31/3/2021 - 5.14%)			
2,823,205	HSBC Index Tracker Investment Funds - Pacific Index Fund	15,225	4.71
Japan - 1.69% (31/3/2021 - 1.98%)			
88,900	Amundi Prime Japan UCITS ETF DR (D)	1,825	0.56
2,547,860	HSBC Index Tracker Investment Funds - Japan Index Fund	3,638	1.13
		5,463	1.69
North America - 20.77% (31/3/2021 - 17.23%)			
403,550	First Trust US Equity Income UCITS ETF	9,766	3.02
20,900	Invesco Technology S&P US Select Sector UCITS ETF	6,311	1.95
145,005	Lyxor Nasdaq-100 UCITS ETF	6,590	2.04
1,479,170	Schroder US Equity Income Maximiser Fund	1,311	0.41
240,325	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	5,434	1.68
194,075	SPDR S&P U.S. Financials Select Sector UCITS ETF	6,431	1.99
270,510	Vanguard S&P 500 UCITS ETF	17,906	5.54
17,750	Vanguard US Equity Index Fund	13,398	4.14
		67,147	20.77
Emerging Markets - 4.15% (31/3/2021 - 5.13%)			
3,340,170	Amundi MSCI Emerging Markets UCITS ETF	13,397	4.15

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
166,590	Global - 1.45% (31/3/2021 - 2.84%) VanEck Video Gaming and eSports UCITS ETF	4,677	1.45
	FIXED INTEREST - 21.98% (31/3/2021 - 22.27%)		
	United Kingdom Gilts & Corporate Bonds - 21.98% (31/3/2021 - 22.27%)		
2,704,580	Close Sustainable Bond Portfolio Fund ⁺	2,562	0.79
19,460,553	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	18,246	5.64
82,105	Invesco UK Gilt 1-5 Year UCITS ETF	3,219	1.00
106,365	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	10,830	3.35
62,686	Lyxor Core UK Government Bond DR UCITS ETF	8,152	2.52
19,530	Lyxor Core UK Government Inflation-Linked Bond DR UCITS ETF	4,092	1.27
730,700	Lyxor UK Government Bond 0-5Y DR UCITS ETF	12,612	3.90
386,915	SPDR Barclays 0-5 Year Sterling Corporate Bond UCITS ETF	11,348	3.51
		71,061	21.98
	ALTERNATIVE - 9.74% (31/3/2021 - 8.27%)		
23,125	Invesco Physical Gold ETC	3,301	1.02
283,360	iShares Global Infrastructure UCITS ETF	7,584	2.35
468,665	L&G Cyber Security UCITS ETF	8,835	2.73
224,480	Royal Mint Physical Gold ETC	3,302	1.02
104,170	UBS ETF CMCI Composite SF UCITS ETF	8,464	2.62
		31,486	9.74
	Portfolio of investments	311,441	96.35
	Net other assets	11,804	3.65
	Total net assets	323,245	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		11,133		46,454
Revenue	3	5,812		4,678	
Expenses	4	(1,067)		(870)	
Interest payable and similar charges	6	–		(3)	
Net revenue before taxation for the year		4,745		3,805	
Taxation	5	(71)		(65)	
Net revenue after taxation for the year			4,674		3,740
Total return before distributions			15,807		50,194
Distributions	7		(4,674)		(3,740)
Change in net assets attributable to unitholders from investment activities			11,133		46,454

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			284,815		216,105
Amounts received on creation of units		39,487		37,475	
Amounts paid on cancellation of units		(16,948)		(19,000)	
			22,539		18,475
Dilution adjustment			(4)		(4)
Change in net assets attributable to unitholders from investment activities			11,133		46,454
Retained distribution on accumulation units	7		4,762		3,785
Closing net assets attributable to unitholders			323,245		284,815

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			311,441		269,936
Current assets					
Debtors	8	622		1,026	
Cash and bank balances	9	11,504		14,204	
Total other assets			12,126		15,230
Total assets			323,567		285,166
LIABILITIES					
Creditors					
Other creditors	10	(322)		(351)	
Total other liabilities			(322)		(351)
Total liabilities			(322)		(351)
Net assets attributable to unitholders			323,245		284,815

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	(13)	(20)
Gains on non-derivative securities	11,146	46,474
Net capital gains	11,133	46,454

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	3,154	2,270
Taxable overseas dividends	780	702
UK franked dividends from collective investment schemes	1,236	1,207
UK unfranked dividends from collective investment schemes	642	499
Total revenue	5,812	4,678

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,067	870
Total expenses	1,067	870

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	71	65
Total taxation	71	65

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	4,745	3,805
Corporation tax at 20% (31/3/2021 - 20%)	949	761
Effects of:		
Revenue not subject to tax	(878)	(696)
Total taxation (see note 5(a))	71	65

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 2022 there is a potential deferred tax asset of £nil (31/3/2021 - £nil) due to tax losses of £nil (31/3/2021 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	–	3
	–	3

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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	3,064	2,337
Final distribution	1,698	1,449
	4,762	3,786
Add: Revenue deducted on cancellation of units	59	83
Less: Revenue received on creation of units	(147)	(129)
Net distribution for the year	4,674	3,740

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	128	103
Receivable for creation of units	494	923
Total debtors	622	1,026

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	11,504	14,204

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	90	81
Corporation tax payable	28	19
Payable for cancellation of units	204	251
Total other creditors	322	351

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	57	
Total	57	42,953	43,010

The currency profile for the Tactical Balanced Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	Euro	30	
US Dollar	47	40,970	41,017
Total	77	40,970	41,047

b) Interest rate risk

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	-	-	-	-

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	269,936	269,936
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
31/3/2022		
Level 1: Quoted prices	224,179	–
Level 2: Observable market data	87,262	–
Level 3: Unobservable data	–	–
	311,441	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	190,638	–
Level 2: Observable market data	79,298	–
Level 3: Unobservable data	–	–
	269,936	–

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 7.

13. Portfolio transaction costs

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%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	67,261	12	0.02	–	–
Total	67,261	12		–	
Total purchases including commission and taxes		67,273			

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	48,211	8	0.02	–	–
Total	48,211	8		–	
Total sales net of commissions and taxes		48,203			
Total transaction costs		20		–	
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 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 0.14% (31/3/2021 - 0.17%).

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 290.

The balance due from the Tactical Balanced Fund at the year end in respect of fees paid to the Manager was £90,469 (31/3/2021 - £81,004).

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

	Unit holding %	Related party name
Tactical Balanced Fund	76.33	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	I Accumulation units	X Accumulation units
Opening units	1,695,720	89,845,748
Units created	531,361	11,839,622
Units cancelled	(795,208)	(4,848,592)
Units converted	(4,920)	1,662
Closing units	1,426,953	96,838,440

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
I Accumulation				
Group 1	0.6971	–	0.6971	0.6390
Group 2	0.0777	0.6194	0.6971	0.6390
X Accumulation				
Group 1	1.7431	–	1.7431	1.6005
Group 2	0.7035	1.0396	1.7431	1.6005

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
I Accumulation				
Group 1	1.1795	–	1.1795	1.0035
Group 2	0.8336	0.3459	1.1795	1.0035
X Accumulation				
Group 1	3.1765	–	3.1765	2.7053
Group 2	1.8804	1.2961	3.1765	2.7053

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 2022

Fund objective and policy

The investment objective of the Close Tactical Select Passive Growth Fund ("the Tactical Growth Fund") is to generate capital growth.

The Tactical Growth Fund will invest primarily in passively managed collective investment schemes and exchange-traded funds in order to gain exposure to equities and fixed interest securities.

Allocation between the schemes and funds in which the Tactical Growth Fund invests will be actively managed.

The underlying equity component 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), money market instruments and deposits.

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.

The Tactical Growth Fund may also 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.

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).

From March to September 2021, the broad equity markets have been strong despite the rate increase fears that caused the markets to go down at end of February. As such, the Fund did fairly well during this period and was up +7.0%. Most of the gains came from Q2 2021 when the Fund was up +5.3%. This was on the back of a better economic outlook warranted by vaccine rollout at the time and the anticipation of the ending of lockdowns. With opening of the economies priced in already, Q3 was relatively flat as the markets rallied in July and August just to come back down in September. The September crash was instigated by China's crackdown on tech companies. Overall for Q3 2021 the Fund was still positive and returned +1.6%. The next half year from September 2021 to March 2022 was the exact opposite, with interest rates rising across the developed markets and inflation hitting decades high at high single digits. This was particularly bad for high growth tech companies that were in the "stay at home" theme as the world was recovering from pandemic and people going back to the office. Final quarter of 2021 was a bit better and the Fund was up +3.5%. On the other hand, beginning of 2022 has been difficult to manoeuvre, with bad news hitting the markets at the same time. We now have higher inflation prompting more aggressive rate hikes, while we are still not fully out of the pandemic and Russia invading Ukraine. However, due to its multi-asset nature and diversification benefits the Fund did relatively well being down only -2.8% for Q1 2022 while the peer group IA Flexible was down -3.5%. Regardless, over the full 12 months to end of March 2022 the Fund was still up at +7.7%, outperforming the IA 40-85 peer group which was only up +5.0%.

As the dispersion of stock returns has come down, we have been able to take advantage of this in our fund and kept the Fund steady. Being well diversified with exposure to commodities, the Q1 2022 falls had much less of an impact than for a single asset class or simple equity and bond portfolio. The benefit of being able to hold increasing variety of ETF variations has helped the Fund navigate the uncertain markets relatively well. Holdings like First Trust US Equity Income UCITS ETF to which we have added to earlier this year have also helped balance our allocation to tech and growth areas.

Investment Report

continued

Fund Performance

Performance for the Tactical Growth Fund over the last five years.

	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018
Tactical Growth Fund X Accumulation	7.7%	29.1%	(10.2%)	6.4%	0.9%
IA Flexible Investment Sector	5.0%	29.1%	(8.1%)	3.3%	2.4%

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

The percentage growth in prices is calculated using the published dealing price of units in the 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 substantial 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% (31/3/2021 - 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*	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	109.07	84.59	100.00
Return before operating charges	8.37	24.76	(15.20)
Operating charges	(0.32)	(0.28)	(0.21)
Return after operating charges	8.05	24.48	(15.41)
Distributions	(2.00)	(1.63)	(1.14)
Retained distributions on accumulation units	2.00	1.63	1.14
Closing net asset value per unit**	117.12	109.07	84.59
After direct transaction costs of***	(0.00)	(0.01)	(0.01)
Performance			
Return after charges	7.38%	28.94%	(15.41%)
Other information			
Closing net asset value £'000	2,233	2,608	1,705
Closing number of units	1,906,699	2,391,189	2,015,427
Operating charges	0.28%	0.28%	0.29%
Direct transaction costs***	0.00%	0.01%	0.01%
Prices**			
Highest unit price	122.60	111.10	105.50
Lowest unit price	109.20	82.06	79.06

For the year ended X Accumulation units	31/3/2022 pence per unit	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	340.08	264.30	293.95
Return before operating charges	26.22	77.34	(28.07)
Operating charges	(1.81)	(1.56)	(1.58)
Return after operating charges	24.41	75.78	(29.65)
Distributions	(5.53)	(4.46)	(5.37)
Retained distributions on accumulation units	5.53	4.46	5.37
Closing net asset value per unit**	364.49	340.08	264.30
After direct transaction costs of***	(0.01)	(0.02)	(0.04)
Performance			
Return after charges	7.18%	28.67%	(10.09%)
Other information			
Closing net asset value £'000	72,735	63,734	46,480
Closing number of units	19,955,358	18,740,822	17,586,357
Operating charges	0.50%	0.50%	0.51%
Direct transaction costs***	0.00%	0.01%	0.01%
Prices**			
Highest unit price	382.00	346.60	329.90
Lowest unit price	340.40	256.30	247.00

*I Accumulation unit class launched 15 July 2019.

**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 2022

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 80.81% (31/3/2021 - 77.85%)			
United Kingdom - 22.95% (31/3/2021 - 19.23%)			
94,325	Amundi Prime UK Mid & Small Cap	2,252	3.00
1,445,625	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	4,519	6.03
416,130	iShares Core FTSE 100 UCITS ETF	3,078	4.11
48,025	Vanguard FTSE 100 UCITS ETF	1,592	2.12
59,545	Vanguard FTSE 250 UCITS ETF	1,951	2.60
16,180	Vanguard FTSE UK All Share Index Unit Trust	3,816	5.09
		17,208	22.95
Europe - 11.69% (31/3/2021 - 14.73%)			
237,185	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	2,662	3.55
108,735	Vanguard FTSE Developed Europe ex UK UCITS ETF	3,262	4.35
55,550	Xtrackers Euro Stoxx 50 UCITS ETF	2,843	3.79
		8,767	11.69
Asia Pacific (ex Japan) - 6.21% (31/3/2021 - 6.67%)			
863,390	HSBC Index Tracker Investment Funds - Pacific Index Fund	4,656	6.21
Japan - 2.60% (31/3/2021 - 3.03%)			
34,800	Amundi Prime Japan UCITS ETF DR (D)	714	0.95
863,342	HSBC Index Tracker Investment Funds - Japan Index Fund	1,233	1.65
		1,947	2.60
North America - 30.11% (31/3/2021 - 24.56%)			
156,245	First Trust US Equity Income UCITS ETF	3,781	5.04
6,870	Invesco Technology S&P US Select Sector UCITS ETF	2,074	2.77
75,540	Lyxor Nasdaq-100 UCITS ETF	3,433	4.58
1,489,213	Schroder US Equity Income Maximiser Fund	1,319	1.76
79,020	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	1,787	2.38
44,930	SPDR S&P U.S. Financials Select Sector UCITS ETF	1,489	1.99
75,800	Vanguard S&P 500 UCITS ETF	5,017	6.69
4,860	Vanguard US Equity Index Fund	3,669	4.90
		22,569	30.11
Emerging Markets - 5.79% (31/3/2021 - 6.30%)			
1,081,690	Amundi MSCI Emerging Markets UCITS ETF	4,339	5.79

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
38,885	Global - 1.46% (31/3/2021 - 3.33%) VanEck Video Gaming and eSports UCITS ETF	1,092	1.46
	FIXED INTEREST - 5.76% (31/3/2021 - 7.04%)		
	United Kingdom Gilts & Corporate Bonds - 5.76% (31/3/2021 - 7.04%)		
522,260	Close Sustainable Bond Portfolio Fund ⁺	495	0.66
3,605,440	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	3,381	4.51
3,410	Lyxor Core UK Government Bond DR UCITS ETF	443	0.59
		4,319	5.76
	ALTERNATIVE - 10.29% (31/3/2021 - 8.78%)		
5,405	Invesco Physical Gold ETC	771	1.03
66,290	iShares Global Infrastructure UCITS ETF	1,774	2.36
131,245	L&G Cyber Security UCITS ETF	2,474	3.30
52,545	Royal Mint Physical Gold ETC	773	1.03
23,700	UBS ETF CMCI Composite SF UCITS ETF	1,926	2.57
		7,718	10.29
	Portfolio of investments	72,615	96.86
	Net other assets	2,353	3.14
	Total net assets	74,968	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 2022

	Notes	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Income					
Net capital gains	2		3,792		13,440
Revenue	3	1,359		1,031	
Expenses	4	(229)		(184)	
Interest payable and similar charges	6	–		(1)	
Net revenue before taxation for the year		1,130		846	
Taxation	5	–		–	
Net revenue after taxation for the year			1,130		846
Total return before distributions			4,922		14,286
Distributions	7		(1,130)		(846)
Change in net assets attributable to unitholders from investment activities			3,792		13,440

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2022

	Note	GBP £'000	Year to 31/3/2022 GBP £'000	GBP £'000	Year to 31/3/2021 GBP £'000
Opening net assets attributable to unitholders			66,342		48,185
Amounts received on creation of units		10,054		11,401	
Amounts paid on cancellation of units		(6,358)		(7,541)	
			3,696		3,860
Dilution adjustment			2		–
Change in net assets attributable to unitholders from investment activities			3,792		13,440
Retained distribution on accumulation units	7		1,136		857
Closing net assets attributable to unitholders			74,968		66,342

Financial statements

continued

Balance sheet

as at 31 March 2022

	Notes	GBP £'000	As at 31/3/2022 GBP £'000	GBP £'000	As at 31/3/2021 GBP £'000
ASSETS					
Fixed assets					
Investments			72,615		62,141
Current assets					
Debtors	8	278		355	
Cash and bank balances	9	2,458		3,884	
Total other assets			2,736		4,239
Total assets			75,351		66,380
LIABILITIES					
Creditors					
Other creditors	10	(383)		(38)	
Total other liabilities			(383)		(38)
Total liabilities			(383)		(38)
Net assets attributable to unitholders			74,968		66,342

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 gains

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Net capital gains on investments during the year comprise:		
Currency losses	(5)	(7)
Gains on non-derivative securities	3,797	13,447
Net capital gains	3,792	13,440

3. Revenue

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Non-taxable overseas dividends	844	593
Taxable overseas dividends	9	12
UK franked dividends from collective investment schemes	344	328
UK unfranked dividends from collective investment schemes	162	98
Total revenue	1,359	1,031

4. Expenses

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	229	184
Total expenses	229	184

The audit fee for the year, was £7,350 (2021: £7,000).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 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	1,130	846
Corporation tax at 20% (31/3/2021 - 20%)	226	169
Effects of:		
Movement in unrecognised tax losses	12	15
Revenue not subject to tax	(238)	(184)
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 Tactical Growth Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

c) Provision for deferred tax

At 31 March 2022 there is a potential deferred tax asset of £45,900 (31/3/2021 - £34,267) due to tax losses of £229,499 (31/3/2021 - £171,333). It is unlikely that the Tactical Growth Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interest	–	1
	–	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 31/3/2022 GBP £'000	Year to 31/3/2021 GBP £'000
Interim distribution	742	549
Final distribution	394	308
	1,136	857
Add: Revenue deducted on cancellation of units	30	31
Less: Revenue received on creation of units	(36)	(42)
Net distribution for the year	1,130	846

8. Debtors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued revenue	24	22
Income tax recoverable	18	11
Receivable for creation of units	236	322
Total debtors	278	355

9. Cash and bank balances

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Cash and bank balances	2,458	3,884

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2022 GBP £'000	As at 31/3/2021 GBP £'000
Accrued expenses	19	17
Payable for cancellation of units	364	21
Total other creditors	383	38

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2021 - £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 2022 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	22	
Total	22	12,239	12,261

The currency profile for the Tactical Growth Fund's net assets at 31 March 2021 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	Euro	9	
US Dollar	13	11,440	11,453
Total	22	11,440	11,462

b) Interest rate risk

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

b) Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	62,141	62,141
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
31/3/2022		
Level 1: Quoted prices	49,527	–
Level 2: Observable market data	23,088	–
Level 3: Unobservable data	–	–
	72,615	–

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	41,235	–
Level 2: Observable market data	20,906	–
Level 3: Unobservable data	–	–
	62,141	–

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 7.

13. Portfolio transaction costs

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%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2021

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	15,775	3	0.02	–	–
Total	15,775	3		–	
Total purchases including commission and taxes	15,778				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	12,910	2	0.02	–	–
Total	12,910	2		–	
Total sales net of commissions and taxes	12,908				
Total transaction costs		5		–	
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 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 0.16% (31/3/2021 - 0.18%).

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 290.

The balance due from the Tactical Growth Fund at the year end in respect of fees paid to the Manager was £19,318 (31/3/2021 - £17,026).

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

	Unit holding %	Related party name
Tactical Growth Fund	66.75	Lion Nominees Limited

15. Unit movement

Year to 31 March 2022

	I Accumulation units	X Accumulation units
Opening units	2,391,189	18,740,822
Units created	357,510	2,701,412
Units cancelled	(886,310)	(1,472,646)
Units converted	44,310	(14,230)
Closing units	1,906,699	19,955,358

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 2022

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased between 1 October 2021 and 31 March 2022

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2022	Distribution Paid per Unit on 31/7/2021
I Accumulation				
Group 1	0.7225	–	0.7225	0.6092
Group 2	0.3342	0.3883	0.7225	0.6092
X Accumulation				
Group 1	1.9047	–	1.9047	1.5654
Group 2	0.6640	1.2407	1.9047	1.5654

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2021

Group 2: units purchased between 1 April 2021 and 30 September 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2021	Distribution Paid per Unit on 30/11/2020
I Accumulation				
Group 1	1.2789	–	1.2789	1.0227
Group 2	0.9591	0.3198	1.2789	1.0227
X Accumulation				
Group 1	3.6284	–	3.6284	2.8925
Group 2	2.2640	1.3644	3.6284	2.8925

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 2022.



I.P. Wallace (Director)
20 July 2022

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 2022.

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
One Canada Square
London E14 5AL
20 July 2022

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at One Canada Square, London E14 5AL. 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 2022 and of the net revenue and the net capital losses on the property of the sub-funds for the year ended 31 March 2022; 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 such as Information Technology specialist, 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 the valuation and existence of investments, and our specific procedures performed to address them 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;
- revaluing the sub-fund's investment portfolio as at 31 March 2022, 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 2022 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 2022

General Information (Unaudited)

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 fourteen sub-funds as at 31 March 2022 ("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 Select Fixed Income Fund***
- Close Tactical Select Passive Conservative Fund**
- Close Tactical Select Passive Balanced Fund**
- Close Tactical Select Passive Growth Fund**

* Launched 3 September 2010

** Launched 17 October 2011

*** Launched 15 October 2012

**** 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 2022 the following sub-funds invested in the Close Sustainable Bond Portfolio Fund:

	Number of units held	Market value £'000
Close Tactical Select Passive Conservative Fund	3,845,430	3,642
Close Tactical Select Passive Balanced Fund	2,704,580	2,562
Close Tactical Select Passive Growth Fund	522,260	495

No transactions occurred during the year to 31 March 2022.

No other sub-funds invested in another Close Discretionary sub-fund.

Changes to sub-funds

Effective 1 April 2021 the following Funds are now managed by Matthew Stanesby and James Davies:

- Close Managed Income Fund
- Close Managed Conservative Fund
- Close Managed Balanced Fund
- Close Managed Growth Fund

General Information (Unaudited)

continued

Changes to sub-funds continued

Effective April 2021 the non-sterling currency hedging limit was formally reviewed by the Manager and increased to 95% from the previous 80% limit for:

- Close Sustainable Bond Portfolio Fund
- Close Select Fixed Income Fund

Effective 8 November 2021 the following Funds are now managed by Giles Parkinson:

- Close Balanced Portfolio Fund
- Close Growth Portfolio Fund
- Close Conservative Portfolio Fund
- Close Sustainable Balanced Portfolio Fund

Effective 14 December 2021 the Close Sustainable Bond Portfolio Fund is now managed by Alvaro Andreu

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	393,360	329,800	723,160	11
Other Risk Takers	667,025	541,000	1,208,025	6
Total	1,060,385	870,800	1,931,185	17

The variable remuneration disclosed in the table above is for the year ended 31 July 2021, 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 2022 cannot be known until after 31 July 2022 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.

General Information (Unaudited)

continued

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.

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 2022/23 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.

Registration Fees

The Registrar charges a fee upon the number of account holders. The Close Discretionary Funds may benefit from the Registrar servicing a number of Close Funds.

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 2022 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>.

General Information (Unaudited)

continued

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.

The statement is available at www.closebrothersam.com/funds.

Directory

Manager

Close Asset Management (UK) Limited*

(Authorised and regulated by the Financial Conduct Authority)

Registered office: 10 Crown Place, London EC2A 4FT

Business address: 10 Crown Place, London EC2A 4FT

Correspondence address: PO Box 367, Darlington DL1 9RG

Telephone: Dealing only 0370 606 6402**

Directors

E. Reynolds (appointed 9th March 2022)

M. Andrew (resigned 7th March 2022)

S.H. Forrest

C.J. Parry

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)

One Canada Square, London E14 5AL

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 (Close Asset Management (UK) Limited) and the Investment Advisor (Close Asset Management Limited) are both subsidiaries of Close Brothers Group Plc. Authorised and regulated by the Financial Conduct Authority.

**Calls to these numbers may be recorded for monitoring and training purposes.

Close 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 Close Asset Management (UK) Limited (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.

CBAM/PM1066 31/03/2022