

Close Discretionary Funds

Annual Report & Financial Statements
for the year ended 31 March 2024

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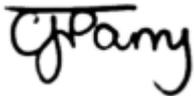
Authorised Status and Report of the Manager

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.



C.J. Parry (Director)



R.C.S. Smith (Director)
Close Asset Management (UK) Limited
24 July 2024

Market review

The six month period to the end of March 2024 proved to be very favourable for both equities and bonds.

Within equities, the US was the strongest region in sterling terms, rising +19.9%. Europe (+15.1%) and Japan (+14.6%) were close behind. The UK and emerging markets both returned +6.4%.

Bonds returned to a favourable trajectory, with UK gilts rising +6.7% and UK corporate bonds +8.7%. In local terms, European government bonds increased +6.2% and US government bonds +5.6%.

The US dollar resumed its weakening trend, declining -1.6% over the period on a trade weighted basis. Against the dollar, the pound gained +3.5%. Sterling also rallied +1.4% against the euro and +4.8% against a weakening yen, which was held back by Japan's relatively low interest rates.

Oil, which had strengthened, renewed its decline, falling -8.2% in US dollar terms, while gold gained +18.4% on the same basis.

Outlook

2024 has had a busy start and, despite the reappraisal of interest rate expectations, market moves have been positive.

At the end of 2023, investors were looking to a more favourable monetary policy landscape in the year ahead, which was expected to offer greater support to markets. However, the market moved so significantly in December that for many participants, price targets had already been reached before January was out. Over January and February these rate cut expectations were tested by central bank comments as well as data, and rate expectations have become more rational.

While this has, at times, weighed on bonds, equities have been surprisingly resilient. Admittedly, leadership remains somewhat narrow and US tech stocks have done most of the heavy lifting but, given the soft outlook for growth this year, this may reflect the stronger earnings growth expected for these firms compared to the broader market.

By March, rate cut expectations had recalibrated to more reasonable levels, providing a firmer foundation for asset class performance. Central bank comments have also offered reassurance, with Fed Chair Powell shrugging off stronger inflation data and the Bank of England inching toward rate cuts.

While the rates backdrop is shifting in the right direction, growth could still be a challenge. At a global level, GDP growth is expected to be more subdued in 2024, owing to weaker activity in China and a slower US. However, in some regions economic activity is expected to accelerate, including the UK. With GDP growth offering mixed levels of support to earnings growth, slowing inflation is expected to be more of a hindrance, weighing on nominal earnings growth. This could mean that firms with stronger growth dynamics are able to continue to outperform.

China remains a key consideration in 2024. Beijing has spoken out in favour of supporting growth repeatedly but the scale of realised policy has been modest in comparison with history and investor hopes, making the government's own 5% GDP growth target ambitious. Investors are looking for a 2015 style "big bazooka" boost but the government is trying to balance supporting growth with controlling financial risks. This prohibits measures that might reflate the property bubble, and limits the degree of monetary easing that is possible, as it erodes bank profitability, in turn increasing bank vulnerability.

Growth is expected to stay weak in 2024, with Beijing expected to continue announcing measures to support growth, but not enough to boost activity materially. Economists are calling for spending on measures to boost consumer confidence, namely strengthening China's social safety net, but the latest budget does not include significant provision for consumption support measures.

When considering which assets are likely to perform in 2024, the prospect of interest rate cuts should offer relief to asset prices across equities and bonds. However, soft economic growth and falling inflation are not a supportive combination for nominal corporate earnings, and this may weigh on equities. For this reason, we remain selective in our equity investments, favouring stocks with a strong earnings driver.

For bonds, a shift away from further monetary tightening has been supportive year-to-date, but valuations are already looking richer. In addition, investors need to be judicious on credit quality (given the outlook for growth) and duration (given expected volatility).

Given still-elevated inflation and the prospect of sustained market volatility, we continue to see an important role for alternative investments within portfolios, especially those which can be a source of genuine diversification and inflation protection.

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

Notes applicable to the Financial statements of all sub-funds

as at 31 March 2024

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 applied or required across all funds in the preparation of the accounts for the current or preceding financial year.

b) Revenue

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

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

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

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

c) Expenses

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

d) Basis of valuation of investments

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

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

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

e) Foreign currencies

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

f) Taxation

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

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.

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

Liquidity risk

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

Currency risk

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

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

Use of derivatives

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

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

Valuation risk

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

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

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

Notes applicable to the Financial statements of all sub-funds

continued

5. Valuation techniques continued

Valuation techniques using observable market data continued

derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and less frequently traded open-ended funds. For the sub-fund, there are corporate bonds, open forward currency contracts and collective investment schemes which fall in to this category. Corporate bonds have been valued using active market interest rates. Open forward currency contracts are valued using active market currency exchange rates and collective investment schemes are valued using the prices for underlying investments.

Valuation techniques using non-observable data

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

6. Sensitivity analysis

a) Market risk

Strategy	If market prices had increased by 10% as at the balance sheet date, the net asset value of each sub-fund would have increased as shown below:		If market prices had decreased by 10% as at the balance sheet date, the net asset value of each sub-fund would have decreased as shown below:	
	31/3/2024 £'000	31/3/2023 £'000	31/3/2024 £'000	31/3/2023 £'000
Close Sustainable Balanced Portfolio Fund	8,056	6,433	(8,056)	(6,433)
Close Diversified Income Portfolio Fund	49,268	52,051	(49,268)	(52,051)
Close Conservative Portfolio Fund	74,487	77,216	(74,487)	(77,216)
Close Balanced Portfolio Fund	119,365	120,019	(119,365)	(120,019)
Close Growth Portfolio Fund	36,239	34,857	(36,239)	(34,857)
Close Managed Income Fund	8,931	9,666	(8,931)	(9,666)
Close Managed Conservative Fund	22,071	21,502	(22,071)	(21,502)
Close Managed Balanced Fund	46,079	40,634	(46,079)	(40,634)
Close Managed Growth Fund	11,064	9,894	(11,064)	(9,894)
Close Sustainable Select Fixed Income Fund	48,941	39,386	(48,941)	(39,386)
Close Tactical Select Passive Conservative Fund	24,648	21,771	(24,648)	(21,771)
Close Tactical Select Passive Balanced Fund	48,827	37,647	(48,827)	(37,647)
Close Tactical Select Passive Growth Fund	14,585	9,651	(14,585)	(9,651)

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:	
	31/3/2024 £'000	31/3/2023 £'000	31/3/2024 £'000	31/3/2023 £'000
Close Sustainable Balanced Portfolio Fund	4,797	2,689	(3,925)	(2,200)
Close Diversified Income Portfolio Fund	9,270	9,560	(7,585)	(7,822)
Close Conservative Portfolio Fund	39,911	35,704	(32,655)	(29,212)
Close Balanced Portfolio Fund	85,800	78,221	(70,200)	(63,999)
Close Growth Portfolio Fund	30,444	29,113	(24,909)	(23,819)
Close Managed Income Fund	101	235	(83)	(192)
Close Managed Conservative Fund	1,531	1,701	(1,252)	(1,392)
Close Managed Balanced Fund	3,403	2,930	(2,784)	(2,397)
Close Managed Growth Fund	775	737	(634)	(603)
Close Sustainable Select Fixed Income Fund	1,018	889	(833)	(728)
Close Tactical Select Passive Conservative Fund	3,337	2,808	(2,730)	(2,298)
Close Tactical Select Passive Balanced Fund	8,029	5,901	(6,569)	(4,828)
Close Tactical Select Passive Growth Fund	3,195	2,002	(2,614)	(1,638)

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:	
	31/3/2024 £'000	31/3/2023 £'000	31/3/2024 £'000	31/3/2023 £'000
Close Sustainable Balanced Portfolio Fund	(1,528)	(321)	1,680	367
Close Diversified Income Portfolio Fund	(9,845)	(9,521)	10,084	9,930
Close Conservative Portfolio Fund	(17,184)	(1,638)	19,444	2,491
Close Balanced Portfolio Fund	(18,764)	(1,732)	20,703	2,598
Close Growth Portfolio Fund	(2,490)	(86)	2,543	215
Close Managed Income Fund	(1,667)	(1,156)	1,760	1,280
Close Managed Conservative Fund	(3,759)	(2,048)	3,993	2,317
Close Managed Balanced Fund	(7,029)	(3,256)	7,423	3,641
Close Managed Growth Fund	(1,454)	(619)	1,518	678
Close Sustainable Select Fixed Income Fund	(17,582)	(9,902)	19,477	10,398
Close Tactical Select Passive Conservative Fund	(5,283)	(3,860)	5,684	4,296
Close Tactical Select Passive Balanced Fund	(8,124)	(3,959)	8,710	4,383
Close Tactical Select Passive Growth Fund	(1,996)	(428)	2,137	458

Source: CBAM & Bloomberg

Past performance is not a reliable indicator of future returns

Notes applicable to the Financial statements of all sub-funds

continued

6. Sensitivity analysis continued

c) Interest rate risk continued

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 (31/3/2023 - same).

Close Sustainable Balanced Portfolio Fund

For the year ended 31 March 2024

Fund objective and policy

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

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

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

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

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

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

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

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

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

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

The Sustainable Balanced Fund may also invest in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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

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

Investment Report

Market commentary

Fund performance

Global equity markets gained +20.5% in sterling terms, muted slightly by the pound's appreciation. Bond markets, as measured by the sterling broad market index, gained +1.3%. The Fund returned 11.5% over the period, outperforming the IA Mixed 40-85 by 1.4%.

The path of central bank monetary policy was the focus of markets throughout the period, with inflation data and business cycle indicators, particularly US payroll data, keenly watched for signals on when interest rates would first stop hiking, then be cut. Belief in the fabled 'soft landing scenario' (that slowing inflation would allow central banks to ease interest rates lower thus avoiding a recession) whipsawed through the period, before gaining credence in Q4. Disinflation momentum on both sides of the Atlantic cleared the way for central banks to signal that interest rate cuts in 2024 were on the agenda which, supported by resilient economies and steadfast labour markets, drove gains in both asset classes. Strength continued into the New Year but the recipe of strong economies, yet still sticky inflation and a slight reversal in dovish US Federal Reserve narrative caused market rate cut expectations to be pushed out to the second half of the year, giving a recession further room to materialise.

The bias in our equity positioning was to economically resilient business models or cyclical equities where the risk was adequately reflected in earnings and valuation, whilst the macro environment was signalling a slowdown. Our forward outlook changed as underlying economic strength became more apparent through the period. To this, we increased our equity weight, adding to more economically sensitive businesses where multiples had the most scope to expand in a recovery – stocks including TSMC and Visa. New stocks included Donaldson, Informa and Howden's Joinery. On the other side, we trimmed outperforming defensives, such as RELX, as well as money market cash funds and gold in alternatives. In fixed income, we added to corporate bonds to lock in higher yields and cautiously increased duration - balancing our USD/GBP rate exposure by adding to UK Gilts where the economy is more vulnerable and inflation less pervasive.

After two years of sideways chop in stocks and a bear market in bonds, we are now the most optimistic we have been since managing the Portfolio Funds on both markets and our forward strategy is changed. As long as inflation continues to fall, and there is no confirmation that the US has entered recession, we will maintain a neutral stance on equities. We are looking to clear the hurdle of the first interest rate cut from the Federal Reserve before moving outright overweight and swap sovereign bonds for corporate bonds to lock in high yields. However, should the economy have slipped into recession by that point we will move underweight equities, shifting into gold and longer duration in fixed income to protect returns. We remain on the lookout to replace outperforming holdings with fresh stocks and buy new cyclical equities on profit warnings.

As a long-term strategy with low turnover we fully expect and recommend that unitholders judge our performance over a period of five years or more.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021
Sustainable Balanced Fund X Accumulation	11.5%	(4.0%)	9.2%	n/a*
IA Mixed Investment 40%-85% Sector	10.2%	(4.5%)	5.2%	n/a

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

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

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
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lower risks/
rewards

higher risks/
rewards

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

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

The 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.

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.

Investment Report

continued

Risk and Reward Profile continued

Derivative risk: The Sustainable 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.

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

Collective Investment Schemes

Collective Investment Schemes

The Sustainable Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.03% (31/3/2023 - 0.06%).

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

Comparative tables

For the year ended I Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	111.75	114.35	104.67
Return before operating charges	13.00	(2.43)	9.85
Operating charges	(0.13)	(0.17)	(0.17)
Return after operating charges	12.87	(2.60)	9.68
Distributions	(2.18)	(1.86)	(1.87)
Retained distributions on accumulation units	2.18	1.86	1.87
Closing net asset value per unit*	124.62	111.75	114.35
After direct transaction costs of**	(0.09)	(0.02)	(0.12)
Performance			
Return after charges	11.52%	(2.27%)	9.25%
Other information			
Closing net asset value £'000	309	234	32
Closing number of units	247,523	209,410	27,930
Operating charges	0.11%	0.15%	0.15%
Direct transaction costs**	0.07%	0.02%	0.10%
Prices*			
Highest unit price	124.90	115.30	118.50
Lowest unit price	107.90	105.00	105.20

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	109.96	113.22	104.38
Return before operating charges	12.99	(2.29)	9.83
Operating charges	(0.95)	(0.97)	(0.99)
Return after operating charges	12.04	(3.26)	8.84
Distributions	(1.57)	(1.16)	(1.07)
Retained distributions on accumulation units	1.57	1.16	1.07
Closing net asset value per unit*	122.00	109.96	113.22
After direct transaction costs of**	(0.08)	(0.02)	(0.12)
Performance			
Return after charges	10.95%	(2.88%)	8.47%
Other information			
Closing net asset value £'000	81,423	66,302	49,283
Closing number of units	66,742,568	60,297,221	43,527,457
Operating charges	0.85%	0.89%	0.89%
Direct transaction costs**	0.07%	0.02%	0.10%
Prices*			
Highest unit price	122.30	114.10	117.60
Lowest unit price	105.90	103.60	104.90

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

**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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 18.49% (31/3/2023 - 28.00%)			
Sterling Denominated Fixed Rate Corporate Bonds - 5.12% (31/3/2023 - 5.38%)			
£500,000	A2D Funding II 4.5% 30/9/2026	485	0.59
£580,000	Admiral 5.5% 25/7/2024	579	0.71
£500,000	Admiral 8.5% 6/1/2034	557	0.68
£275,000	Co-operative 2011 7.5% 8/7/2026	273	0.33
£550,000	Hiscox 6.125% 24/11/2045	547	0.67
£400,000	Just 5% Perpetual	303	0.37
£400,000	Nationwide Building Society 5.875% Perpetual	396	0.49
£470,000	Paragon Banking 6% 28/8/2024	465	0.57
£600,000	Siemens Financieringsmaatschappij 1% 20/2/2025	578	0.71
		4,183	5.12
Sterling Denominated Fixed Rate Government Bonds - 9.15% (31/3/2023 - 0.00%)			
£4,600,000	United Kingdom Gilt 1.125% 31/1/2039	3,038	3.72
£5,100,000	United Kingdom Gilt 1.25% 22/10/2041	3,196	3.91
£1,650,000	United Kingdom Gilt 1.75% 7/9/2037	1,248	1.52
		7,482	9.15
Euro Denominated Fixed Rate Corporate Bonds - 1.36% (31/3/2023 - 0.00%)			
€100,000	Holcim Finance Luxembourg 3% Perpetual	85	0.10
€800,000	Veolia Environnement 1.625% Perpetual	634	0.78
€200,000	Veolia Environnement 2% Perpetual	154	0.19
€100,000	Veolia Environnement 2.25% Perpetual	81	0.10
€200,000	Veolia Environnement 2.5% Perpetual	154	0.19
		1,108	1.36
Japanese Yen Denominated Fixed Rate Corporate Bonds - 1.91% (31/3/2023 - 0.00%)			
¥300,000,000	Lloyds Banking 1.352% 25/5/2029	1,562	1.91
United States Dollar Denominated Fixed Rate Corporate Bonds - 0.95% (31/3/2023 - 0.00%)			
\$400,000	Perenti Finance 6.5% 7/10/2025	314	0.38
\$600,000	Phoenix 5.625% Perpetual	463	0.57
		777	0.95
United States Dollar Denominated Fixed Rate Government Bonds - 0.00% (31/3/2023 - 22.62%)			

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 70.48% (31/3/2023 - 51.60%)			
UNITED KINGDOM - 14.39% (31/3/2023 - 13.59%)			
88,400	3i	2,483	3.04
24,600	Ashtead	1,387	1.70
57,400	Compass	1,334	1.63
93,800	Howden Joinery	850	1.04
260,837	Informa	2,168	2.65
57,705	RELX	1,978	2.42
47,000	Whitbread	1,558	1.91
		11,758	14.39
EUROPE - 15.71% (31/3/2023 - 13.91%)			
Denmark - 1.86% (31/3/2023 - 1.45%)			
15,000	Novo Nordisk	1,520	1.86
France - 2.00% (31/3/2023 - 0.00%)			
9,100	Schneider Electric	1,631	2.00
Germany - 2.17% (31/3/2023 - 2.30%)			
12,641	Merck	1,771	2.17
Ireland - 2.34% (31/3/2023 - 3.20%)			
7,000	Accenture	1,917	2.34
Italy - 1.79% (31/3/2023 - 0.00%)			
11,700	Moncler	691	0.84
6,900	Reply	774	0.95
		1,465	1.79
Netherlands - 2.34% (31/3/2023 - 0.00%)			
4,723	IMCD	659	0.81
10,100	Wolters Kluwer	1,254	1.53
		1,913	2.34
Sweden - 1.05% (31/3/2023 - 0.99%)			
64,000	Atlas Copco	857	1.05
Switzerland - 2.16% (31/3/2023 - 5.97%)			
26,900	Alcon	1,769	2.16

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ASIA PACIFIC (EX JAPAN) - 7.74% (31/3/2023 - 5.04%)		
32,200	AIA	171	0.21
39,100	HDFC Bank ADR	1,732	2.12
220,000	HSBC Index Tracker Investment Funds - Pacific Index Fund	1,225	1.50
72,900	Prudential	542	0.66
57,200	Singapore Exchange	309	0.38
21,800	Taiwan Semiconductor Manufacturing ADR	2,347	2.87
		6,326	7.74
	JAPAN - 3.91% (31/3/2023 - 3.38%)		
179,900	Xtrackers MSCI Japan ESG UCITS ETF	3,193	3.91
	NORTH AMERICA - 27.64% (31/3/2023 - 14.29%)		
	United States - 27.64% (31/3/2023 - 14.29%)		
4,100	Ameriprise Financial	1,423	1.74
7,100	Applied Materials	1,158	1.42
69,951	Avantor	1,414	1.73
9,200	Donaldson	543	0.66
12,000	Dover	1,682	2.06
5,100	Elevance Health	2,093	2.56
9,000	Marriott Vacations Worldwide	769	0.94
19,400	Marsh & McLennan	3,161	3.87
4,000	PepsiCo	554	0.68
7,400	SBA Communications	1,268	1.55
18,900	Travel + Leisure	732	0.89
6,300	UnitedHealth	2,466	3.02
67,200	Valvoline	2,370	2.90
13,400	Visa	2,957	3.62
		22,590	27.64
	EMERGING MARKETS - 1.09% (31/3/2023 - 1.39%)		
165,000	iShares MSCI EM SRI UCITS ETF	893	1.09
	FIXED INTEREST - 6.21% (31/3/2023 - 10.30%)		
	Non Equity Investment Instrument - 6.21% (31/3/2023 - 7.93%)		
2,997,934	HSBC Sterling Liquidity Fund	2,998	3.67

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Non Equity Investment Instrument continued			
570,000	iShares USD Treasury Bond 20+yr UCITS ETF	2,079	2.54
1,000	Royal London Short Term Money Market Fund	1	–
		5,078	6.21
United Kingdom Gilts & Corporate Bonds - 0.00% (31/3/2023 - 2.37%)			
ALTERNATIVE - 3.39% (31/3/2023 - 6.78%)			
200	Alpstone Global Macro Ucits Fund	21	0.03
473,846	Greencoat UK Wind	658	0.80
411,666	International Public Partnerships	510	0.62
91,000	Royal Mint Physical Gold ETC	1,582	1.94
		2,771	3.39
DERIVATIVES* - 0.01% (31/3/2023 - 0.81%)			
Open Forward Currency Contracts - 0.01% (31/3/2023 - 0.81%)			
€612,846	Bought EUR 612,846 : Sold GBP 526,494	(2)	–
£1,648,675	Bought GBP 1,648,675 : Sold EUR 1,929,351	(1)	–
£1,601,612	Bought GBP 1,601,612 : Sold JPY 299,854,906	30	0.04
£5,241,628	Bought GBP 5,241,628 : Sold USD 6,715,668	(74)	(0.09)
\$5,706,815	Bought USD 5,706,815 : Sold GBP 4,463,865	53	0.06
		6	0.01
	Portfolio of investments	80,570	98.58
	Net other assets	1,162	1.42
	Total net assets	81,732	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 £6,344.

Financial statements

Statement of total return

for the year ended 31 March 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		6,961		(1,910)
Revenue	3	1,672		1,138	
Expenses	4	(594)		(476)	
Interest payable and similar charges	6	(4)		–	
Net revenue before taxation for the year		1,074		662	
Taxation	5	(74)		(59)	
Net revenue after taxation for the year			1,000		603
Total return before distributions			7,961		(1,307)
Distributions	7		(1,000)		(603)
Change in net assets attributable to unitholders from investment activities			6,961		(1,910)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			66,536		49,315
Amounts received on creation of units		15,990		23,971	
Amounts paid on cancellation of units		(8,778)		(5,493)	
			7,212		18,478
Dilution adjustment			(2)		(1)
Change in net assets attributable to unitholders from investment activities			6,961		(1,910)
Retained distribution on accumulation units	7		1,025		654
Closing net assets attributable to unitholders			81,732		66,536

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			80,647		64,869
Current assets					
Debtors	8	500		485	
Cash and bank balances	9	963		1,484	
Total other assets			1,463		1,969
Total assets			82,110		66,838
LIABILITIES					
Investment liabilities					
			(77)		–
Creditors					
Other creditors	10	(301)		(302)	
Total other liabilities			(301)		(302)
Total liabilities			(378)		(302)
Net assets attributable to unitholders			81,732		66,536

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(471)	(91)
Gains on forward currency contracts	794	332
Gains/(losses) on non-derivative securities	6,638	(2,151)
Net capital gains/(losses)	6,961	(1,910)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	27	13
Interest from overseas fixed interest securities	529	167
Interest from UK fixed interest securities	192	179
Money market deposit	48	9
Non-taxable overseas dividends	459	420
Rebate of fees from holdings in third party collective investment schemes	4	–
Taxable overseas dividends	57	–
UK dividends	188	262
UK franked dividends from collective investment schemes	88	52
UK REIT dividends	–	36
UK unfranked dividends from collective investment schemes	71	–
US REIT dividends	9	–
Total revenue	1,672	1,138

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	594	476
Total expenses	594	476

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	10	–
Double taxation relief	(1)	–
Overseas tax	65	59
Total taxation	74	59

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	1,074	662
Corporation tax at 20% (31/3/2023 - 20%)	215	132
Effects of:		
Double taxation relief	(1)	–
Movement in unrecognised tax losses	(58)	14
Overseas tax	65	59
Revenue not subject to tax	(147)	(146)
Total taxation (see note 5(a))	74	59

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 2024 there is no potential deferred tax asset (31/3/2023 - £57,861) due to tax losses (31/3/2023 - £289,307). Accordingly, no tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interest	4	–
	4	–

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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	629	348
Final distribution	396	306
	1,025	654
Add: Revenue deducted on cancellation of units	39	18
Less: Revenue received on creation of units	(64)	(69)
Net distribution for the year	1,000	603

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	187	170
Overseas tax recoverable	6	5
Receivable for creation of units	307	310
Total debtors	500	485

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	963	1,484

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued expenses	57	46
Amounts payable on cancellation of units	235	256
Corporation tax payable	9	–
Total other creditors	301	302

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Danish Krone	8	1,523	1,531
Euro	13	7,829	7,842
Hong Kong Dollar	–	171	171
Japanese Yen	–	(1)	(1)
Singapore Dollar	–	309	309
Swedish Krona	–	857	857
Swiss Franc	–	1,104	1,104
US Dollar	13	31,348	31,361
Total	34	43,140	43,174

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

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

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 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	15,112	65,535	80,647
Investment liabilities	–	–	(77)	(77)

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

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

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
31/3/2024	£'000	£'000
Level 1: Quoted prices	68,689	–
Level 2: Observable market data	11,958	(77)
Level 3: Unobservable data	–	–
	80,647	(77)
31/3/2023	£'000	£'000
Level 1: Quoted prices	40,342	–
Level 2: Observable market data	24,527	–
Level 3: Unobservable data	–	–
	64,869	–

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	9.79	25.11
Below Investment Grade	1.49	–
Not Rated	7.21	2.89
	18.49	28.00

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	34,320	7	0.02	41	0.12
Debt instruments (direct)	15,659	–	–	–	–
Collective investment schemes	8,363	1	0.01	–	–
Total	58,342	8		41	
Total purchases including commission and taxes	58,391				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	21,049	4	0.02	–	–
Debt instruments (direct)	18,276	–	–	–	–
Collective investment schemes	11,604	1	0.01	–	–
Total	50,929	5		–	
Total sales net of commissions and taxes	50,924				
Total transaction costs		13		41	
Total transaction costs as a % of average net assets		0.01%		0.06%	

Year to 31 March 2023

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

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.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

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.

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 0.15% (31/3/2023 - 0.14%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 274.

The balance due from the Sustainable Balanced Fund at the year end in respect of fees paid to the Manager was £56,599 (31/3/2023 - £45,861).

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

	Unit holding %	Related party name
Sustainable Balanced Fund	80.95	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	I Accumulation units	X Accumulation units
Opening units	209,410	60,297,221
Units created	38,613	14,344,597
Units cancelled	(500)	(7,899,250)
Closing units	247,523	66,742,568

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
I Accumulation				
Group 1	0.9076	–	0.9076	0.8201
Group 2	0.4360	0.4716	0.9076	0.8201
X Accumulation				
Group 1	0.5905	–	0.5905	0.5047
Group 2	0.2549	0.3356	0.5905	0.5047

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
I Accumulation				
Group 1	1.2687	–	1.2687	1.0430
Group 2	0.7093	0.5594	1.2687	1.0430
X Accumulation				
Group 1	0.9756	–	0.9756	0.6567
Group 2	0.4517	0.5239	0.9756	0.6567

Equalisation

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

Close Diversified Income Portfolio Fund

For the year ended 31 March 2024

Fund objective and policy

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

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

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

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

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

The Diversified Income Fund may also invest in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Diversified Income Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Diversified Income Fund in cash.

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

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

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

Investment Report

Market commentary

Fund performance

The Diversified Income Portfolio Fund X Acc units rose 8.4% in the 12 months to March 2024. The Fund ended the period at a new all-time high, having recovered from the temporary draw down experienced from the popping of the “Everything Bubble”. The recovery has been helped by the returns generated from investing the large cash pile into high yielding investment grade bonds during 2022 (we added to 23 bonds at >8% yields (the long-term return on equities) and 15 bonds at >10% yields), and is despite the headwind from the historically high levels of discounts to Net Asset Value (NAV) seen in the investment trust sector.

The 13 year 2 month track record is +78.4%, versus +70.4% for the IA 20-60% sector. Over the long-term Diversified Income is 1st decile on risk adjusted returns.

The benefit of adding risk back in the 2022 sell off when assets are cheap has come through in 2 ways:

- 1) A rising NAV as corporate bond valuations normalised
- 2) A rising dividend paid out by the Fund (6.5p for the past year vs 5.6p for the March 2022 year)

BBB credit spreads have recovered to 143bps (now below the long term average of 210bps) whilst BB credit spreads have recovered to 282bps (now below the long term average of 430bps). Duration on the bond portfolio remains fairly low at 3.5years. With an average yield of 7.8% they still offer near equity-like returns on a hold to maturity basis, despite the last year's strong showing. The low duration will reduce the volatility in the bond exposure.

Corporate engagement has been an important part of the work in the past 12 months, as many investment trusts languish at near Great Financial Crisis levels of discount to NAV. 8.2% of Fund performance is trapped in these discounts to NAV so if we can get these shares back to trading at NAV that would be a considerable boost to performance. To this end, Boards are increasingly willing to act and it is pleasing to report that:

Eight of the holdings have announced share buyback programmes, which will help boost NAV per share given the large discounts they are buying shares at.

Seven have announced disposals, which reduce leverage and prove the NAV is realistic.

Four have amended their investment policy to pursue an orderly wind up and will return NAV, in the form of cash, to shareholders.

Given the rising NAV over the past year, the prospective yield on the Fund overall has reduced from 7.3% to 6.7% as at March 2024.

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 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Diversified Income Fund X Accumulation	8.4%	(6.9%)	8.0%	14.7%	(5.7%)
IA Mixed Investment 20-60% Sector	7.7%	(4.8%)	2.7%	19.8%	(7.2%)

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.01% (31/3/2023 - 0.31%).

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

Comparative tables

For the year ended A Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	100.36	113.70	110.19
Return before operating charges	8.79	(6.28)	10.03
Operating charges	(1.34)	(1.75)	(1.92)
Return after operating charges	7.45	(8.03)	8.11
Distributions	(5.31)	(5.31)	(4.60)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	102.50	100.36	113.70
After direct transaction costs of**	0.00	(0.01)	(0.04)
Performance			
Return after charges	7.42%	(7.06%)	7.36%
Other information			
Closing net asset value £'000	600	397	395
Closing number of units	585,705	394,848	347,740
Operating charges	1.33%	1.63%	1.67%
Direct transaction costs**	0.00%	0.01%	0.03%
Prices*			
Highest unit price	104.10	114.90	117.40
Lowest unit price	96.03	98.98	110.70

For the year ended A Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	156.00	167.94	156.38
Return before operating charges	14.02	(9.30)	14.33
Operating charges	(2.12)	(2.64)	(2.77)
Return after operating charges	11.90	(11.94)	11.56
Distributions	(8.42)	(7.99)	(6.63)
Retained distributions on accumulation units	8.42	7.99	6.63
Closing net asset value per unit*	167.90	156.00	167.94
After direct transaction costs of**	0.00	(0.01)	(0.06)
Performance			
Return after charges	7.63%	(7.11%)	7.39%
Other information			
Closing net asset value £'000	9,951	10,366	12,926
Closing number of units	5,926,620	6,645,075	7,696,384
Operating charges	1.33%	1.63%	1.67%
Direct transaction costs**	0.00%	0.01%	0.03%
Prices*			
Highest unit price	168.40	169.80	170.20
Lowest unit price	153.40	149.80	157.10

*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 I Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	92.18	103.40	99.24
Return before operating charges	7.89	(5.97)	8.80
Operating charges	(0.10)	(0.40)	(0.47)
Return after operating charges	7.79	(6.37)	8.33
Distributions	(4.90)	(4.85)	(4.17)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	95.07	92.18	103.40
After direct transaction costs of**	0.00	(0.01)	(0.03)
Performance			
Return after charges	8.45%	(6.16%)	8.39%
Other information			
Closing net asset value £'000	5,301	3,563	1,125
Closing number of units	5,576,291	3,865,125	1,088,362
Operating charges	0.11%	0.41%	0.45%
Direct transaction costs**	0.00%	0.01%	0.03%
Prices*			
Highest unit price	96.59	104.60	106.20
Lowest unit price	88.69	90.50	99.71

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	122.90	138.56	133.64
Return before operating charges	10.65	(7.83)	12.02
Operating charges	(0.90)	(1.35)	(1.50)
Return after operating charges	9.75	(9.18)	10.52
Distributions	(6.52)	(6.48)	(5.60)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	126.13	122.90	138.56
After direct transaction costs of**	0.00	(0.01)	(0.05)
Performance			
Return after charges	7.93%	(6.63%)	7.87%
Other information			
Closing net asset value £'000	91,235	95,393	101,590
Closing number of units	72,335,210	77,616,181	73,316,580
Operating charges	0.73%	1.03%	1.07%
Direct transaction costs**	0.00%	0.01%	0.03%
Prices*			
Highest unit price	128.10	140.10	142.70
Lowest unit price	117.90	120.90	134.20

*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	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	184.00	197.12	182.66
Return before operating charges	16.36	(11.18)	16.52
Operating charges	(1.36)	(1.94)	(2.06)
Return after operating charges	15.00	(13.12)	14.46
Distributions	(9.96)	(9.40)	(7.77)
Retained distributions on accumulation units	9.96	9.40	7.77
Closing net asset value per unit*	199.00	184.00	197.12
After direct transaction costs of**	0.00	(0.01)	(0.06)
Performance			
Return after charges	8.15%	(6.66%)	7.92%
Other information			
Closing net asset value £'000	392,443	421,069	466,664
Closing number of units	197,208,408	228,847,041	236,741,653
Operating charges	0.72%	1.02%	1.06%
Direct transaction costs**	0.00%	0.01%	0.03%
Prices*			
Highest unit price	199.60	199.40	199.50
Lowest unit price	181.40	176.30	183.50

*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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 52.02% (31/3/2023 - 48.01%)			
Sterling Denominated Fixed Rate Corporate Bonds - 37.77% (31/3/2023 - 36.39%)			
£23,970,000	abrdrn 5.25% Perpetual	19,895	3.98
£273,250	abrdrn Asia Focus 2.25% 31/5/2025	256	0.05
£17,000,000	Aviva 6.875% Perpetual	16,171	3.24
£3,200,000	Barclays 8.875% Perpetual	3,256	0.65
£400,000	Barclays 9.25% Perpetual	413	0.08
£2,550,000	BAT International Finance 5.75% 5/7/2040	2,327	0.47
£4,150,000	BP Capital Markets 4.25% Perpetual	3,921	0.78
£1,932,000	BUPA Finance 4% Perpetual	1,410	0.28
£3,170,000	BUPA Finance 4.125% 14/6/2035	2,658	0.53
£5,242,700	Burford Capital 5% 1/12/2026	4,996	1.00
£500,000	Co-Operative 11% 22/12/2025	528	0.11
£5,500,000	Co-operative 2011 7.5% 8/7/2026	5,458	1.09
£12,765,000	Hiscox 6.125% 24/11/2045	12,696	2.54
£4,070,000	HSBC 8.201% 16/11/2034	4,477	0.90
£2,506,000	International Personal Finance 12% 12/12/2027	2,526	0.51
£2,885,000	Jupiter Fund Management 8.875% 27/7/2030	2,896	0.58
£8,550,000	Just 5% Perpetual	6,472	1.30
£800,000	Just 8.125% 26/10/2029	841	0.17
£4,450,000	Legal & General 5.625% Perpetual	3,999	0.80
£6,700,000	Lloyds Banking 7.875% Perpetual	6,641	1.33
£2,000,000	Lloyds Banking 8.5% Perpetual	2,037	0.41
£3,333,000	Lloyds Banking 8.5% Perpetual	3,395	0.68
£7,800,000	Nationwide Building Society 5.75% Perpetual	7,381	1.48
£12,300,000	Nationwide Building Society 5.875% Perpetual	12,177	2.44
£9,832,000	NGG Finance 5.625% 18/6/2073	9,727	1.95
£14,680,000	Paragon Banking 4.375% 25/9/2031	13,533	2.71
£76,800	Paragon Banking 6% 28/8/2024	76	0.01
£2,146,000	Pension Insurance 4.625% 7/5/2031	1,929	0.39
£7,241,000	Pension Insurance 7.375% Perpetual	7,087	1.42
£1,563,000	Phoenix 5.625% 28/4/2031	1,505	0.30
£4,100,000	Phoenix 5.75% Perpetual	3,673	0.73
£2,200,000	Rothsay Life 5% Perpetual	1,682	0.34
£3,500,000	Rothsay Life 6.875% Perpetual	3,294	0.66

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Fixed Rate Corporate Bonds continued			
£1,250,000	Rothesay Life 7.734% 16/5/2033	1,354	0.27
£1,700,000	Shawbrook 9% 10/10/2030	1,674	0.33
£1,935,000	TP ICAP Finance 2.625% 18/11/2028	1,663	0.33
£350,000	TP ICAP Finance 5.25% 29/5/2026	343	0.07
£4,174,000	TP ICAP Finance 7.875% 17/4/2030	4,558	0.91
£10,250,000	Travis Perkins 3.75% 17/2/2026	9,751	1.95
		188,676	37.77
Euro Denominated Fixed Rate Corporate Bonds - 1.54% (31/3/2023 - 0.53%)			
€5,665,000	British American Tobacco 3.75% Perpetual	4,491	0.90
€3,800,000	International Personal Finance 9.75% 12/11/2025	3,198	0.64
		7,689	1.54
United States Dollar Denominated Fixed Rate Corporate Bonds - 12.71% (31/3/2023 - 11.09%)			
\$3,300,000	Barclays 8% Perpetual	2,607	0.52
\$12,441,000	Beazley Insurance 5.5% 10/9/2029	9,478	1.90
\$500,000	Beazley Insurance 5.875% 4/11/2026	389	0.08
\$7,980,000	Burford Capital Finance 6.125% 12/8/2025	6,248	1.25
\$3,532,000	Burford Capital Global Finance 6.25% 15/4/2028	2,723	0.54
\$16,180,000	Lancashire 5.625% 18/9/2041	11,476	2.30
\$8,945,000	Marks & Spencer 7.125% 1/12/2037	7,443	1.49
\$5,000,000	Pershing Square 3.25% 1/10/2031	3,211	0.64
\$3,220,000	Phoenix 5.625% Perpetual	2,482	0.50
\$23,834,000	Trafigura 5.875% Perpetual	17,429	3.49
		63,486	12.71
EQUITIES - 24.09% (31/3/2023 - 24.44%)			
UNITED KINGDOM - 10.73% (31/3/2023 - 11.82%)			
6,386,377	Atrato Onsite Energy	4,649	0.93
66,121	British American Tobacco	1,591	0.32
164,300	Bunzl	5,008	1.00
270,930	Diploma	10,079	2.02
3,182,879	Ediston Property Investment	–	–
175,193	Imperial Brands	3,101	0.62
904,601	Mears	3,333	0.67
517,000	Moneysupermarket.com	1,136	0.23

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
2,408,364	Phoenix	13,275	2.66
5,026,919	Schroder European Real Estate Investment Trust	3,097	0.62
678,470	Schroders	2,554	0.51
6,100,423	Tritax EuroBox	3,302	0.66
1,371,779	Urban Logistics REIT	1,569	0.31
1,064,443	Warehouse Reit	879	0.18
2,000	Xtrackers FTSE 100 Short Daily Swap UCITS ETF	6	–
		53,579	10.73
AUSTRALIA - 0.41% (31/3/2023 - 0.48%)			
91,184	BHP	2,074	0.41
EUROPE - 6.27% (31/3/2023 - 4.37%)			
Germany - 2.37% (31/3/2023 - 2.28%)			
177,291	Brenntag	11,838	2.37
Guernsey - 2.57% (31/3/2023 - 0.51%)			
1,948,700	Pollen Street	12,823	2.57
Luxembourg - 0.00% (31/3/2023 - 0.00%)			
3,800	Xtrackers Euro Stoxx 50 Short Daily Swap UCITS ETF	21	–
Switzerland - 1.33% (31/3/2023 - 1.58%)			
32,774	Roche	6,615	1.33
NORTH AMERICA - 6.68% (31/3/2023 - 7.77%)			
Canada - 0.81% (31/3/2023 - 0.95%)			
309,237	Barrick Gold	4,063	0.81
United States - 5.87% (31/3/2023 - 6.82%)			
67,935	CVS ⁺	662	0.13
13,439	Mastercard	5,117	1.03
207,381	Philip Morris International	15,036	3.01
38,450	Visa	8,484	1.70
4,000	Xtrackers S&P 500 Inverse Daily Swap UCITS ETF	22	–
		29,321	5.87
ALTERNATIVE - 22.52% (31/3/2023 - 25.61%)			
3,742,375	3i Infrastructure	12,200	2.44

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
1,660,088	AEW UK REIT	1,424	0.29
4,077,830	Cordiant Digital Infrastructure	2,602	0.52
2,983,000	Digital 9 Infrastructure	664	0.13
17,582,795	GCP Asset Backed Income Fund	11,956	2.39
8,424,102	GCP Infrastructure Investments	6,091	1.22
12,869,643	Greencoat UK Wind	17,876	3.58
2,159,750	Ground Rents Income Fund	648	0.13
4,545,542	Hicl Infrastructure	5,727	1.15
10,448,813	ICG-Longbow Senior Secured UK Property Debt Investments	2,299	0.46
5,913,548	International Public Partnerships	7,333	1.47
19,200	Invesco Physical Gold ETC	3,250	0.65
11,812,023	Real Estate Credit Investments	13,525	2.71
9,830,071	Residential Secure Income	5,249	1.05
575,000	Royal Mint Physical Gold ETC	9,998	2.00
12,659,905	Starwood European Real Estate Finance	11,647	2.33
42	WisdomTree Physical Gold	7	–
		112,496	22.52
	DERIVATIVES* - (0.09%) (31/3/2023 - 0.24%)		
	Open Forward Currency Contracts - (0.09%) (31/3/2023 - 0.24%)		
£7,764,432	Bought GBP 7,764,432 : Sold EUR 9,092,658	(13)	–
£31,916,926	Bought GBP 31,916,926 : Sold USD 40,876,576	(439)	(0.09)
		(452)	(0.09)
	Portfolio of investments	492,229	98.54
	Net other assets	7,301	1.46
	Total net assets	499,530	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 £15,156.

*Securities are listed on the Alternative Investments Market.

Financial statements

Statement of total return

for the year ended 31 March 2024

	Notes	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Income			
Net capital gains/(losses)	2	15,426	(63,009)
Revenue	3	30,953	31,432
Expenses	4	(3,672)	(4,050)
Interest payable and similar charges	6	–	(2)
Net revenue before taxation for the year		27,281	27,380
Taxation	5	(3,314)	(3,014)
Net revenue after taxation for the year		23,967	24,366
Total return before distributions		39,393	(38,643)
Distributions	7	(26,904)	(27,606)
Change in net assets attributable to unitholders from investment activities		12,489	(66,249)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders	530,788	582,700
Amounts received on creation of units	37,316	73,290
Amounts paid on cancellation of units	(102,453)	(81,405)
	(65,137)	(8,115)
Dilution adjustment	21	1
Change in net assets attributable to unitholders from investment activities	12,489	(66,249)
Retained distribution on accumulation units	21,369	22,451
Closing net assets attributable to unitholders	499,530	530,788

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			492,681		521,769
Current assets					
Debtors	8	5,963		7,207	
Cash and bank balances	9	4,767		5,215	
Total other assets			10,730		12,422
Total assets			503,411		534,191
LIABILITIES					
Investment liabilities					
			(452)		(23)
Creditors					
Distribution payable		(1,239)		(1,436)	
Other creditors	10	(2,190)		(1,944)	
Total other liabilities			(3,429)		(3,380)
Total liabilities			(3,881)		(3,403)
Net assets attributable to unitholders			499,530		530,788

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(1,000)	(146)
Gains/(losses) on forward currency contracts	1,560	(3,570)
Gains/(losses) on non-derivative securities	14,866	(59,293)
Net capital gains/(losses)	15,426	(63,009)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	104	137
Interest from overseas fixed interest securities	4,608	5,243
Interest from UK fixed interest securities	12,722	10,446
Non-taxable overseas dividends	6,548	7,458
UK dividends	2,268	3,776
UK franked dividends from collective investment schemes	2,632	1,730
UK REIT dividends	882	1,106
UK unfranked dividends from collective investment schemes	1,189	1,536
Total revenue	30,953	31,432

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	3,672	4,050
Total expenses	3,672	4,050

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	3,166	2,883
Overseas tax	148	131
Total taxation	3,314	3,014

b) Factors affecting taxation charge for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	27,281	27,380
Corporation tax at 20% (31/3/2023 - 20%)	5,456	5,476
Effects of:		
Overseas tax	148	131
Revenue not subject to tax	(2,290)	(2,593)
Total taxation (see note 5(a))	3,314	3,014

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 2024 there is no potential deferred tax asset (31/3/2023 - £nil) due to tax losses (31/3/2023 - £nil). Accordingly, no tax assets have been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
1st Interim distribution	6,618	5,641
2nd Interim distribution	7,250	7,771
3rd Interim distribution	6,294	6,564
Final distribution	6,308	7,580
	26,470	27,556

Add: Revenue deducted on cancellation of units	663	495
Less: Revenue received on creation of units	(229)	(445)
Net distribution for the year	26,904	27,606

Reconciliation of distributions:

Net revenue after taxation	23,967	24,366
Capitalised fees	3,671	4,050
Tax relief on capitalised fees	(734)	(810)
Net distribution for the year	26,904	27,606

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	5,464	6,150
Income tax recoverable	79	–
Overseas tax recoverable	20	25
Receivable for creation of units	400	1,032
Total debtors	5,963	7,207

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Cash and bank balances	4,767	5,215

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	304	332
Amounts payable on cancellation of units	1,886	1,497
Corporation tax payable	–	115
Total other creditors	2,190	1,944

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Canadian Dollar	–	4,063	4,063
Euro	–	12,210	12,210
Swiss Franc	–	6,615	6,615
US Dollar	55	60,487	60,542
Total	55	83,375	83,430

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

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

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 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	259,851	232,830	492,681
Investment liabilities	–	–	(452)	(452)

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

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

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
31/3/2024		
Level 1: Quoted prices	232,830	–
Level 2: Observable market data	259,851	(452)
Level 3: Unobservable data	–	–
	492,681	(452)
31/3/2023		
Level 1: Quoted prices	262,960	–
Level 2: Observable market data	258,809	(23)
Level 3: Unobservable data	–	–
	521,769	(23)

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	18.30	14.22
Below Investment Grade	19.01	14.74
Not Rated	14.71	19.05
	52.02	48.01

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	28,429	–	–	–	–
Collective investment schemes	1,772	1	0.06	–	–
Total	30,201	1		–	
Total purchases including commission and taxes	30,202				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	13,133	6	0.05	–	–
Debt instruments (direct)	42,975	–	–	–	–
Collective investment schemes	13,868	2	0.01	–	–
Total	69,976	8		–	
Total sales net of commissions and taxes	69,968				
Total transaction costs		9		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2023

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	4,563	2	0.04	10	0.22
Debt instruments (direct)	116,122	–	–	–	–
Collective investment schemes	15,320	–	–	1	0.01
Total	136,005	2		11	
Total purchases including commission and taxes	136,018				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	21,121	11	0.05	–	–
Debt instruments (direct)	28,278	–	–	–	–
Collective investment schemes	18,058	12	0.07	–	–
Total	67,457	23		–	
Total sales net of commissions and taxes	67,434				
Total transaction costs		25		11	
Total transaction costs as a % of average net assets		0.01%		0.00%	

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.

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.

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

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 0.92% (31/3/2023 - 0.99%).

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 274.

The balance due from the Diversified Income Fund at the year end in respect of fees paid to the Manager was £304,142 (31/3/2023 - £331,749).

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

	Unit holding %	Related party name
Diversified Income Fund	65.96	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024	A Income units	A Accumulation units	I Income units	X Income units	X Accumulation units
Opening units	394,848	6,645,075	3,865,125	77,616,181	228,847,041
Units created	273,992	302,669	2,204,316	7,402,701	13,569,545
Units cancelled	(83,135)	(1,021,124)	(493,150)	(12,544,037)	(45,300,789)
Units converted	–	–	–	(139,635)	92,611
Closing units	585,705	5,926,620	5,576,291	72,335,210	197,208,408

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2024

Group 2: units purchased between 1 January 2024 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2024	Distribution Paid per Unit on 31/5/2023
A Income				
Group 1	1.3085	–	1.3085	1.4510
Group 2	1.0331	0.2754	1.3085	1.4510
A Accumulation				
Group 1	2.1160	–	2.1160	2.2228
Group 2	0.8268	1.2892	2.1160	2.2228
I Income				
Group 1	1.2122	–	1.2122	1.3314
Group 2	0.8073	0.4049	1.2122	1.3314
X Income				
Group 1	1.6092	–	1.6092	1.7760
Group 2	0.7819	0.8273	1.6092	1.7760
X Accumulation				
Group 1	2.5065	–	2.5065	2.6204
Group 2	1.3905	1.1160	2.5065	2.6204

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 December 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2024	Distribution Paid per Unit on 28/2/2023
A Income				
Group 1	1.2772	–	1.2772	1.2560
Group 2	0.7736	0.5036	1.2772	1.2560
A Accumulation				
Group 1	2.0399	–	2.0399	1.9011
Group 2	0.6077	1.4322	2.0399	1.9011
I Income				
Group 1	1.1803	–	1.1803	1.1495
Group 2	0.7532	0.4271	1.1803	1.1495
X Income				
Group 1	1.5688	–	1.5688	1.5355
Group 2	0.9793	0.5895	1.5688	1.5355
X Accumulation				
Group 1	2.4135	–	2.4135	2.2383
Group 2	1.5522	0.8613	2.4135	2.2383

Distribution tables

continued

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2023

Group 2: units purchased between 1 July 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
A Income				
Group 1	1.4415	–	1.4415	1.5032
Group 2	0.7582	0.6833	1.4415	1.5032
A Accumulation				
Group 1	2.2689	–	2.2689	2.2425
Group 2	1.1775	1.0914	2.2689	2.2425
I Income				
Group 1	1.3290	–	1.3290	1.3721
Group 2	0.7563	0.5727	1.3290	1.3721
X Income				
Group 1	1.7686	–	1.7686	1.8353
Group 2	0.9044	0.8642	1.7686	1.8353
X Accumulation				
Group 1	2.6812	–	2.6812	2.6369
Group 2	1.5891	1.0921	2.6812	2.6369

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 June 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2023	Distribution Paid per Unit on 31/8/2022
A Income				
Group 1	1.2865	–	1.2865	1.0970
Group 2	0.1781	1.1084	1.2865	1.0970
A Accumulation				
Group 1	1.9989	–	1.9989	1.6201
Group 2	1.2881	0.7108	1.9989	1.6201
I Income				
Group 1	1.1830	–	1.1830	0.9990
Group 2	0.6748	0.5082	1.1830	0.9990
X Income				
Group 1	1.5764	–	1.5764	1.3378
Group 2	0.6997	0.8767	1.5764	1.3378
X Accumulation				
Group 1	2.3591	–	2.3591	1.9028
Group 2	1.1210	1.2381	2.3591	1.9028

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 2024

Fund objective and policy

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

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

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

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

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

The Conservative Fund may also invest in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Conservative Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Conservative Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

Global equity markets gained +20.5% in sterling terms, muted slightly by the pound's appreciation. Bond markets, as measured by the sterling broad market index, gained +1.3%. The Fund returned 8.5% over the period, outperforming the IA Mixed 20-60 by 0.8%.

The path of central bank monetary policy was the focus of markets throughout the period, with inflation data and business cycle indicators, particularly US payroll data, keenly watched for signals on when interest rates would first stop hiking, then be cut. Belief in the fabled 'soft landing scenario' (that slowing inflation would allow central banks to ease interest rates lower thus avoiding a recession) whipsawed through the period, before gaining credence in Q4. Disinflation momentum on both sides of the Atlantic cleared the way for central banks to signal that interest rate cuts in 2024 were on the agenda which, supported by resilient economies and steadfast labour markets, drove gains in both asset classes. Strength continued into the New Year but the recipe of strong economies, yet still sticky inflation and a slight reversal in dovish US Federal Reserve narrative caused market rate cut expectations to be pushed out to the second half of the year, giving a recession further room to materialise.

The bias in our equity positioning was to economically resilient business models or cyclical equities where the risk was adequately reflected in earnings and valuation, whilst the macro environment was signalling a slowdown. Our forward outlook changed as underlying economic strength became more apparent through the period. To this, we increased our equity weight, adding to more economically sensitive businesses where multiples had the most scope to expand in a recovery – stocks including TSMC, Performance Food Group and Visa. New stocks included DCC, Amazon, Informa and Howden's Joinery. On the other side, we trimmed outperforming defensives, such as RELX, as well as money market cash funds and gold in alternatives. In fixed income, we added to corporate bonds to lock in higher yields and cautiously increased duration - balancing our USD/GBP rate exposure by adding to UK Gilts where the economy is more vulnerable and inflation less pervasive.

After two years of sideways chop in stocks and a bear market in bonds, we are now the most optimistic we have been since managing the Portfolio Funds on both markets and our forward strategy is changed. As long as inflation continues to fall, and there is no confirmation that the US has entered recession, we will maintain a neutral stance on equities. We are looking to clear the hurdle of the first interest rate cut from the Federal Reserve before moving outright overweight and swap sovereign bonds for corporate bonds to lock in high yields. However, should the economy have slipped into recession by that point we will move underweight equities, shifting into gold and longer duration in fixed income to protect returns. We remain on the lookout to replace outperforming holdings with fresh stocks and buy new cyclical equities on profit warnings.

As a long-term strategy with low turnover we fully expect and recommend that unitholders judge our performance over a period of five years or more.

Investment Report

continued

Fund Performance

Performance for the Conservative Fund over the last five years.

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Conservative Fund X Accumulation	8.5%	(6.2%)	0.4%	15.8%	(3.5%)
IA Mixed Investments 20-60% sector	7.7%	(4.8%)	2.7%	19.8%	(7.2%)

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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.03% (31/3/2023 - 0.05%).

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

Comparative tables

For the year ended A Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	139.55	148.45	150.17
Return before operating charges	13.33	(6.39)	1.27
Operating charges	(2.24)	(2.28)	(2.46)
Return after operating charges	11.09	(8.67)	(1.19)
Distributions	(2.47)	(0.23)	(0.53)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	148.17	139.55	148.45
After direct transaction costs of**	(0.06)	(0.03)	(0.07)
Performance			
Return after charges	7.95%	(5.84%)	(0.79%)
Other information			
Closing net asset value £'000	288	318	382
Closing number of units	194,033	227,874	257,413
Operating charges	1.60%	1.62%	1.59%
Direct transaction costs**	0.05%	0.02%	0.04%
Prices*			
Highest unit price	148.80	149.20	160.10
Lowest unit price	132.40	134.10	143.20

For the year ended A Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	154.44	164.02	165.35
Return before operating charges	14.96	(7.06)	1.38
Operating charges	(2.49)	(2.52)	(2.71)
Return after operating charges	12.47	(9.58)	(1.33)
Distributions	(2.73)	(0.25)	(0.58)
Retained distributions on accumulation units	2.73	0.25	0.58
Closing net asset value per unit*	166.91	154.44	164.02
After direct transaction costs of**	(0.07)	(0.03)	(0.07)
Performance			
Return after charges	8.07%	(5.84%)	(0.80%)
Other information			
Closing net asset value £'000	10,958	11,886	14,143
Closing number of units	6,565,357	7,696,269	8,622,582
Operating charges	1.60%	1.62%	1.59%
Direct transaction costs**	0.05%	0.02%	0.04%
Prices*			
Highest unit price	166.90	164.90	176.50
Lowest unit price	148.60	148.20	158.30

*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.

Comparative tables

continued

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	156.83	166.87	168.23
Return before operating charges	13.67	(7.22)	1.40
Operating charges	(1.43)	(1.47)	(1.56)
Return after operating charges	12.24	(8.69)	(0.16)
Distributions	(2.51)	(1.35)	(1.20)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	166.56	156.83	166.87
After direct transaction costs of**	(0.07)	(0.03)	(0.07)
Performance			
Return after charges	7.80%	(5.21%)	(0.10%)
Other information			
Closing net asset value £'000	16,375	17,958	22,703
Closing number of units	9,831,236	11,450,630	13,605,343
Operating charges	0.91%	0.93%	0.90%
Direct transaction costs**	0.05%	0.02%	0.04%
Prices*			
Highest unit price	167.70	167.70	179.90
Lowest unit price	148.90	150.70	160.90

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	179.84	189.63	189.80
Return before operating charges	15.75	(8.17)	1.54
Operating charges	(1.59)	(1.62)	(1.71)
Return after operating charges	14.16	(9.79)	(0.17)
Distributions	(2.84)	(1.60)	(1.40)
Retained distributions on accumulation units	2.84	1.60	1.40
Closing net asset value per unit*	194.00	179.84	189.63
After direct transaction costs of**	(0.08)	(0.04)	(0.08)
Performance			
Return after charges	7.87%	(5.16%)	(0.09%)
Other information			
Closing net asset value £'000	726,748	773,734	882,692
Closing number of units	374,611,415	430,227,185	465,477,654
Operating charges	0.88%	0.90%	0.87%
Direct transaction costs**	0.05%	0.02%	0.04%
Prices*			
Highest unit price	194.00	190.60	203.70
Lowest unit price	172.30	172.00	182.90

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

**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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 33.99% (31/3/2023 - 44.55%)			
Sterling Denominated Fixed Rate Corporate Bonds - 8.98% (31/3/2023 - 11.34%)			
£2,900,000	A2D Funding II 4.5% 30/9/2026	2,816	0.37
£7,000,000	Admiral 5.5% 25/7/2024	6,987	0.93
£5,100,000	Admiral 8.5% 6/1/2034	5,677	0.75
£1,850,000	Co-operative 2011 7.5% 8/7/2026	1,836	0.24
£10,900,000	Coventry Building Society 1% 21/9/2025	10,279	1.36
£8,300,000	Hiscox 6.125% 24/11/2045	8,255	1.10
£4,900,000	Just 3.5% 7/2/2025	4,802	0.64
£1,400,000	Just 5% Perpetual	1,060	0.14
£7,000,000	Legal & General 5.375% 27/10/2045	6,956	0.92
£4,500,000	Nationwide Building Society 5.875% Perpetual	4,455	0.59
£7,000,000	Pension Insurance 6.5% 3/7/2024	7,005	0.93
£8,000,000	Rothsay Life 3.375% 12/7/2026	7,645	1.01
		67,773	8.98
Sterling Denominated Fixed Rate Government Bonds - 14.81% (31/3/2023 - 0.00%)			
£48,800,000	United Kingdom Gilt 1.125% 31/1/2039	32,226	4.27
£72,250,000	United Kingdom Gilt 1.25% 22/10/2041	45,277	6.00
£45,200,000	United Kingdom Gilt 1.75% 7/9/2037	34,193	4.54
		111,696	14.81
Canadian Dollar Denominated Fixed Rate Corporate Bonds - 1.83% (31/3/2023 - 0.00%)			
CA\$4,550,000	Enbridge 5% 19/1/2082	2,338	0.31
CA\$1,150,000	Enbridge 5.375% 27/9/2077	643	0.08
CA\$6,150,000	Enbridge 8.747% 15/1/2084	3,997	0.53
CA\$2,950,000	Transcanada Trust 4.2% 4/3/2081	1,468	0.19
CA\$9,850,000	Transcanada Trust 4.65% 18/5/2077	5,400	0.72
		13,846	1.83
Euro Denominated Fixed Rate Corporate Bonds - 2.14% (31/3/2023 - 1.39%)			
€1,500,000	American Tower 1.375% 4/4/2025	1,251	0.16
€1,100,000	Engie 1.625% Perpetual	907	0.12
€100,000	Engie 3.25% Perpetual	84	0.01
€500,000	Holcim Finance Luxembourg 3% Perpetual	424	0.06
€500,000	Iberdrola International 3.25% Perpetual	422	0.06
€6,700,000	Pershing Square 1.375% 1/10/2027	5,060	0.67

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Euro Denominated Fixed Rate Corporate Bonds continued			
€3,500,000	Trafigura 7.5% Perpetual	2,999	0.40
€3,600,000	Veolia Environnement 1.625% Perpetual	2,853	0.38
€900,000	Veolia Environnement 2% Perpetual	694	0.09
€400,000	Veolia Environnement 2.25% Perpetual	325	0.04
€1,500,000	Veolia Environnement 2.5% Perpetual	1,152	0.15
		16,171	2.14
Japanese Yen Denominated Fixed Rate Corporate Bonds - 1.32% (31/3/2023 - 0.00%)			
¥500,000,000	Berkshire Hathaway 0.907% 20/4/2026	2,617	0.35
¥800,000,000	Berkshire Hathaway 1.135% 20/4/2028	4,189	0.56
¥600,000,000	Lloyds Banking 1.352% 25/5/2029	3,125	0.41
		9,931	1.32
Swiss Franc Denominated Fixed Rate Corporate Bonds - 0.53% (31/3/2023 - 0.00%)			
CHF1,200,000	Dufry One 0.75% 30/3/2026	1,008	0.13
CHF3,400,000	Dufry One 3.625% 15/4/2026	2,997	0.40
		4,005	0.53
United States Dollar Denominated Fixed Rate Corporate Bonds - 2.86% (31/3/2023 - 0.88%)			
\$2,200,000	American Tower 3.375% 15/5/2024	1,736	0.23
\$1,900,000	Beazley Insurance 5.5% 10/9/2029	1,448	0.19
\$638,000	Beazley Insurance 5.875% 4/11/2026	496	0.07
\$4,900,000	Crown Castle 3.2% 1/9/2024	3,839	0.51
\$450,000	Enbridge 5.5% 15/7/2077	338	0.05
\$1,200,000	Lancashire 5.625% 18/9/2041	851	0.11
\$1,300,000	Perenti Finance 6.5% 7/10/2025	1,022	0.14
\$4,400,000	Phoenix 5.625% Perpetual	3,392	0.45
\$1,800,000	Trafigura 5.875% Perpetual	1,316	0.17
\$7,050,000	Transcanada Trust 5.3% 15/3/2077	5,218	0.69
\$450,000	Transcanada Trust 5.5% 15/9/2079	328	0.04
\$2,092,000	Transcanada Trust 5.625% 20/5/2075	1,614	0.21
		21,598	2.86
United States Dollar Denominated Fixed Rate Government Bonds - 1.52% (31/3/2023 - 30.94%)			
\$17,100,000	United States Treasury Notes 1.625% 15/5/2031	11,417	1.52

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 48.29% (31/3/2023 - 39.17%)			
UNITED KINGDOM - 8.49% (31/3/2023 - 5.41%)			
573,300	3i	16,104	2.13
142,600	Ashtead	8,040	1.07
284,100	Compass	6,599	0.88
464,100	Howden Joinery	4,206	0.56
1,309,314	Informa	10,883	1.44
302,400	RELX	10,368	1.37
235,600	Whitbread	7,808	1.04
		64,008	8.49
EUROPE - 10.47% (31/3/2023 - 9.01%)			
France - 4.00% (31/3/2023 - 3.21%)			
19,900	LVMH Moet Hennessy Louis Vuitton	14,184	1.88
53,700	Pernod Ricard	6,884	0.91
50,700	Schneider Electric	9,088	1.21
		30,156	4.00
Germany - 1.25% (31/3/2023 - 0.77%)			
67,346	Merck	9,437	1.25
Ireland - 0.71% (31/3/2023 - 0.14%)			
79,642	DCC	4,586	0.61
70,000	Neuberger Berman Event Driven Fund	754	0.10
		5,340	0.71
Italy - 1.76% (31/3/2023 - 0.62%)			
93,900	Interpump	3,628	0.48
90,000	Moncler	5,315	0.71
38,500	Reply	4,319	0.57
		13,262	1.76
Luxembourg - 0.01% (31/3/2023 - 0.62%)			
1,000	Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	105	0.01

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Netherlands - 1.43% (31/3/2023 - 1.06%)		
26,788	IMCD	3,740	0.50
56,700	Wolters Kluwer	7,039	0.93
		10,779	1.43
	Switzerland - 1.31% (31/3/2023 - 2.59%)		
150,500	Alcon	9,898	1.31
	ASIA PACIFIC (EX JAPAN) - 3.96% (31/3/2023 - 2.89%)		
228,900	AIA	1,217	0.16
224,700	HDFC Bank ADR	9,956	1.32
412,400	Prudential	3,064	0.41
320,800	Singapore Exchange	1,733	0.23
129,200	Taiwan Semiconductor Manufacturing ADR	13,911	1.84
		29,881	3.96
	JAPAN - 0.00% (31/3/2023 - 1.43%)		
	NORTH AMERICA - 25.37% (31/3/2023 - 20.43%)		
	Canada - 2.97% (31/3/2023 - 2.75%)		
247,100	Canadian Natural Resources	14,931	1.98
22,200	Franco-Nevada	2,096	0.28
145,800	Tourmaline Oil	5,399	0.71
		22,426	2.97
	United States - 22.40% (31/3/2023 - 17.68%)		
64,500	Alphabet	7,699	1.02
84,400	Amazon.com	12,042	1.60
20,500	Ameriprise Financial	7,115	0.94
42,800	Applied Materials	6,983	0.93
38,900	Arthur J Gallagher	7,695	1.02
399,343	Avantor	8,074	1.07
43,900	Becton Dickinson	8,595	1.14
15,300	Booz Allen Hamilton	1,798	0.24
142,700	Brown & Brown	9,882	1.31
52,800	Donaldson	3,119	0.41
71,100	Dover	9,966	1.32
26,700	Elevance Health	10,955	1.45

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
73,154	Hilton Grand Vacations	2,730	0.36
22,200	Marriott Vacations Worldwide	1,896	0.25
51,500	Marsh & McLennan	8,393	1.11
173,000	Performance Food	10,221	1.36
38,900	SBA Communications	6,667	0.88
46,700	Travel + Leisure	1,808	0.24
34,600	UnitedHealth	13,542	1.80
350,400	Valvoline	12,357	1.64
79,000	Visa	17,431	2.31
		168,968	22.40
FIXED INTEREST - 12.83% (31/3/2023 - 8.44%)			
Non Equity Investment Instrument - 12.83% (31/3/2023 - 8.44%)			
40,000	Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	5,017	0.67
42,441,919	HSBC Sterling Liquidity Fund	42,442	5.63
9,600,000	iShares USD Treasury Bond 20+yr UCITS ETF	35,022	4.64
13,000,000	Royal London Short Term Money Market Fund	14,284	1.89
		96,765	12.83
ALTERNATIVE - 3.63% (31/3/2023 - 3.89%)			
4,500	Alpstone Global Macro Ucits Fund	462	0.06
79,500	Invesco Physical Gold ETC	13,480	1.79
394,000	iShares Physical Gold ETC	13,469	1.78
		27,411	3.63
DERIVATIVES* - (0.08%) (31/3/2023 - 1.17%)			
Open Forward Currency Contracts - (0.08%) (31/3/2023 - 1.17%)			
€3,771,887	Bought EUR 3,771,887 : Sold GBP 3,240,419	(14)	—
£13,827,946	Bought GBP 13,827,946 : Sold CAD 23,885,996	(146)	(0.02)
£4,116,164	Bought GBP 4,116,164 : Sold CHF 4,615,921	54	0.01
£19,638,528	Bought GBP 19,638,528 : Sold EUR 22,981,852	(18)	—
£7,503,541	Bought GBP 7,503,541 : Sold JPY 1,404,818,147	143	0.02
£2,629,139	Bought GBP 2,629,139 : Sold JPY 501,502,650	1	—

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Open Forward Currency Contracts continued		
£99,435,430	Bought GBP 99,435,430 : Sold USD 127,398,447	(1,408)	(0.19)
\$85,730,646	Bought USD 85,730,646 : Sold GBP 67,058,428	802	0.10
		(586)	(0.08)
	Portfolio of investments	744,287	98.66
	Net other assets	10,082	1.34
	Total net assets	754,369	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 £103,481.

Financial statements

Statement of total return

for the year ended 31 March 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		44,083		(55,522)
Revenue	3	20,394		15,251	
Expenses	4	(6,549)		(7,306)	
Interest payable and similar charges	6	–		(2)	
Net revenue before taxation for the year		13,845		7,943	
Taxation	5	(2,202)		(156)	
Net revenue after taxation for the year			11,643		7,787
Total return before distributions			55,726		(47,735)
Distributions	7		(12,058)		(7,371)
Change in net assets attributable to unitholders from investment activities			43,668		(55,106)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders		803,896		919,920
Amounts received on creation of units	36,243		45,169	
Amounts paid on cancellation of units	(140,809)		(113,146)	
		(104,566)		(67,977)
Dilution adjustment		31		21
Change in net assets attributable to unitholders from investment activities		43,668		(55,106)
Retained distribution on accumulation units		11,340		7,038
Closing net assets attributable to unitholders		754,369		803,896

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			745,873		781,548
Current assets					
Debtors	8	4,083		5,093	
Cash and bank balances	9	10,739		21,795	
Total other assets			14,822		26,888
Total assets			760,695		808,436
LIABILITIES					
Investment liabilities					
			(1,586)		–
Creditors					
Distribution payable		(111)		(93)	
Other creditors	10	(4,629)		(4,447)	
Total other liabilities			(4,740)		(4,540)
Total liabilities			(6,326)		(4,540)
Net assets attributable to unitholders			754,369		803,896

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 gains/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(6,868)	6,855
Gains/(losses) on forward currency contracts	12,398	(26,851)
Gains/(losses) on non-derivative securities	38,553	(35,526)
Net capital gains/(losses)	44,083	(55,522)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	678	695
Interest from overseas fixed interest securities	9,090	3,847
Interest from UK fixed interest securities	3,700	4,688
Money market deposit	521	110
Non-taxable overseas dividends	3,832	4,464
Taxable overseas dividends	1,086	–
UK dividends	893	1,447
UK unfranked dividends from collective investment schemes	547	–
US REIT dividends	47	–
Total revenue	20,394	15,251

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	6,549	7,306
Total expenses	6,549	7,306

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	1,371	–
Deferred tax charge/(credit)	415	(415)
Double taxation relief	(7)	–
Overseas tax	423	571
Total taxation	2,202	156

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	13,845	7,943
Corporation tax at 20% (31/3/2023 - 20%)	2,769	1,589

Effects of:

Capitalised income subject to tax	(19)	12
Double taxation relief	(7)	–
Movement in unrecognised tax losses	(19)	(838)
Overseas tax	423	571
Prior year adjustment to unrecognised tax losses	–	4
Revenue not subject to tax	(945)	(1,182)
Total taxation (see note 5(a))	2,202	156

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 2024 there is no potential deferred tax asset (31/3/2023 - £434,745) due to tax losses (31/3/2023 - £2,173,724). Accordingly, no tax assets have been recognised (31/3/2023 - £415,444).

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Deferred tax at the beginning of the year	(415)	–
Deferred tax credit	415	(415)
Deferred tax at the end of the year	–	(415)

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	6,506	3,015
Final distribution	5,095	4,186
	11,601	7,201

Add: Revenue deducted on cancellation of units	612	263
Less: Revenue received on creation of units	(155)	(93)
Net distribution for the year	12,058	7,371

Reconciliation of distributions:

Net revenue after taxation	11,643	7,787
Add/(Less): Deferred tax	415	(416)
Net distribution for the year	12,058	7,371

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	2,975	3,886
Deferred tax	–	415
Double taxation relief	7	–
Income tax recoverable	–	21
Overseas tax recoverable	27	99
Receivable for creation of units	1,074	672
Total debtors	4,083	5,093

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Cash and bank balances	10,739	21,795

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	548	590
Amounts payable on cancellation of units	2,579	3,255
Corporation tax payable	676	–
Purchases awaiting settlement	826	602
Total other creditors	4,629	4,447

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Canadian Dollar	76	22,623	22,699
Euro	82	69,090	69,172
Hong Kong Dollar	–	1,217	1,217
Japanese Yen	–	(11)	(11)
Singapore Dollar	–	1,733	1,733
Swiss Franc	4	6,174	6,178
US Dollar	138	258,076	258,214
Total	300	358,902	359,202

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

a) Foreign currency risk continued

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

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

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	256,437	489,436	745,873
Investment liabilities	–	–	(1,586)	(1,586)

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

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

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
31/3/2024		
Level 1: Quoted prices	537,068	–
Level 2: Observable market data	208,805	(1,586)
Level 3: Unobservable data	–	–
	745,873	(1,586)

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

c) Valuation of financial investments continued

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

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	26.05	39.75
Below Investment Grade	1.67	0.13
Not Rated	6.27	4.67
	33.99	44.55

13. Portfolio transaction costs

Year to 31 March 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	180,754	37	0.02	259	0.14
Debt instruments (direct)	205,076	–	–	–	–
Collective investment schemes	88,153	8	0.01	–	–
Total	473,983	45		259	
Total purchases including commission and taxes	474,287				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	183,940	36	0.02	6	–
Debt instruments (direct)	291,922	–	–	–	–
Collective investment schemes	99,541	6	0.01	–	–
Total	575,403	42		6	
Total sales net of commissions and taxes	575,355				
Total transaction costs		87		265	
Total transaction costs as a % of average net assets		0.01%		0.04%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	137,572	23	0.02	77	0.06
Debt instruments (direct)	427,488	–	–	–	–
Collective investment schemes	142,027	10	0.01	–	–
Total	707,087	33		77	
Total purchases including commission and taxes	707,197				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	225,215	39	0.02	17	0.01
Debt instruments (direct)	371,028	–	–	–	–
Collective investment schemes	64,182	–	–	–	–
Total	660,425	39		17	
Total sales net of commissions and taxes	660,369				

Total transaction costs	72	94
Total transaction costs as a % of average net assets	0.01%	0.01%

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread was 0.16% (31/3/2023 - 0.11%).

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 274.

The balance due from the Conservative Fund at the year end in respect of fees paid to the Manager was £547,545 (31/3/2023 - £589,923).

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

	Unit holding %	Related party name
Conservative Fund	85.69	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2024

	A	A	X	X
	Income units	Accumulation units	Income units	Accumulation units
Opening units	227,874	7,696,269	11,450,630	430,227,185
Units created	1,767	143,064	360,709	19,735,821
Units cancelled	(35,608)	(1,273,976)	(1,677,642)	(75,614,428)
Units converted	–	–	(302,461)	262,837
Closing units	194,033	6,565,357	9,831,236	374,611,415

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
A Income				
Group 1	0.6083	–	0.6083	0.2297
Group 2	0.1218	0.4865	0.6083	0.2297
A Accumulation				
Group 1	0.6821	–	0.6821	0.2539
Group 2	0.2106	0.4715	0.6821	0.2539
X Income				
Group 1	1.1207	–	1.1207	0.8065
Group 2	0.9239	0.1968	1.1207	0.8065
X Accumulation				
Group 1	1.3183	–	1.3183	0.9469
Group 2	0.5797	0.7386	1.3183	0.9469

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
A Income				
Group 1	1.8625	–	1.8625	0.0000
Group 2	1.7056	0.1569	1.8625	0.0000
A Accumulation				
Group 1	2.0473	–	2.0473	0.0000
Group 2	1.1596	0.8877	2.0473	0.0000
X Income				
Group 1	1.3862	–	1.3862	0.5479
Group 2	0.6876	0.6986	1.3862	0.5479
X Accumulation				
Group 1	1.5261	–	1.5261	0.6504
Group 2	0.7396	0.7865	1.5261	0.6504

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 2024

Fund objective and policy

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

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

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

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

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

The Balanced Fund may also invest in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Balanced Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

Global equity markets gained +20.5% in sterling terms, muted slightly by the pound's appreciation. Bond markets, as measured by the sterling broad market index, gained +1.3%. The Fund returned 13.1% over the period, outperforming the IA Mixed 40-85% by 3.0%.

The path of central bank monetary policy was the focus of markets throughout the period, with inflation data and business cycle indicators, particularly US payroll data, keenly watched for signals on when interest rates would first stop hiking, then be cut. Belief in the fabled 'soft landing scenario' (that slowing inflation would allow central banks to ease interest rates lower thus avoiding a recession) whipsawed through the period, before gaining credence in Q4. Disinflation momentum on both sides of the Atlantic cleared the way for central banks to signal that interest rate cuts in 2024 were on the agenda which, supported by resilient economies and steadfast labour markets, drove gains in both asset classes. Strength continued into the New Year but the recipe of strong economies, yet still sticky inflation and a slight reversal in dovish US Federal Reserve narrative caused market rate cut expectations to be pushed out to the second half of the year, giving a recession further room to materialise.

The bias in our equity positioning was to economically resilient business models or cyclical equities where the risk was adequately reflected in earnings and valuation, whilst the macro environment was signalling a slowdown. Our forward outlook changed as underlying economic strength became more apparent through the period. To this, we increased our equity weight, adding to more economically sensitive businesses where multiples had the most scope to expand in a recovery – stocks including TSMC, Performance Food Group and Visa. New stocks included DCC, Amazon, Informa and Howden's Joinery. On the other side, we trimmed outperforming defensives, such as RELX, as well as money market cash funds and gold in alternatives. In fixed income, we added to corporate bonds to lock in higher yields and cautiously increased duration - balancing our USD/GBP rate exposure by adding to UK Gilts where the economy is more vulnerable and inflation less pervasive.

After two years of sideways chop in stocks and a bear market in bonds, we are now the most optimistic we have been since managing the Portfolio Funds on both markets and our forward strategy is changed. As long as inflation continues to fall, and there is no confirmation that the US has entered recession, we will maintain a neutral stance on equities. We are looking to clear the hurdle of the first interest rate cut from the Federal Reserve before moving outright overweight and swap sovereign bonds for corporate bonds to lock in high yields. However, should the economy have slipped into recession by that point we will move underweight equities, shifting into gold and longer duration in fixed income to protect returns. We remain on the lookout to replace outperforming holdings with fresh stocks and buy new cyclical equities on profit warnings.

As a longterm strategy with low turnover we fully expect and recommend that unitholders judge our performance over a period of five years or more.

Fund Performance

Performance for the Balanced Fund over the last five years.

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Balanced Fund X Accumulation	13.1%	(7.6%)	2.2%	21.5%	(5.5%)
IA Mixed Investments 40-85% Sector	10.2%	(4.5%)	5.2%	26.4%	(8.0%)

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

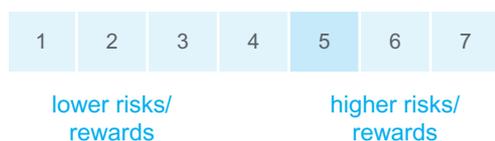
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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.

Investment Report

continued

Risk and Reward Profile continued

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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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% (31/3/2023 - 0.03%).

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

Comparative tables

For the year ended A Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	182.83	196.56	195.11
Return before operating charges	24.30	(10.78)	4.69
Operating charges	(2.94)	(2.95)	(3.24)
Return after operating charges	21.36	(13.73)	1.45
Distributions	(0.93)	(0.05)	(0.99)
Retained distributions on accumulation units	0.93	0.05	0.99
Closing net asset value per unit*	204.19	182.83	196.56
After direct transaction costs of**	(0.13)	(0.05)	(0.11)
Performance			
Return after charges	11.68%	(6.99%)	0.74%
Other information			
Closing net asset value £'000	17,080	17,900	21,763
Closing number of units	8,364,956	9,790,404	11,072,003
Operating charges	1.58%	1.60%	1.58%
Direct transaction costs**	0.07%	0.03%	0.06%
Prices*			
Highest unit price	204.10	198.10	216.20
Lowest unit price	177.40	174.10	186.70

For the year ended I Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	181.71	192.72	188.58
Return before operating charges	23.97	(10.79)	4.34
Operating charges	(0.19)	(0.22)	(0.20)
Return after operating charges	23.78	(11.01)	4.14
Distributions	(3.26)	(2.51)	(3.03)
Retained distributions on accumulation units	3.26	2.51	3.03
Closing net asset value per unit*	205.49	181.71	192.72
After direct transaction costs of**	(0.13)	(0.05)	(0.11)
Performance			
Return after charges	13.09%	(5.71%)	2.20%
Other information			
Closing net asset value £'000	1,049	576	287
Closing number of units	510,443	316,797	149,166
Operating charges	0.10%	0.12%	0.10%
Direct transaction costs**	0.07%	0.03%	0.06%
Prices*			
Highest unit price	205.40	194.20	211.20
Lowest unit price	177.60	171.90	182.90

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

**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	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	212.35	226.61	223.28
Return before operating charges	28.39	(12.42)	5.31
Operating charges	(1.83)	(1.84)	(1.98)
Return after operating charges	26.56	(14.26)	3.33
Distributions	(2.69)	(1.62)	(2.01)
Retained distributions on accumulation units	2.69	1.62	2.01
Closing net asset value per unit*	238.91	212.35	226.61
After direct transaction costs of**	(0.15)	(0.06)	(0.13)
Performance			
Return after charges	12.51%	(6.29%)	1.49%
Other information			
Closing net asset value £'000	1,186,331	1,218,693	1,373,857
Closing number of units	496,551,966	573,904,763	606,259,189
Operating charges	0.84%	0.86%	0.84%
Direct transaction costs**	0.07%	0.03%	0.06%
Prices*			
Highest unit price	238.80	228.40	248.80
Lowest unit price	207.00	201.40	215.20

*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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 19.33% (31/3/2023 - 29.33%)			
Sterling Denominated Fixed Rate Corporate Bonds - 5.08% (31/3/2023 - 6.61%)			
£6,700,000	A2Dominion Housing 3.5% 15/11/2028	6,169	0.51
£7,000,000	Admiral 5.5% 25/7/2024	6,987	0.58
£4,890,000	Admiral 8.5% 6/1/2034	5,444	0.45
£7,000,000	BUPA Finance 5% 8/12/2026	6,912	0.57
£1,740,000	Co-operative 2011 7.5% 8/7/2026	1,727	0.14
£1,200,000	Hiscox 6.125% 24/11/2045	1,193	0.10
£7,000,000	Just 3.5% 7/2/2025	6,860	0.57
£1,350,000	Just 5% Perpetual	1,022	0.09
£3,800,000	Nationwide Building Society 5.875% Perpetual	3,762	0.31
£7,000,000	Pension Insurance 8% 23/11/2026	7,282	0.61
£7,000,000	Phoenix 6.625% 18/12/2025	7,087	0.59
£7,000,000	Rothsay Life 3.375% 12/7/2026	6,690	0.56
		61,135	5.08
Sterling Denominated Fixed Rate Government Bonds - 7.95% (31/3/2023 - 0.00%)			
£37,000,000	United Kingdom Gilt 1.125% 31/1/2039	24,434	2.03
£64,900,000	United Kingdom Gilt 1.25% 22/10/2041	40,671	3.38
£40,500,000	United Kingdom Gilt 1.75% 7/9/2037	30,637	2.54
		95,742	7.95
Canadian Dollar Denominated Fixed Rate Corporate Bonds - 0.99% (31/3/2023 - 0.00%)			
CA\$4,000,000	Enbridge 5% 19/1/2082	2,056	0.17
CA\$1,000,000	Enbridge 5.375% 27/9/2077	559	0.05
CA\$5,300,000	Enbridge 8.747% 15/1/2084	3,444	0.28
CA\$2,600,000	Transcanada Trust 4.2% 4/3/2081	1,294	0.11
CA\$8,300,000	Transcanada Trust 4.65% 18/5/2077	4,550	0.38
		11,903	0.99
Euro Denominated Fixed Rate Corporate Bonds - 1.38% (31/3/2023 - 1.12%)			
€2,200,000	American Tower 1.375% 4/4/2025	1,834	0.15
€900,000	Engie 1.625% Perpetual	742	0.06
€100,000	Engie 3.25% Perpetual	84	0.01
€500,000	Holcim Finance Luxembourg 3% Perpetual	424	0.03
€700,000	Iberdrola International 3.25% Perpetual	591	0.05
€6,700,000	Pershing Square 1.375% 1/10/2027	5,060	0.42

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Euro Denominated Fixed Rate Corporate Bonds continued			
€3,400,000	Trafigura 7.5% Perpetual	2,914	0.24
€3,600,000	Veolia Environnement 1.625% Perpetual	2,853	0.24
€900,000	Veolia Environnement 2% Perpetual	694	0.06
€400,000	Veolia Environnement 2.25% Perpetual	325	0.03
€1,500,000	Veolia Environnement 2.5% Perpetual	1,151	0.09
		16,672	1.38
Japanese Yen Denominated Fixed Rate Corporate Bonds - 0.78% (31/3/2023 - 0.00%)			
¥400,000,000	Berkshire Hathaway 0.907% 20/4/2026	2,094	0.17
¥800,000,000	Berkshire Hathaway 1.135% 20/4/2028	4,189	0.35
¥600,000,000	Lloyds Banking 1.352% 25/5/2029	3,125	0.26
		9,408	0.78
Swiss Franc Denominated Fixed Rate Corporate Bonds - 0.30% (31/3/2023 - 0.00%)			
CHF1,200,000	Dufry One 0.75% 30/3/2026	1,007	0.08
CHF3,000,000	Dufry One 3.625% 15/4/2026	2,645	0.22
		3,652	0.30
United States Dollar Denominated Fixed Rate Corporate Bonds - 1.85% (31/3/2023 - 0.82%)			
\$3,140,000	American Tower 3.375% 15/5/2024	2,478	0.21
\$1,900,000	Beazley Insurance 5.5% 10/9/2029	1,448	0.12
\$400,000	Beazley Insurance 5.875% 4/11/2026	311	0.03
\$7,100,000	Crown Castle 3.2% 1/9/2024	5,563	0.46
\$400,000	Enbridge 5.5% 15/7/2077	300	0.02
\$800,000	Lancashire 5.625% 18/9/2041	568	0.05
\$1,000,000	Perenti Finance 6.5% 7/10/2025	786	0.06
\$4,400,000	Phoenix 5.625% Perpetual	3,392	0.28
\$2,000,000	Trafigura 5.875% Perpetual	1,463	0.12
\$6,000,000	Transcanada Trust 5.3% 15/3/2077	4,441	0.37
\$400,000	Transcanada Trust 5.5% 15/9/2079	291	0.02
\$1,700,000	Transcanada Trust 5.625% 20/5/2075	1,311	0.11
		22,352	1.85
United States Dollar Denominated Fixed Rate Government Bonds - 1.00% (31/3/2023 - 20.78%)			
\$18,000,000	United States Treasury Notes 1.625% 15/5/2031	12,018	1.00

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 72.12% (31/3/2023 - 58.92%)			
UNITED KINGDOM - 13.02% (31/3/2023 - 8.42%)			
1,418,500	3i	39,846	3.31
321,300	Ashtead	18,115	1.50
708,500	Compass	16,458	1.37
1,157,300	Howden Joinery	10,487	0.87
3,263,302	Informa	27,125	2.25
739,700	RELX	25,361	2.11
586,300	Whitbread	19,430	1.61
		156,822	13.02
EUROPE - 15.43% (31/3/2023 - 12.89%)			
France - 5.80% (31/3/2023 - 4.77%)			
43,400	LVMH Moet Hennessy Louis Vuitton	30,935	2.57
129,000	Pernod Ricard	16,538	1.37
125,100	Schneider Electric	22,423	1.86
		69,896	5.80
Germany - 1.91% (31/3/2023 - 1.22%)			
163,807	Merck	22,954	1.91
Ireland - 0.99% (31/3/2023 - 0.06%)			
198,528	DCC	11,431	0.95
50,000	Neuberger Berman Event Driven Fund	539	0.04
		11,970	0.99
Italy - 2.50% (31/3/2023 - 0.86%)			
211,600	Interpump	8,175	0.68
190,000	Moncler	11,222	0.93
95,100	Reply	10,667	0.89
		30,064	2.50
Luxembourg - 0.01% (31/3/2023 - 0.40%)			
1,000	Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	105	0.01

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Netherlands - 2.18% (31/3/2023 - 1.50%)		
66,711	IMCD	9,314	0.77
136,900	Wolters Kluwer	16,994	1.41
		26,308	2.18
	Switzerland - 2.04% (31/3/2023 - 4.08%)		
372,900	Alcon	24,526	2.04
	ASIA PACIFIC (EX JAPAN) - 5.68% (31/3/2023 - 4.54%)		
561,000	AIA	2,982	0.25
506,300	HDFC Bank ADR	22,432	1.86
978,400	Prudential	7,270	0.61
779,800	Singapore Exchange	4,213	0.35
292,300	Taiwan Semiconductor Manufacturing ADR	31,473	2.61
		68,370	5.68
	JAPAN - 0.00% (31/3/2023 - 2.21%)		
	NORTH AMERICA - 37.99% (31/3/2023 - 30.86%)		
	Canada - 4.53% (31/3/2023 - 4.51%)		
602,000	Canadian Natural Resources	36,377	3.02
55,100	Franco-Nevada	5,202	0.43
353,000	Tourmaline Oil	13,071	1.08
		54,650	4.53
	United States - 33.46% (31/3/2023 - 26.35%)		
159,200	Alphabet	19,003	1.58
190,900	Amazon.com	27,238	2.26
51,200	Ameriprise Financial	17,769	1.48
106,300	Applied Materials	17,343	1.44
87,900	Arthur J Gallagher	17,388	1.44
969,344	Avantor	19,598	1.63
105,500	Becton Dickinson	20,655	1.71
36,900	Booz Allen Hamilton	4,336	0.36
328,300	Brown & Brown	22,735	1.89
119,300	Donaldson	7,047	0.58
160,700	Dover	22,525	1.87
64,900	Elevance Health	26,628	2.21

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States continued			
182,746	Hilton Grand Vacations	6,821	0.57
55,500	Marriott Vacations Worldwide	4,741	0.39
124,800	Marsh & McLennan	20,338	1.69
413,100	Performance Food	24,405	2.03
94,700	SBA Communications	16,231	1.35
116,600	Travel + Leisure	4,514	0.37
85,500	UnitedHealth	33,464	2.78
872,200	Valvoline	30,759	2.55
178,800	Visa	39,451	3.28
		402,989	33.46
FIXED INTEREST - 4.31% (31/3/2023 - 4.68%)			
Non Equity Investment Instrument - 4.31% (31/3/2023 - 4.68%)			
40,000	Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	5,017	0.42
19,193,992	HSBC Sterling Liquidity Fund	19,194	1.59
7,600,000	iShares USD Treasury Bond 20+yr UCITS ETF	27,726	2.30
1,000	Royal London Short Term Money Market Fund	1	–
		51,938	4.31
ALTERNATIVE - 3.34% (31/3/2023 - 4.08%)			
4,600	Alpstone Global Macro Ucits Fund	472	0.04
117,000	Invesco Physical Gold ETC	19,838	1.65
581,000	iShares Physical Gold ETC	19,862	1.65
		40,172	3.34
DERIVATIVES* - (0.04%) (31/3/2023 - 0.80%)			
Open Forward Currency Contracts - (0.04%) (31/3/2023 - 0.80%)			
€3,668,901	Bought EUR 3,668,901 : Sold GBP 3,151,944	(14)	–
£11,886,857	Bought GBP 11,886,857 : Sold CAD 20,533,016	(126)	(0.01)
£3,752,626	Bought GBP 3,752,626 : Sold CHF 4,208,244	49	–
£20,056,493	Bought GBP 20,056,493 : Sold EUR 23,470,974	(18)	–
£7,503,541	Bought GBP 7,503,541 : Sold JPY 1,404,818,147	143	0.01
£2,104,261	Bought GBP 2,104,261 : Sold JPY 401,383,150	1	–

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Open Forward Currency Contracts continued		
£64,558,829	Bought GBP 64,558,829 : Sold USD 82,713,923	(914)	(0.07)
\$39,180,065	Bought USD 39,180,065 : Sold GBP 30,646,609	367	0.03
		(512)	(0.04)
	Portfolio of investments	1,193,134	99.06
	Net other assets	11,326	0.94
	Total net assets	1,204,460	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 £102,663.

Financial statements

Statement of total return

for the year ended 31 March 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		122,376		(97,992)
Revenue	3	26,070		21,816	
Expenses	4	(9,978)		(10,840)	
Interest payable and similar charges	6	–		(4)	
Net revenue before taxation for the year		16,092		10,972	
Taxation	5	(412)		(1,357)	
Net revenue after taxation for the year			15,680		9,615
Total return before distributions			138,056		(88,377)
Distributions	7		(14,744)		(9,617)
Change in net assets attributable to unitholders from investment activities			123,312		(97,994)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			1,237,169		1,395,908
Amounts received on creation of units		48,264		69,162	
Amounts paid on cancellation of units		(218,487)		(139,402)	
			(170,223)		(70,240)
Dilution adjustment			41		22
Change in net assets attributable to unitholders from investment activities			123,312		(97,994)
Retained distribution on accumulation units	7		14,161		9,473
Closing net assets attributable to unitholders			1,204,460		1,237,169

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			1,194,206		1,210,050
Current assets					
Debtors	8	5,019		6,443	
Cash and bank balances	9	15,675		27,177	
Total other assets			20,694		33,620
Total assets			1,214,900		1,243,670
LIABILITIES					
Investment liabilities					
			(1,072)		–
Creditors					
Other creditors	10	(9,368)		(6,501)	
Total other liabilities			(9,368)		(6,501)
Total liabilities			(10,440)		(6,501)
Net assets attributable to unitholders			1,204,460		1,237,169

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(7,731)	16,274
Gains/(losses) on forward currency contracts	13,763	(66,546)
Gains/(losses) on non-derivative securities	116,344	(47,720)
Net capital gains/(losses)	122,376	(97,992)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	883	999
Interest from overseas fixed interest securities	8,549	3,301
Interest from UK fixed interest securities	3,464	4,368
Money market deposit	379	111
Non-taxable overseas dividends	9,121	9,855
Taxable overseas dividends	1,087	–
UK dividends	2,178	3,182
UK unfranked dividends from collective investment schemes	294	–
US REIT dividends	115	–
Total revenue	26,070	21,816

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	9,978	10,840
Total expenses	9,978	10,840

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Deferred tax credit	(936)	–
Overseas tax	1,348	1,357
Total taxation	412	1,357

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	16,092	10,972
Corporation tax at 20% (31/3/2023 - 20%)	3,218	2,194

Effects of:

Capitalised income subject to tax	(18)	12
Movement in unrecognised tax losses	(1,873)	401
Overseas tax	1,348	1,357
Relief on overseas tax expensed	(3)	–
Revenue not subject to tax	(2,260)	(2,607)
Total taxation (see note 5(a))	412	1,357

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 2024 there is a potential deferred tax asset of £6,879,000 (31/3/2023 - £7,814,968) due to tax losses of £34,391,829 (31/3/2023 - £39,074,841). There is evidence that taxable profits may arise in the future, therefore the Fund has recognised £936,602 (31/3/2023 - £nil) of the potential deferred tax asset. Consequently the fund has an unrecognised deferred tax asset carried forward of £5,941,763 (31/3/2023 - £7,814,968).

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Deferred tax at the start of the year	–	–
Deferred tax charge	(936)	–
Deferred tax at the end of the year	(936)	–

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interest	–	4
	–	4

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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	8,694	5,100
Final distribution	5,467	4,373
	14,161	9,473

Add: Revenue deducted on cancellation of units	738	293
Less: Revenue received on creation of units	(155)	(149)
Net distribution for the year	14,744	9,617

Reconciliation of distributions:

Net revenue after taxation	15,680	9,615
Less: Deferred tax	(936)	–
Shortfall of income taken to capital	–	2
Net distribution for the year	14,744	9,617

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	2,869	4,069
Deferred tax	936	–
Income tax recoverable	–	42
Overseas tax recoverable	75	254
Receivable for creation of units	1,139	2,078
Total debtors	5,019	6,443

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Cash and bank balances	15,675	27,177

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	852	885
Amounts payable on cancellation of units	6,452	4,137
Purchases awaiting settlement	2,064	1,479
Total other creditors	9,368	6,501

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Canadian Dollar	67	55,023	55,090
Euro	2	162,688	162,690
Hong Kong Dollar	–	2,982	2,982
Japanese Yen	–	(12)	(12)
Singapore Dollar	–	4,213	4,213
Swiss Franc	4	15,305	15,309
US Dollar	150	531,781	531,931
Total	223	771,980	772,203

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 2023 was:

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

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	232,882	961,324	1,194,206
Investment liabilities	–	–	(1,072)	(1,072)

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

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

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
31/3/2024		
Level 1: Quoted prices	1,031,178	–
Level 2: Observable market data	163,028	(1,072)
Level 3: Unobservable data	–	–
	1,194,206	(1,072)

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

c) Valuation of financial investments continued

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	792,416	–
Level 2: Observable market data	417,634	–
Level 3: Unobservable data	–	–
	1,210,050	–

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	13.60	24.69
Below Investment Grade	0.90	0.08
Not Rated	4.83	4.56
	19.33	29.33

13. Portfolio transaction costs

Year to 31 March 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	436,153	88	0.02	635	0.15
Debt instruments (direct)	192,431	–	–	–	–
Collective investment schemes	86,739	9	0.01	–	–
Total	715,323	97		635	
Total purchases including commission and taxes	716,055				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	427,494	83	0.02	13	–
Debt instruments (direct)	306,795	–	–	–	–
Collective investment schemes	110,796	10	0.01	–	–
Total	845,085	93		13	
Total sales net of commissions and taxes	844,979				
Total transaction costs		190		648	
Total transaction costs as a % of average net assets		0.02%		0.05%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	347,282	58	0.02	183	0.05
Debt instruments (direct)	391,959	–	–	–	–
Collective investment schemes	160,845	13	0.01	–	–
Total	900,086	71		183	
Total purchases including commission and taxes	900,340				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity instruments (direct)	480,315	87	0.02	31	0.01
Debt instruments (direct)	298,798	–	–	–	–
Collective investment schemes	81,095	–	–	–	–
Total	860,208	87		31	
Total sales net of commissions and taxes	860,090				

Total transaction costs	158	214
Total transaction costs as a % of average net assets	0.01%	0.02%

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 0.12% (31/3/2023 - 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 274.

The balance due from the Balanced Fund at the year end in respect of fees paid to the Manager was £852,175 (31/3/2023 - £885,392).

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

	Unit holding %	Related party name
Balanced Fund	82.82	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2024

	A	I	X
	Accumulation units	Accumulation units	Accumulation units
Opening units	9,790,404	316,797	573,904,763
Units created	226,103	330,472	21,899,691
Units cancelled	(1,629,386)	(127,358)	(99,279,654)
Units converted	(22,165)	(9,468)	27,166
Closing units	8,364,956	510,443	496,551,966

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
A Accumulation				
Group 1	0.2395	–	0.2395	0.0000
Group 2	0.0599	0.1796	0.2395	0.0000
I Accumulation				
Group 1	1.4386	–	1.4386	1.1617
Group 2	0.4570	0.9816	1.4386	1.1617
X Accumulation				
Group 1	1.0956	–	1.0956	0.7613
Group 2	0.4769	0.6187	1.0956	0.7613

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
A Accumulation				
Group 1	0.6918	–	0.6918	0.0453
Group 2	0.3710	0.3208	0.6918	0.0453
I Accumulation				
Group 1	1.8230	–	1.8230	1.3492
Group 2	0.9979	0.8251	1.8230	1.3492
X Accumulation				
Group 1	1.5927	–	1.5927	0.8555
Group 2	0.8533	0.7394	1.5927	0.8555

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 2024

Fund objective and policy

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

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

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

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

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

The Growth Fund may also invest in other transferable securities (including closed ended funds and exchange traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager, money market instruments and deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Growth Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Growth Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

Global equity markets gained +20.5% in sterling terms, muted slightly by the pound's appreciation. Bond markets, as measured by the sterling broad market index, gained +1.3%. The Fund returned 17.0% over the period, outperforming the IA Flexible by 6.9%.

The path of central bank monetary policy was the focus of markets throughout the period, with inflation data and business cycle indicators, particularly US payroll data, keenly watched for signals on when interest rates would first stop hiking, then be cut. Belief in the fabled 'soft landing scenario' (that slowing inflation would allow central banks to ease interest rates lower thus avoiding a recession) whipsawed through the period, before gaining credence in Q4. Disinflation momentum on both sides of the Atlantic cleared the way for central banks to signal that interest rate cuts in 2024 were on the agenda which, supported by resilient economies and steadfast labour markets, drove gains in both asset classes. Strength continued into the New Year but the recipe of strong economies, yet still sticky inflation and a slight reversal in dovish US Federal Reserve narrative caused market rate cut expectations to be pushed out to the second half of the year, giving a recession further room to materialise.

The bias in our equity positioning was to economically resilient business models or cyclical equities where the risk was adequately reflected in earnings and valuation, whilst the macro environment was signalling a slowdown. Our forward outlook changed as underlying economic strength became more apparent through the period. To this, we increased our equity weight, adding to more economically sensitive businesses where multiples had the most scope to expand in a recovery – stocks including TSMC, Performance Food Group and Visa. New stocks included DCC, Amazon, Informa and Howden's Joinery. On the other side, we trimmed outperforming defensives, such as RELX, as well as money market cash funds and gold in alternatives. In fixed income, we added to corporate bonds to lock in higher yields and cautiously increased duration - balancing our USD/GBP rate exposure by adding to UK Gilts where the economy is more vulnerable and inflation less pervasive.

After two years of sideways chop in stocks and a bear market in bonds, we are now the most optimistic we have been since managing the Portfolio Funds on both markets and our forward strategy is changed. As long as inflation continues to fall, and there is no confirmation that the US has entered recession, we will maintain a neutral stance on equities. We are looking to clear the hurdle of the first interest rate cut from the Federal Reserve before moving outright overweight and swap sovereign bonds for corporate bonds to lock in high yields. However, should the economy have slipped into recession by that point we will move underweight equities, shifting into gold and longer duration in fixed income to protect returns. We remain on the lookout to replace outperforming holdings with fresh stocks and buy new cyclical equities on profit warnings.

As a long-term strategy with low turnover we fully expect and recommend that unitholders judge our performance over a period of five years or more.

Investment Report

continued

Fund Performance

Performance for the Growth Fund over the last five years.

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Growth Fund X Accumulation	17.0%	(8.9%)	4.3%	26.3%	(4.0%)
IA Flexible Investment Sector	10.0%	(4.0%)	5.0%	29.1%	(8.1%)

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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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% (31/3/2023 - 0.00%).

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

Comparative tables

For the year ended A Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	206.23	224.15	218.29
Return before operating charges	34.76	(14.63)	9.56
Operating charges	(3.37)	(3.29)	(3.70)
Return after operating charges	31.39	(17.92)	5.86
Distributions	(0.50)	(0.12)	(1.47)
Retained distributions on accumulation units	0.50	0.12	1.47
Closing net asset value per unit*	237.62	206.23	224.15
After direct transaction costs of**	(0.20)	(0.08)	(0.16)
Performance			
Return after charges	15.22%	(7.99%)	2.68%
Other information			
Closing net asset value £'000	6,197	5,935	7,256
Closing number of units	2,607,972	2,877,920	3,237,205
Operating charges	1.58%	1.58%	1.58%
Direct transaction costs**	0.09%	0.04%	0.07%
Prices*			
Highest unit price	237.80	226.30	251.90
Lowest unit price	202.70	194.50	210.00

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	233.21	251.65	243.32
Return before operating charges	39.52	(16.42)	10.58
Operating charges	(2.08)	(2.02)	(2.25)
Return after operating charges	37.44	(18.44)	8.33
Distributions	(1.97)	(1.43)	(2.58)
Retained distributions on accumulation units	1.97	1.43	2.58
Closing net asset value per unit*	270.65	233.21	251.65
After direct transaction costs of**	(0.23)	(0.09)	(0.18)
Performance			
Return after charges	16.05%	(7.33%)	3.42%
Other information			
Closing net asset value £'000	358,525	350,268	403,948
Closing number of units	132,468,584	150,194,794	160,519,891
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs**	0.09%	0.04%	0.07%
Prices*			
Highest unit price	270.90	254.00	282.30
Lowest unit price	230.20	219.20	235.70

*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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 5.73% (31/3/2023 - 13.84%)			
Sterling Denominated Fixed Rate Corporate Bonds - 0.61% (31/3/2023 - 0.04%)			
£700,000	Admiral 8.5% 6/1/2034	779	0.21
£360,000	Co-operative 2011 7.5% 8/7/2026	357	0.10
£200,000	Hiscox 6.125% 24/11/2045	199	0.06
£400,000	Just 5% Perpetual	303	0.08
£600,000	Nationwide Building Society 5.875% Perpetual	594	0.16
		2,232	0.61
Sterling Denominated Fixed Rate Government Bonds - 0.76% (31/3/2023 - 0.00%)			
£2,750,000	United Kingdom Gilt 1.125% 31/1/2039	1,816	0.50
£1,500,000	United Kingdom Gilt 1.25% 22/10/2041	940	0.26
		2,756	0.76
Canadian Dollar Denominated Fixed Rate Corporate Bonds - 0.56% (31/3/2023 - 0.00%)			
CA\$900,000	Enbridge 5% 19/1/2082	462	0.13
CA\$200,000	Enbridge 5.375% 27/9/2077	112	0.03
CA\$800,000	Enbridge 8.747% 15/1/2084	520	0.14
CA\$600,000	Transcanada Trust 4.2% 4/3/2081	299	0.08
CA\$1,200,000	Transcanada Trust 4.65% 18/5/2077	658	0.18
		2,051	0.56
Euro Denominated Fixed Rate Corporate Bonds - 0.99% (31/3/2023 - 1.09%)			
€700,000	American Tower 1.375% 4/4/2025	584	0.16
€300,000	Engie 1.625% Perpetual	248	0.07
€100,000	Engie 3.25% Perpetual	84	0.02
€100,000	Holcim Finance Luxembourg 3% Perpetual	85	0.02
€300,000	Iberdrola International 3.25% Perpetual	254	0.07
€1,000,000	Pershing Square 1.375% 1/10/2027	755	0.21
€600,000	Trafigura 7.5% Perpetual	514	0.14
€800,000	Veolia Environnement 1.625% Perpetual	634	0.18
€200,000	Veolia Environnement 2% Perpetual	154	0.04
€100,000	Veolia Environnement 2.25% Perpetual	81	0.02
€300,000	Veolia Environnement 2.5% Perpetual	230	0.06
		3,623	0.99

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Japanese Yen Denominated Fixed Rate Corporate Bonds - 0.72% (31/3/2023 - 0.00%)			
¥100,000,000	Berkshire Hathaway 0.907% 20/4/2026	523	0.15
¥300,000,000	Berkshire Hathaway 1.135% 20/4/2028	1,571	0.43
¥100,000,000	Lloyds Banking 1.352% 25/5/2029	521	0.14
		2,615	0.72
Swiss Franc Denominated Fixed Rate Corporate Bonds - 0.39% (31/3/2023 - 0.00%)			
CHF600,000	Dufry One 0.75% 30/3/2026	504	0.14
CHF1,050,000	Dufry One 3.625% 15/4/2026	925	0.25
		1,429	0.39
United States Dollar Denominated Fixed Rate Corporate Bonds - 1.70% (31/3/2023 - 0.95%)			
\$1,040,000	American Tower 3.375% 15/5/2024	821	0.23
\$600,000	Beazley Insurance 5.5% 10/9/2029	457	0.13
\$2,300,000	Crown Castle 3.2% 1/9/2024	1,802	0.49
\$100,000	Enbridge 5.5% 15/7/2077	75	0.02
\$400,000	Lancashire 5.625% 18/9/2041	284	0.08
\$400,000	Perenti Finance 6.5% 7/10/2025	315	0.09
\$700,000	Phoenix 5.625% Perpetual	540	0.15
\$1,000,000	Trafigura 5.875% Perpetual	731	0.20
\$1,150,000	Transcanada Trust 5.3% 15/3/2077	851	0.23
\$100,000	Transcanada Trust 5.5% 15/9/2079	73	0.02
\$300,000	Transcanada Trust 5.625% 20/5/2075	231	0.06
		6,180	1.70
United States Dollar Denominated Fixed Rate Government Bonds - 0.00% (31/3/2023 - 11.76%)			
EQUITIES - 91.87% (31/3/2023 - 79.05%)			
UNITED KINGDOM - 16.58% (31/3/2023 - 11.44%)			
561,600	3i	15,775	4.32
122,600	Ashtead	6,912	1.89
277,600	Compass	6,449	1.77
453,400	Howden Joinery	4,109	1.13
1,275,736	Informa	10,604	2.91
263,600	RELX	9,038	2.48
228,800	Whitbread	7,582	2.08
		60,469	16.58

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	EUROPE - 19.70% (31/3/2023 - 16.97%)		
	France - 7.44% (31/3/2023 - 6.39%)		
16,500	LVMH Moet Hennessy Louis Vuitton	11,761	3.23
50,600	Pernod Ricard	6,487	1.78
49,500	Schneider Electric	8,872	2.43
		27,120	7.44
	Germany - 2.30% (31/3/2023 - 1.66%)		
59,739	Merck	8,371	2.30
	Ireland - 1.23% (31/3/2023 - 0.03%)		
77,800	DCC	4,480	1.23
100	Neuberger Berman Event Driven Fund	1	–
		4,481	1.23
	Italy - 3.30% (31/3/2023 - 1.25%)		
80,500	Interpump	3,110	0.85
80,000	Moncler	4,725	1.29
37,600	Reply	4,218	1.16
		12,053	3.30
	Luxembourg - 0.00% (31/3/2023 - 0.18%)		
100	Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	10	–
	Netherlands - 2.75% (31/3/2023 - 1.98%)		
26,130	IMCD	3,648	1.00
51,400	Wolters Kluwer	6,381	1.75
		10,029	2.75
	Switzerland - 2.68% (31/3/2023 - 5.48%)		
148,600	Alcon	9,774	2.68
	ASIA PACIFIC (EX JAPAN) - 7.17% (31/3/2023 - 6.14%)		
219,400	AIA	1,166	0.32
192,700	HDFC Bank ADR	8,538	2.34
381,400	Prudential	2,834	0.78
303,700	Singapore Exchange	1,641	0.45
111,300	Taiwan Semiconductor Manufacturing ADR	11,984	3.28
		26,163	7.17

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	JAPAN - 0.00% (31/3/2023 - 3.02%)		
	NORTH AMERICA - 48.42% (31/3/2023 - 41.48%)		
	Canada - 5.86% (31/3/2023 - 6.10%)		
234,900	Canadian Natural Resources	14,194	3.89
21,800	Franco-Nevada	2,058	0.57
138,300	Tourmaline Oil	5,121	1.40
		21,373	5.86
	United States - 42.56% (31/3/2023 - 35.38%)		
62,200	Alphabet	7,425	2.04
72,700	Amazon.com	10,373	2.84
20,100	Ameriprise Financial	6,976	1.91
41,400	Applied Materials	6,754	1.85
33,400	Arthur J Gallagher	6,607	1.81
380,893	Avantor	7,701	2.11
41,400	Becton Dickinson	8,105	2.22
14,400	Booz Allen Hamilton	1,692	0.46
126,800	Brown & Brown	8,781	2.41
45,400	Donaldson	2,682	0.74
61,200	Dover	8,578	2.35
25,200	Elevance Health	10,340	2.84
72,267	Hilton Grand Vacations	2,697	0.74
21,800	Marriott Vacations Worldwide	1,862	0.51
48,300	Marsh & McLennan	7,871	2.16
155,100	Performance Food	9,163	2.51
33,600	SBA Communications	5,759	1.58
45,700	Travel + Leisure	1,769	0.49
33,400	UnitedHealth	13,072	3.58
340,400	Valvoline	12,005	3.29
68,100	Visa	15,026	4.12
		155,238	42.56
	FIXED INTEREST - 1.33% (31/3/2023 - 1.37%)		
	Non Equity Investment Instrument - 1.33% (31/3/2023 - 1.37%)		
100	Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	12	0.01

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Non Equity Investment Instrument continued			
4,822,288	HSBC Sterling Liquidity Fund	4,822	1.32
1,000	iShares USD Treasury Bond 20+yr UCITS ETF	4	–
1,000	Royal London Short Term Money Market Fund	1	–
		4,839	1.33
ALTERNATIVE - 0.44% (31/3/2023 - 3.60%)			
700	Alpstone Global Macro Ucits Fund	72	0.02
4,500	Invesco Physical Gold ETC	763	0.21
22,000	iShares Physical Gold ETC	752	0.21
		1,587	0.44
DERIVATIVES* - (0.02%) (31/3/2023 - 0.47%)			
Open Forward Currency Contracts - (0.02%) (31/3/2023 - 0.47%)			
€917,349	Bought EUR 917,349 : Sold GBP 788,092	(3)	–
£2,045,994	Bought GBP 2,045,994 : Sold CAD 3,534,191	(22)	(0.01)
£1,467,332	Bought GBP 1,467,332 : Sold CHF 1,645,486	19	–
£4,458,289	Bought GBP 4,458,289 : Sold EUR 5,217,282	(4)	–
£2,146,489	Bought GBP 2,146,489 : Sold JPY 401,867,260	41	0.01
£526,054	Bought GBP 526,054 : Sold JPY 100,343,599	–	–
£6,092,766	Bought GBP 6,092,766 : Sold USD 7,806,160	(86)	(0.02)
		(55)	(0.02)
	Portfolio of investments	362,338	99.35
	Net other assets	2,384	0.65
	Total net assets	364,722	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 £17,434.

Financial statements

Statement of total return

for the year ended 31 March 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		49,053		(32,529)
Revenue	3	6,421		6,028	
Expenses	4	(3,046)		(3,269)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation for the year		3,374		2,757	
Taxation	5	(507)		(520)	
Net revenue after taxation for the year			2,867		2,237
Total return before distributions			51,920		(30,292)
Distributions	7		(2,875)		(2,248)
Change in net assets attributable to unitholders from investment activities			49,045		(32,540)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			356,203		411,204
Amounts received on creation of units		16,155		22,716	
Amounts paid on cancellation of units		(59,465)		(47,396)	
			(43,310)		(24,680)
Dilution adjustment			10		6
Change in net assets attributable to unitholders from investment activities			49,045		(32,540)
Retained distribution on accumulation units	7		2,774		2,213
Closing net assets attributable to unitholders			364,722		356,203

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			362,453		350,257
Current assets					
Debtors	8	962		1,384	
Cash and bank balances	9	3,608		7,113	
Total other assets			4,570		8,497
Total assets			367,023		358,754
LIABILITIES					
Investment liabilities					
			(115)		–
Creditors					
Bank overdrafts		(386)		–	
Other creditors	10	(1,800)		(2,551)	
Total other liabilities			(2,186)		(2,551)
Total liabilities			(2,301)		(2,551)
Net assets attributable to unitholders			364,722		356,203

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(1,273)	6,301
Gains/(losses) on forward currency contracts	1,890	(26,845)
Gains/(losses) on non-derivative securities	48,436	(11,985)
Net capital gains/(losses)	49,053	(32,529)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	188	261
Interest from overseas fixed interest securities	1,432	572
Interest from UK fixed interest securities	226	164
Money market deposit	37	22
Non-taxable overseas dividends	3,562	3,796
Taxable overseas dividends	78	–
UK dividends	856	1,213
US REIT dividends	42	–
Total revenue	6,421	6,028

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	3,046	3,269
Total expenses	3,046	3,269

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	507	520
Total taxation	507	520

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	3,374	2,757
Corporation tax at 20% (31/3/2023 - 20%)	675	551
Effects of:		
Capitalised income subject to tax	–	3
Movement in unrecognised tax losses	213	460
Overseas tax	507	520
Prior year adjustment to unrecognised tax losses	(2)	(12)
Relief on overseas tax expensed	(2)	–
Revenue not subject to tax	(884)	(1,002)
Total taxation (see note 5(a))	507	520

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 2024 there is a potential deferred tax asset of £6,927,225 (31/3/2023 - £6,714,675) due to tax losses of £34,636,123 (31/3/2023 - £33,573,373). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interest	1	2
	1	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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	2,040	1,576
Final distribution	734	637
	2,774	2,213

Add: Revenue deducted on cancellation of units	140	78
Less: Revenue received on creation of units	(39)	(43)
Net distribution for the year	2,875	2,248

Reconciliation of distributions:

Net revenue after taxation	2,867	2,237
Shortfall of income taken to capital	8	11
Net distribution for the year	2,875	2,248

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	405	590
Income tax recoverable	–	8
Overseas tax recoverable	15	64
Receivable for creation of units	542	722
Total debtors	962	1,384

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	3,608	7,113

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued expenses	266	265
Amounts payable on cancellation of units	749	1,738
Purchases awaiting settlement	785	548
Total other creditors	1,800	2,551

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	Canadian Dollar	64	
Euro	789	62,373	63,162
Hong Kong Dollar	–	1,166	1,166
Japanese Yen	–	(4)	(4)
Singapore Dollar	–	1,641	1,641
Swiss Franc	2	6,099	6,101
US Dollar	112	180,253	180,365
Total	967	273,034	274,001

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

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

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 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	20,886	341,567	362,453
Investment liabilities	–	–	(115)	(115)

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

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

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
31/3/2024		
Level 1: Quoted prices	339,345	–
Level 2: Observable market data	23,108	(115)
Level 3: Unobservable data	–	–
	362,453	(115)

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	296,346	–
Level 2: Observable market data	53,911	–
Level 3: Unobservable data	–	–
	350,257	–

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	3.99	13.80
Below Investment Grade	0.76	0.04
Not Rated	0.98	–
	5.73	13.84

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	167,588	34	0.02	247	0.15
Debt instruments (direct)	34,877	–	–	–	–
Collective investment schemes	13,307	2	0.02	–	–
Total	215,772	36		247	
Total purchases including commission and taxes	216,055				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	166,122	32	0.02	5	–
Debt instruments (direct)	60,480	–	–	–	–
Collective investment schemes	29,350	5	0.02	–	–
Total	255,952	37		5	
Total sales net of commissions and taxes	255,910				
Total transaction costs		73		252	
Total transaction costs as a % of average net assets		0.02%		0.07%	

Year to 31 March 2023

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

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

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

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

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

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

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

At the balance sheet date the average portfolio dealing spread was 0.09% (31/3/2023 - 0.09%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 274.

The balance due from the Growth Fund at the year end in respect of fees paid to the Manager was £266,370 (31/3/2023 - £265,156).

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

	Unit holding %	Related party name
Growth Fund	77.92	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	A Accumulation units	X Accumulation units
Opening units	2,877,920	150,194,794
Units created	32,424	6,668,780
Units cancelled	(268,061)	(24,425,290)
Units converted	(34,311)	30,300
Closing units	2,607,972	132,468,584

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
A Accumulation				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Accumulation				
Group 1	0.5541	–	0.5541	0.4242
Group 2	0.2390	0.3151	0.5541	0.4242

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
A Accumulation				
Group 1	0.5032	–	0.5032	0.1243
Group 2	0.1482	0.3550	0.5032	0.1243
X Accumulation				
Group 1	1.4197	–	1.4197	1.0009
Group 2	0.6199	0.7998	1.4197	1.0009

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 2024

Fund objective and policy

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

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

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

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

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

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

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

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

Investment Report

Market commentary

Fund performance

In the 12 months to the 31st March 2024 the Close Managed Income fund (X Acc) rose 6.7%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 7.7%.

The reporting period saw inflation easing from the double digit levels of the previous year and by the end of March inflation rates were hovering a percentage point or two above target for many of the developed market central banks. This, combined with the prospect of interest rates being cut, has been positive for equity and bond markets. As the reporting period progressed there was also better economic data emerging from the US that gave hope that the Federal Reserve had navigated the 'soft landing' of curtailing inflation, whilst not crashing the economy and causing a recession. While the jury is still out about the overall health of the global economy the impact on market sentiment has generally been positive; and 2023 calendar year ended with a strong rally in risk assets. At the forefront of the rising equity markets has been the theme of Artificial Intelligence (AI). Companies with perceived leadership in this area have seen their stock prices rise sharply, and led to a resurgence of the tech sector after a difficult 2022. Geopolitical concerns, particularly, in the Middle East were the backdrop to commodities, having a volatile but ultimately positive period from a price perspective.

On a regional basis, over the year, the US was the strongest market with a return of 27.0%, followed by Japan 23.1%, Europe 12.7%, the UK 8.3% and emerging markets with 5.9%. The laggard was Asia ex-Japan, which delivered 1.8%. Within fixed interest UK government bonds continued to struggle against a potentially stickier inflation environment, returning -0.2%.

It was a period in which Managed Income largely lagged the IA Mixed Investment (20%-60% Shares) Sector. Despite some decent patches of return and a positive total return for the reporting year, there was a headwind throughout the period for income paying equities as inflation expectations began to moderate. We had some funds that did well, however, relative to their respective market. In the UK the GLG Income fund, which we added at the beginning of the reporting year returned 13.2% since we first added the holding, which was significantly above the return for the UK market. The best performing fund in the strategy was the CC Japan Income & Growth Trust. It outperformed a strong Japanese market, delivering a total return of 34.8% for the 1 year to end of March 2024. In fixed income we had generally positive performance from our core credit exposure such as the Artemis Corporate Bond fund, which had a total return of 9.2% for the year, and the Fidelity Short Dated Corporate Bond fund, which delivered a total return of 7.1%. Despite a moderation in inflation expectations, funds that had a long duration position generally did less well, and our exposure here was principally in the strategic bond space. It was also a weak reporting year for alternatives, with the discounts to NAV on our infrastructure holdings continuing to be in the double digits; although we did have some better returns from our REIT exposure, namely LXI, which was merged with London Metric REIT towards the end of the reporting period.

We made a number of changes throughout the year. In the UK, as mentioned we switched our holding from Threadneedle into GLG Income, following the departure of the manager from the former. The change also represents a tilt towards value in the UK allocation. In a similar vein we sold the JPM US Equity Income fund and replaced it with BNY Mellon US Equity Income. Again, it was prompted by a manager departure and also represents a slight tilt to value. Finally we sold the Allianz Strategic Bond fund towards the end of the reporting period as the outlook for inflation remained stickier and the fund's longer duration puts it at a disadvantage for the near term in our view.

Overall we have allowed our equity weighting to remain at the top end of the range but have kept the overall asset allocation broadly similar throughout the year. At the margin we have generally trimmed the better performing areas of the fund and topped up the weaker parts. As we've moved into 2024 the outlook for inflation has become more uncertain in terms of potential rate cuts, so our efforts to add to the value areas of the portfolio over the last few years, we hope, provides opportunity to provide decent relative total return – as we saw in 2022.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Managed Income Fund X Accumulation	6.7%	(5.3%)	6.1%	19.5%	(9.8%)
IA Mixed Investments 20-60% Sector	7.7%	(4.8%)	2.7%	19.8%	(7.2%)

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.50% (31/3/2023 - 0.61%).

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

Comparative tables

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	165.99	181.86	176.63
Return before operating charges	12.99	(7.70)	13.07
Operating charges	(1.73)	(2.00)	(2.19)
Return after operating charges	11.26	(9.70)	10.88
Distributions	(6.73)	(6.17)	(5.65)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	170.52	165.99	181.86
After direct transaction costs of**	0.00	0.00	(0.01)
Performance			
Return after charges	6.78%	(5.33%)	6.16%
Other information			
Closing net asset value £'000	24,936	27,449	31,713
Closing number of units	14,623,848	16,535,989	17,438,238
Operating charges	1.05%	1.16%	1.19%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	172.00	182.10	188.50
Lowest unit price	157.90	159.80	175.70

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	236.62	249.83	235.30
Return before operating charges	18.96	(10.45)	17.45
Operating charges	(2.48)	(2.76)	(2.92)
Return after operating charges	16.48	(13.21)	14.53
Distributions	(9.74)	(8.59)	(7.62)
Retained distributions on accumulation units	9.74	8.59	7.62
Closing net asset value per unit*	253.10	236.62	249.83
After direct transaction costs of**	0.00	0.00	(0.01)
Performance			
Return after charges	6.96%	(5.29%)	6.17%
Other information			
Closing net asset value £'000	65,374	71,059	82,340
Closing number of units	25,829,201	30,031,150	32,958,364
Operating charges	1.04%	1.15%	1.18%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	252.50	250.10	255.30
Lowest unit price	228.40	223.90	235.80

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 50.78% (31/3/2023 - 48.16%)			
United Kingdom - 22.22% (31/3/2023 - 19.62%)			
518,324	iShares Core FTSE 100 UCITS ETF	4,027	4.46
628,376	LondonMetric Property	1,276	1.41
3,262,500	Man GLG Income Fund	4,202	4.65
4,272,016	MI Chelverton UK Equity Income Fund	4,275	4.74
1,230,000	Premier Miton UK Multi Cap Income Fund	2,128	2.36
5,410,000	Schroder Income Fund	4,156	4.60
		20,064	22.22
Europe - 6.21% (31/3/2023 - 6.14%)			
1,617,704	BlackRock Continental European Income Fund	3,141	3.48
2,210,000	WS Montanaro European Income Fund	2,464	2.73
		5,605	6.21
Asia Pacific (ex Japan) - 1.99% (31/3/2023 - 3.27%)			
172,000	Matthews Asia Funds - Asia ex Japan Total Return Equity Fund	1,801	1.99
Japan - 2.53% (31/3/2023 - 1.99%)			
1,145,481	CC Japan Income & Growth Trust	2,285	2.53
North America - 12.43% (31/3/2023 - 11.04%)			
4,000,000	BNY Mellon Investment Funds - BNY Mellon US Equity Income Fund	4,365	4.84
110,000	First Trust US Equity Income UCITS ETF	2,908	3.22
5,264,615	Schroder US Equity Income Maximiser Fund	3,948	4.37
		11,221	12.43
Emerging Markets - 2.19% (31/3/2023 - 2.21%)			
263,681	Capital Emerging Markets Total	1,975	2.19
Global - 3.21% (31/3/2023 - 3.89%)			
1,195,000	Fidelity Investment Funds ICVC - Global Dividend Fund	2,903	3.21
FIXED INTEREST - 36.31% (31/3/2023 - 33.85%)			
United Kingdom Gilts & Corporate Bonds - 28.21% (31/3/2023 - 22.66%)			
29,398	Amundi UK Government Bond UCITS ETF	3,059	3.39
4,596,000	Artemis Corporate Bond Fund	4,237	4.69
2,804,051	BlackRock Investment Funds - BlackRock Sustainable Sterling Strategic Bond Fund	3,000	3.32

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
United Kingdom Gilts & Corporate Bonds continued			
305,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	2,564	2.84
3,675,421	MI TwentyFour - Monument Bond Fund	3,885	4.30
4,261,178	Royal London Asset Management Bond Funds - Sterling Extra Yield Bond Fund	4,115	4.56
5,204,589	Royal London Short Duration Global High Yield Bond Fund	3,986	4.41
8,000	Vanguard Investments Funds ICVC - Vanguard UK Long Duration Gilt Index Fund	628	0.70
		25,474	28.21
Dynamic Bonds - 8.10% (31/3/2023 - 7.40%)			
3,520,054	Janus Henderson Strategic Bond Fund	3,784	4.19
3,986,472	Schroder Strategic Credit Fund	3,537	3.91
		7,321	8.10
Non Equity Investment Instruments - 0.00% (31/3/2023 - 3.79%)			
ALTERNATIVE - 11.80% (31/3/2023 - 16.11%)			
909,126	AEW UK REIT	780	0.86
604,474	BBGI Global Infrastructure	782	0.86
1,240,000	FTF Clearbridge Global Infrastructure Income Fund	1,488	1.65
883,976	GCP Infrastructure Investments	639	0.71
621,696	Hicl Infrastructure	783	0.87
1,148,965	Hipgnosis Songs Fund	792	0.88
593,750	International Public Partnerships	736	0.81
5,240	Invesco Physical Gold ETC	889	0.98
394,200	Pantheon Infrastructure	289	0.32
768,021	Renewables Infrastructure	773	0.86
50,900	Royal Mint Physical Gold ETC	885	0.98
22,100	UBS CMCI Composite SF UCITS ETF	1,824	2.02
		10,660	11.80
	Portfolio of investments	89,309	98.89
	Net other assets	1,001	1.11
	Total net assets	90,310	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		2,635		(9,250)
Revenue	3	4,231		4,116	
Expenses	4	(508)		(571)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		3,723		3,545	
Taxation	5	(310)		(236)	
Net revenue after taxation for the year			3,413		3,309
Total return before distributions			6,048		(5,941)
Distributions	7		(3,818)		(3,763)
Change in net assets attributable to unitholders from investment activities			2,230		(9,704)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders		98,508		114,053
Amounts received on creation of units	3,800		5,463	
Amounts paid on cancellation of units	(16,934)		(13,978)	
		(13,134)		(8,515)
Dilution adjustment		3		2
Change in net assets attributable to unitholders from investment activities		2,230		(9,704)
Retained distribution on accumulation units		2,703		2,672
Closing net assets attributable to unitholders		90,310		98,508

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			89,309		96,660
Current assets					
Debtors	8	481		646	
Cash and bank balances	9	1,548		2,055	
Total other assets			2,029		2,701
Total assets			91,338		99,361
LIABILITIES					
Creditors					
Distribution payable		(288)		(292)	
Other creditors	10	(740)		(561)	
Total other liabilities			(1,028)		(853)
Total liabilities			(1,028)		(853)
Net assets attributable to unitholders			90,310		98,508

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(47)	–
Gains/(losses) on non-derivative securities	2,682	(9,250)
Net capital gains/(losses)	2,635	(9,250)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	60	28
Non-taxable overseas dividends	681	888
Rebate of fees from holdings in third party collective investment schemes	2	3
Taxable overseas dividends	631	598
UK dividends	9	19
UK franked dividends from collective investment schemes	1,482	1,459
UK REIT dividends	149	153
UK unfranked dividends from collective investment schemes	1,217	968
Total revenue	4,231	4,116

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	508	571
Total expenses	508	571

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	310	236
Total taxation	310	236

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	3,723	3,545
Corporation tax at 20% (31/3/2023 - 20%)	745	709
Effects of:		
Revenue not subject to tax	(435)	(473)
Total taxation (see note 5(a))	310	236

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 2024 there is no deferred tax asset (31/3/2023 - £nil) due to tax losses (31/3/2023 - £nil). Accordingly, no deferred tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
1st Interim distribution	865	850
2nd Interim distribution	1,091	1,114
3rd Interim distribution	746	713
Final distribution	1,033	1,040
	3,735	3,717

Add: Revenue deducted on cancellation of units	107	78
Less: Revenue received on creation of units	(24)	(32)
Net distribution for the year	3,818	3,763

Reconciliation of distributions:

Net revenue after taxation	3,413	3,309
Capitalised fees	506	568
Tax relief on capitalised fees	(101)	(114)
Net distribution for the year	3,818	3,763

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	459	491
Receivable for creation of units	22	155
Total debtors	481	646

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	1,548	2,055

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued expenses	42	46
Amounts payable on cancellation of units	539	397
Corporation tax payable	159	118
Total other creditors	740	561

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
US Dollar	–	911	911
Total	–	911	911

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

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

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	89,309	89,309
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 2023 was as follows:

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

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
31/3/2024		
Level 1: Quoted prices	22,727	–
Level 2: Observable market data	66,582	–
Level 3: Unobservable data	–	–
	89,309	–

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

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 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	14,064	–	–	–	–
Total	14,064	–		–	
Total purchases including commission and taxes	14,064				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	213	–	–	–	–
Collective investment schemes	23,923	1	–	–	–
Total	24,136	1		–	
Total sales net of commissions and taxes	24,135				

Total transaction costs		1		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2023

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	5,428	–	–	–	–
Total	5,428	–		–	
Total purchases including commission and taxes	5,428				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	962	–	–	–	–
Collective investment schemes	10,382	2	0.02	–	–
Total	11,344	2		–	
Total sales net of commissions and taxes	11,342				

Total transaction costs		2		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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 0.07% (31/3/2023 - 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 274.

Notes to the Financial statements

continued

14. Related parties continued

The balance due from the Managed Income Fund at the year end in respect of fees paid to the Manager was £41,544 (31/3/2023 - £46,039).

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

	Unit holding %	Related party name
Managed Income Fund	88.24	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	X Income units	X Accumulation units
Opening units	16,535,989	30,031,150
Units created	762,609	1,079,902
Units cancelled	(2,770,138)	(5,216,650)
Units converted	95,388	(65,201)
Closing units	14,623,848	25,829,201

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2024

Group 2: units purchased between 1 January 2024 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2024	Distribution Paid per Unit on 31/5/2023
X Income				
Group 1	1.9661	–	1.9661	1.7659
Group 2	0.9312	1.0349	1.9661	1.7659
X Accumulation				
Group 1	2.8849	–	2.8849	2.4906
Group 2	1.2002	1.6847	2.8849	2.4906

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 December 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2024	Distribution Paid per Unit on 28/2/2023
X Income				
Group 1	1.3567	–	1.3567	1.1898
Group 2	0.5659	0.7908	1.3567	1.1898
X Accumulation				
Group 1	1.9737	–	1.9737	1.6663
Group 2	0.6185	1.3552	1.9737	1.6663

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2023

Group 2: units purchased between 1 July 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
X Income				
Group 1	1.9167	–	1.9167	1.8320
Group 2	0.6487	1.2680	1.9167	1.8320
X Accumulation				
Group 1	2.7574	–	2.7574	2.5370
Group 2	0.8935	1.8639	2.7574	2.5370

Distribution tables

continued

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 June 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2023	Distribution Paid per Unit on 31/8/2022
X Income				
Group 1	1.4894	–	1.4894	1.3793
Group 2	0.5733	0.9161	1.4894	1.3793
X Accumulation				
Group 1	2.1230	–	2.1230	1.8948
Group 2	0.7109	1.4121	2.1230	1.8948

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 2024

Fund objective and policy

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

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

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

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

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

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

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

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

Investment Report

Market commentary

Fund performance

In the 12 months to the 31st March 2024 the Close Managed Conservative fund (X Acc) rose 8.8%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 7.7%.

The reporting period saw inflation easing from the double digit levels of the previous year and by the end of March inflation rates were hovering a percentage point or two above target for many of the developed market central banks. This, combined with the prospect of interest rates being cut, has been positive for equity and bond markets. As the reporting period progressed there was also better economic data emerging from the US that gave hope that the Federal Reserve had navigated the 'soft landing' of curtailing inflation, whilst not crashing the economy and causing a recession. While the jury is still out about the overall health of the global economy the impact on market sentiment has generally been positive; and 2023 calendar year ended with a strong rally in risk assets. At the forefront of the rising equity markets has been the theme of Artificial Intelligence (AI). Companies with perceived leadership in this area have seen their stock prices rise sharply, and led to a resurgence of the tech sector after a difficult 2022. Geopolitical concerns, particularly, in the Middle East were the backdrop to commodities, having a volatile but ultimately positive period from a price perspective.

On a regional basis, over the year, the US was the strongest market with a return of 27.0%, followed by the Japan 23.1%, Europe 12.7%, the UK 8.3% and emerging markets with 5.9%. The laggard was Asia ex-Japan, which delivered 1.8%. Within fixed interest UK government bonds continued to struggle against a potentially stickier inflation environment, returning -0.2%.

It was a period in which Managed Conservative outperformed the IA Mixed Investment (20%-60% Shares) Sector, particularly during the latter part of the year. We had some funds that did well, relative to their respective market as well as an allocation to the Nasdaq index, which had a very strong year, delivering a return of 37.7% for our holding. In the UK the GLG Income fund, which we added at the beginning of the reporting year returned 13.2% since we first added the holding, which was significantly above the return for the UK market. In the US (in addition to our Nasdaq position mentioned) the Brown Advisory US Flexible fund returned 33.8% and was well above the main market index. In Europe our managers had a more difficult time with the notable exception of the Liontrust European Dynamic fund, which we added in May, and comfortably beat the index since we added it, returning 16.8% to the end of March 2024. In fixed income we had generally positive performance from our core credit exposure such as the Artemis Corporate Bond fund, which had a total return of 9.2% for the year, and the Fidelity Short Dated Corporate Bond fund, which delivered a total return of 7.1%. Despite a moderation in inflation expectations, funds that had a long duration position generally did less well, and our exposure here was principally in the strategic bond space. It was also a weak reporting year for alternatives, with the discounts to NAV on our infrastructure holdings continuing to be in the double digits; although we did have some better returns from our REIT exposure, namely LXI, which was merged with London Metric REIT towards the end of the reporting period.

We made a number of changes through the year. The most significant area was within Europe, where we added Liontrust European Dynamic and River European funds, which replaced the BlackRock European Dynamic and European Opportunities Trust. It was a change that reflected a desire to get more control over how we gained exposure to both core and value areas of the European market. We also switched our Japan holding to the M&G Japan fund from a passive index fund and our emerging market fund to the Pacific North of South Emerging Market All Cap fund. Both changes represent a slight tilt to the value style and since we made them they have been additive to performance overall. Within fixed income we sold the Allianz Strategic Bond fund towards the end of the reporting period as the outlook for inflation remained stickier and the fund's longer duration puts it at a disadvantage for the near term in our view; and we added the Lombard Odier Fallen Angels fund, which invests in the high yield debt of formerly investment grade issuers. Finally we made some changes to our alternative fund holdings by selling the Sandbar Global Market Neutral and Invenomic US Equity Long/Short funds and replacing them with the GLG Alpha Select Alternative fund. Again, making the change when we did has been positive for overall fund performance.

Overall we have allowed our equity weighting to remain at the top end of the range but have kept the overall asset allocation broadly similar throughout the year. At the margin we have generally trimmed the better performing areas of the fund and topped up the weaker parts. As we've moved into 2024 the outlook for inflation has become more uncertain in terms of potential rate cuts, so our efforts to add to the value areas of the portfolio over the last few years, we hope, provides opportunity to provide decent relative total return – as we saw in 2022.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Managed Conservative Fund X Accumulation	8.8%	(4.1%)	4.3%	17.4%	(6.0%)
IA Mixed Investments 20-60% Sector	7.7%	(4.8%)	2.7%	19.8%	(7.2%)

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.48% (31/3/2023 - 0.59%).

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

Comparative tables

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	196.66	209.08	203.14
Return before operating charges	19.65	(6.23)	11.24
Operating charges	(2.01)	(2.24)	(2.43)
Return after operating charges	17.64	(8.47)	8.81
Distributions	(4.78)	(3.95)	(2.87)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	209.52	196.66	209.08
After direct transaction costs of**	(0.01)	0.00	0.00
Performance			
Return after charges	8.97%	(4.05%)	4.34%
Other information			
Closing net asset value £'000	3,417	2,406	1,998
Closing number of units	1,630,863	1,223,405	955,559
Operating charges	1.01%	1.12%	1.15%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	211.90	209.50	217.10
Lowest unit price	191.00	187.40	201.80

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	237.71	247.66	237.36
Return before operating charges	23.96	(7.29)	13.14
Operating charges	(2.44)	(2.66)	(2.84)
Return after operating charges	21.52	(9.95)	10.30
Distributions	(5.82)	(4.70)	(3.37)
Retained distributions on accumulation units	5.82	4.70	3.37
Closing net asset value per unit*	259.23	237.71	247.66
After direct transaction costs of**	(0.01)	0.00	0.00
Performance			
Return after charges	9.05%	(4.02%)	4.34%
Other information			
Closing net asset value £'000	223,652	218,977	231,826
Closing number of units	86,276,495	92,117,810	93,607,165
Operating charges	1.01%	1.12%	1.15%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	258.70	248.10	255.20
Lowest unit price	230.90	223.80	237.30

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 50.14% (31/3/2023 - 48.16%)			
United Kingdom - 25.38% (31/3/2023 - 19.11%)			
9,700,000	BNY Mellon Investment Funds - BNY Mellon US Equity Income Fund	10,586	4.66
1,234,064	iShares Core FTSE 100 UCITS ETF	9,589	4.22
6,310,000	JPM UK Equity Plus Fund	9,484	4.18
1,212,200	LondonMetric Property	2,461	1.08
6,600,000	Man GLG Income Fund	8,501	3.74
3,600,000	Premier Miton UK Value Opportunities Fund	8,899	3.92
8,630,000	Schroder Income Fund	6,629	2.92
19,000	Vanguard Investments Funds ICVC - Vanguard UK Long Duration Gilt Index Fund	1,492	0.66
		57,641	25.38
Europe - 6.31% (31/3/2023 - 5.18%)			
3,250,000	ES Alliancebernstein Europe Ex UK Equity Fund	4,485	1.98
1,550,000	ES River & Mercantile Funds Icvc-ES River & Mercantile European Fund	4,664	2.05
4,500,000	Liontrust European Dynamic Fund	5,170	2.28
		14,319	6.31
Asia Pacific (ex Japan) - 3.12% (31/3/2023 - 3.04%)			
65,465	Schroder ISF Asian Total Return	7,090	3.12
Japan - 2.12% (31/3/2023 - 1.32%)			
2,800,000	M&G Investment Funds 1 - Japan Fund	4,809	2.12
North America - 8.01% (31/3/2023 - 14.47%)			
133,500	Amundi Nasdaq-100 II UCITS ETF	7,759	3.41
390,500	Brown Advisory US Flexible Equity Fund	10,442	4.60
		18,201	8.01
Emerging Markets - 1.87% (31/3/2023 - 1.95%)			
280,000	Pacific Capital Ucits Funds-Pacific North of South EM All Cap Equity	4,238	1.87
Global - 3.33% (31/3/2023 - 3.09%)			
1,150,000	ES River and Mercantile Global Recovery Fund	3,687	1.62
1,594,790	Fidelity Investment Funds ICVC - Global Dividend Fund	3,874	1.71
		7,561	3.33

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 35.21% (31/3/2023 - 32.87%)			
Dynamic Bonds - 10.90% (31/3/2023 - 10.36%)			
7,144,435	Janus Henderson Strategic Bond Fund	7,680	3.38
88,288	Nomura Funds Ireland - Global Dynamic Bond Fund	8,564	3.77
9,597,441	Schroder Strategic Credit Fund	8,515	3.75
		24,759	10.90
United Kingdom Gilts & Corporate Bonds - 21.09% (31/3/2023 - 18.41%)			
84,830	Amundi UK Government Bond UCITS ETF	8,827	3.89
10,610,000	Artemis Corporate Bond Fund	9,782	4.31
6,299,388	BlackRock Investment Funds - BlackRock Sustainable Sterling Strategic Bond Fund	6,739	2.97
717,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	6,027	2.65
8,141,002	MI TwentyFour - Monument Bond Fund	8,604	3.79
10,327,793	Royal London Short Duration Global High Yield Bond Fund	7,910	3.48
		47,889	21.09
Non Equity Investment Instrument - 3.22% (31/3/2023 - 4.10%)			
2,706,732	HSBC Sterling Liquidity Fund	2,707	1.19
450,000	Lombard Odier Funds-Fallen Angels Recovery	4,594	2.03
		7,301	3.22
ALTERNATIVE - 11.85% (31/3/2023 - 16.10%)			
1,352,583	BBGI Global Infrastructure	1,750	0.77
2,500,000	FTF Clearbridge Global Infrastructure Income Fund	3,000	1.32
1,271,832	GCP Infrastructure Investments	919	0.41
1,437,418	Hicl Infrastructure	1,811	0.80
2,106,405	Hipgnosis Songs Fund	1,451	0.64
1,440,754	International Public Partnerships	1,787	0.79
19,659	Invesco Physical Gold ETC	3,333	1.47
18,000	MAN Funds VI - Man GLG Alpha Select Alternative	2,227	0.98
788,400	Pantheon Infrastructure	579	0.26
1,680,552	Renewables Infrastructure	1,691	0.74

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
187,300	Royal Mint Physical Gold ETC	3,257	1.43
61,700	UBS CMCI Composite SF UCITS ETF	5,093	2.24
		26,898	11.85
	Portfolio of investments	220,706	97.20
	Net other assets	6,363	2.80
	Total net assets	227,069	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 2024

	Notes	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Income			
Net capital gains/(losses)	2	13,785	(13,795)
Revenue	3	6,905	5,836
Expenses	4	(1,157)	(1,175)
Interest payable and similar charges	6	(3)	–
Net revenue before taxation for the year		5,745	4,661
Taxation	5	(523)	(280)
Net revenue after taxation for the year		5,222	4,381
Total return before distributions		19,007	(9,414)
Distributions	7	(5,222)	(4,381)
Change in net assets attributable to unitholders from investment activities		13,785	(13,795)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders	221,383	233,824
Amounts received on creation of units	26,030	24,203
Amounts paid on cancellation of units	(39,225)	(27,177)
	(13,195)	(2,974)
Dilution adjustment	2	–
Change in net assets attributable to unitholders from investment activities	13,785	(13,795)
Retained distribution on accumulation units	5,094	4,328
Closing net assets attributable to unitholders	227,069	221,383

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			220,706		215,021
Current assets					
Debtors	8	9,276		1,943	
Cash and bank balances	9	5,311		4,900	
Total other assets			14,587		6,843
Total assets			235,293		221,864
LIABILITIES					
Creditors					
Distribution payable		(46)		(29)	
Other creditors	10	(8,178)		(452)	
Total other liabilities			(8,224)		(481)
Total liabilities			(8,224)		(481)
Net assets attributable to unitholders			227,069		221,383

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(78)	(2)
Gains/(losses) on non-derivative securities	13,863	(13,793)
Net capital gains/(losses)	13,785	(13,795)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	201	65
Money market deposit	105	31
Non-taxable overseas dividends	1,122	1,344
Rebate of fees from holdings in third party collective investment schemes	4	(55)
Taxable overseas dividends	1,027	879
UK franked dividends from collective investment schemes	2,008	1,919
UK REIT dividends	134	115
UK unfranked dividends from collective investment schemes	2,304	1,538
Total revenue	6,905	5,836

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,157	1,175
Total expenses	1,157	1,175

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	523	280
Total taxation	523	280

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	5,745	4,661
Corporation tax at 20% (31/3/2023 - 20%)	1,149	932
Effects of:		
Revenue not subject to tax	(626)	(652)
Total taxation (see note 5(a))	523	280

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 2024 there is no potential deferred tax asset (31/3/2023 - £nil) due to tax losses (31/3/2023 - £nil). Accordingly, no tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	2,121	1,705
Final distribution	3,044	2,668
	5,165	4,373
Add: Revenue deducted on cancellation of units	232	139
Less: Revenue received on creation of units	(175)	(131)
Net distribution for the year	5,222	4,381

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	815	748
Receivable for creation of units	1,405	819
Sales awaiting settlement	7,056	376
Total debtors	9,276	1,943

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	5,311	4,900

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	101	100
Amounts payable on cancellation of units	722	204
Corporation tax payable	299	148
Purchases awaiting settlement	7,056	–
Total other creditors	8,178	452

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
US Dollar	–	13,775	13,775
Total	–	13,775	13,775

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
US Dollar	–	15,313	15,313
Total	–	15,313	15,313

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	220,706	220,706
Investment liabilities	–	–	–	–

Notes to the Financial statements

continued

12. Financial instruments and derivatives continued

b) Interest rate risk continued

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

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	215,021	215,021
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	50,307	–
Level 2: Observable market data	170,399	–
Level 3: Unobservable data	–	–
	220,706	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	55,515	–
Level 2: Observable market data	159,506	–
Level 3: Unobservable data	–	–
	215,021	–

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 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	291	–	–	1	0.34
Collective investment schemes	88,324	1	–	1	–
Total	88,615	1		2	
Total purchases including commission and taxes	88,618				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	98,857	3	–	–	–
Total	98,857	3		–	
Total sales net of commissions and taxes	98,854				
Total transaction costs		4		2	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	22,445	–	–	–	–
Total	22,445	–		–	
Total purchases including commission and taxes	22,445				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	23,436	2	0.01	–	–
Total	23,436	2		–	
Total sales net of commissions and taxes	23,434				
Total transaction costs		2		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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 0.04% (31/3/2023 - 0.20%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 274.

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 £100,302 (31/3/2023 - £99,553).

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

	Unit holding %	Related party name
Managed Conservative Fund	77.69	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	X Income units	X Accumulation units
Opening units	1,223,405	92,117,810
Units created	209,622	10,594,819
Units cancelled	(109,497)	(16,184,399)
Units converted	307,333	(251,735)
Closing units	1,630,863	86,276,495

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
X Income				
Group 1	2.8473	–	2.8473	2.3989
Group 2	2.1166	0.7307	2.8473	2.3989
X Accumulation				
Group 1	3.4749	–	3.4749	2.8644
Group 2	1.4744	2.0005	3.4749	2.8644

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
X Income				
Group 1	1.9366	–	1.9366	1.5476
Group 2	1.1682	0.7684	1.9366	1.5476
X Accumulation				
Group 1	2.3405	–	2.3405	1.8329
Group 2	1.2195	1.1210	2.3405	1.8329

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 2024

Fund objective and policy

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

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

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

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

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

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

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

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

Investment Report

Market commentary

Fund performance

In the 12 months to the 31st March 2024 the Managed Balanced Fund (X Acc) rose 11.3%, whilst the IA Mixed Investment (40%-85% Shares) sector rose 10.2%.

The reporting period saw inflation easing from the double digit levels of the previous year and by the end of March inflation rates were hovering a percentage point or two above target for many of the developed market central banks. This, combined with the prospect of interest rates being cut, has been positive for equity and bond markets. As the reporting period progressed there was also better economic data emerging from the US that gave hope that the Federal Reserve had navigated the 'soft landing' of curtailing inflation, whilst not crashing the economy and causing a recession. While the jury is still out about the overall health of the global economy, the impact on market sentiment has generally been positive; and 2023 calendar year ended with a strong rally in risk assets. At the forefront of the rising equity markets has been the theme of Artificial Intelligence (AI). Companies with perceived leadership in this area have seen their stock prices rise sharply, and led to a resurgence of the tech sector after a difficult 2022. Geopolitical concerns, particularly, in the Middle East were the backdrop to commodities, having a volatile but ultimately positive period from a price perspective.

On a regional basis, over the year, the US was the strongest market with a return of 27.0%, followed by Japan 23.1%, Europe 12.7%, the UK 8.3% and emerging markets with 5.9%. The laggard was Asia ex-Japan, which delivered 1.8%. Within fixed interest UK government bonds continued to struggle against a potentially stickier inflation environment, returning -0.2%.

It was a period in which the Managed Balanced Fund outperformed the IA Mixed Investment (40%-85% Shares) Sector, particularly during the latter part of the year. We had some funds that did well, relative to their respective market as well as an allocation to the Nasdaq index, which had a very strong year, delivering a return of 37.7% for our holding. In the US (in addition to our Nasdaq position mentioned) the Brown Advisory US Flexible fund returned 33.8% and was well above of the main market index, as was the Baillie Gifford American fund, which returned 37.2% for the year. In Europe our managers had a more difficult time with the notable exception of the Liontrust European Dynamic fund, which we added in May, and comfortably beat the index since we added it, returning 16.8% to the end of March 2024. In fixed income we had generally positive performance from our core credit exposure such as the Artemis Corporate Bond fund, which had a total return of 9.2% for the year, and the Fidelity Short Dated Corporate Bond fund, which delivered a total return of 7.1%. Despite a moderation in inflation expectations, funds that had a long duration position generally did less well, and our exposure here was principally in the strategic bond space. It was also a weak reporting year for alternatives, with the discounts to NAV on our infrastructure holdings continuing to be in the double digits.

We made a number of changes through the year. The most significant area was within Europe, where we added Liontrust European Dynamic, Chelverton European Select, and River European funds, which replaced the BlackRock European Dynamic, Barings Europe and European Opportunities Trust. It was a change that reflected a desire to get more control over how we gained exposure to both core and value areas of the European market. We also switched our Japan holding to the M&G Japan fund from a passive index fund and our emerging market fund to the Pacific North of South Emerging Market All Cap fund. Both changes represent a slight tilt to the value style and since we made them they have been additive to performance overall. Within fixed income we sold the Allianz Strategic Bond fund towards the end of the reporting period as the outlook for inflation remained stickier and the fund's longer duration puts it at a disadvantage for the near term in our view; and we added the Lombard Odier Fallen Angels fund, which invests in the high yield debt of formerly investment grade issuers. Finally we made some changes to our alternative fund holdings by selling the Sandbar Global Market Neutral and Invenomic US Equity Long/Short funds and replacing them with the GLG Alpha Select Alternative fund. Again, making the change when we did has been positive for overall fund performance.

Overall we have allowed our equity weighting to remain at the top end of the range but have kept the overall asset allocation broadly similar throughout the year. At the margin we have generally trimmed the better performing areas of the fund and topped up the weaker parts. As we've moved into 2024 the outlook for inflation has become more uncertain in terms of potential rate cuts, so our efforts to add to the value areas of the portfolio over the last few years, we hope, provides opportunity to provide decent relative total return – as we saw in 2022.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Managed Balanced Fund X Accumulation	11.3%	(4.9%)	3.5%	26.3%	(6.2%)
IA Mixed Investments 40-85% Sector	10.2%	(4.5%)	5.2%	26.4%	(8.0%)

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

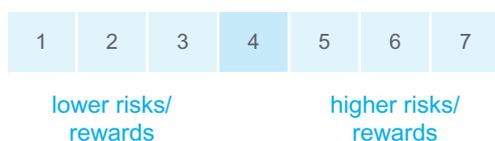
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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 4 because funds of this type have experienced average rises and falls in value in the past.

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Managed Balanced Fund carries the following risks:

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

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

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

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

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

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

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

Investment Report

continued

Risk and Reward Profile continued

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

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

Collective Investment Schemes

Collective Investment Schemes

The Managed Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.48% (31/3/2023 - 0.58%).

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

Comparative tables

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	277.02	290.38	281.17
Return before operating charges	34.51	(10.38)	12.49
Operating charges	(2.84)	(2.98)	(3.28)
Return after operating charges	31.67	(13.36)	9.21
Distributions	(4.81)	(4.14)	(2.58)
Retained distributions on accumulation units	4.81	4.14	2.58
Closing net asset value per unit*	308.69	277.02	290.38
After direct transaction costs of**	(0.01)	0.00	(0.01)
Performance			
Return after charges	11.43%	(4.60%)	3.28%
Other information			
Closing net asset value £'000	471,559	416,635	386,909
Closing number of units	152,760,521	150,401,488	133,243,466
Operating charges	1.00%	1.08%	1.11%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	308.20	291.20	309.60
Lowest unit price	271.50	260.20	273.30

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 64.95% (31/3/2023 - 62.41%)			
United Kingdom - 19.84% (31/3/2023 - 20.65%)			
1,048,000	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	6,945	1.47
2,305,851	iShares Core FTSE 100 UCITS ETF	17,917	3.80
10,120,000	JPM UK Equity Plus Fund	15,210	3.23
3,433,966	Liontrust Special Situations Fund	16,770	3.56
7,200,000	Premier Miton UK Value Opportunities Fund	17,798	3.77
18,560,000	Schroder Income Fund	14,258	3.02
3,690,000	Thesis - TM Tellworth UK Smaller Companies Fund	4,645	0.99
		93,543	19.84
Europe - 8.01% (31/3/2023 - 6.97%)			
8,900,000	ES Alliancebernstein Europe Ex UK Equity Fund	12,282	2.61
3,000,000	ES River & Mercantile Funds Icvc-ES River & Mercantile European Fund	9,026	1.91
8,700,000	Liontrust European Dynamic Fund	9,996	2.12
5,849,880	MI Chelverton Equity Fund-MI Chelverton European Select Fund	6,468	1.37
		37,772	8.01
Asia Pacific (ex Japan) - 4.52% (31/3/2023 - 5.38%)			
2,825,000	Invesco Asian Fund UK	5,697	1.21
144,316	Schroder ISF Asian Total Return	15,629	3.31
		21,326	4.52
Japan - 2.78% (31/3/2023 - 1.56%)			
7,625,000	M&G Investment Funds 1 - Japan Fund	13,097	2.78
North America - 21.48% (31/3/2023 - 20.02%)			
236,900	Amundi Nasdaq-100 II UCITS ETF	13,768	2.92
1,027,919	Baillie Gifford Overseas Growth Funds ICVC - American Fund	14,381	3.05
911,093	Brown Advisory US Flexible Equity Fund	24,363	5.17
755,070	CT Lux US Disciplined Core Equities	13,047	2.77
2,860,000	Premier Miton US Opportunities Fund	12,747	2.70
292,171	Vanguard S&P 500 UCITS ETF	22,990	4.87
		101,296	21.48
Emerging Markets - 2.38% (31/3/2023 - 2.24%)			
740,000	Pacific Capital Ucits Funds-Pacific North of South EM All Cap Equity	11,199	2.38

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Global - 5.94% (31/3/2023 - 5.59%)		
834,468	Brown Advisory Global Leaders Fund	17,733	3.76
3,210,000	ES River and Mercantile Global Recovery Fund	10,292	2.18
		28,025	5.94
	FIXED INTEREST - 22.69% (31/3/2023 - 22.40%)		
	Dynamic Bonds - 7.66% (31/3/2023 - 7.43%)		
10,388,980	Janus Henderson Strategic Bond Fund	11,168	2.37
132,012	Nomura Funds Ireland - Global Dynamic Bond Fund	12,806	2.71
13,720,000	Schroder Strategic Credit Fund	12,172	2.58
		36,146	7.66
	United Kingdom Gilts & Corporate Bonds - 11.82% (31/3/2023 - 12.32%)		
141,300	Amundi UK Government Bond UCITS ETF	14,702	3.12
19,986,000	Artemis Corporate Bond Fund	18,427	3.91
8,698,622	BlackRock Investment Funds - BlackRock Sustainable Sterling Strategic Bond Fund	9,305	1.97
1,287,000	Fidelity Investment Funds - Short Dated Corporate Bond Fund	10,819	2.29
31,500	Vanguard Investments Funds ICVC - Vanguard UK Long Duration Gilt Index Fund	2,475	0.53
		55,728	11.82
	Non Equity Investment Instrument - 3.21% (31/3/2023 - 2.65%)		
5,932,597	HSBC Sterling Liquidity Fund	5,933	1.26
900,000	Lombard Odier Funds-Fallen Angels Recovery	9,188	1.95
		15,121	3.21
	ALTERNATIVE - 10.08% (31/3/2023 - 12.72%)		
1,805,432	BBGI Global Infrastructure	2,336	0.50
5,765,000	FTF Clearbridge Global Infrastructure Income Fund	6,918	1.47
2,038,779	GCP Infrastructure Investments	1,474	0.31
1,919,237	Hicl Infrastructure	2,418	0.51
2,050,000	Hipgnosis Songs Fund	1,413	0.30
1,892,995	International Public Partnerships	2,347	0.50
36,507	Invesco Physical Gold ETC	6,190	1.31
35,000	MAN Funds VI - Man GLG Alpha Select Alternative	4,331	0.92
1,296,000	Pantheon Infrastructure	951	0.20
2,408,458	Renewables Infrastructure	2,423	0.51

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
352,500	Royal Mint Physical Gold ETC	6,129	1.30
128,500	UBS CMCI Composite SF UCITS ETF	10,606	2.25
		47,536	10.08
	Portfolio of investments	460,789	97.72
	Net other assets	10,770	2.28
	Total net assets	471,559	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		40,683		(23,534)
Revenue	3	9,860		7,927	
Expenses	4	(2,234)		(2,025)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		7,626		5,902	
Taxation	5	(349)		–	
Net revenue after taxation for the year			7,277		5,902
Total return before distributions			47,960		(17,632)
Distributions	7		(7,277)		(5,902)
Change in net assets attributable to unitholders from investment activities			40,683		(23,534)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			416,635		386,909
Amounts received on creation of units		67,417		81,169	
Amounts paid on cancellation of units		(60,505)		(34,000)	
			6,912		47,169
Change in net assets attributable to unitholders from investment activities			40,683		(23,534)
Retained distribution on accumulation units	7		7,329		6,091
Closing net assets attributable to unitholders			471,559		416,635

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			460,789		406,342
Current assets					
Debtors	8	4,872		6,537	
Cash and bank balances	9	7,977		7,057	
Total other assets			12,849		13,594
Total assets			473,638		419,936
LIABILITIES					
Creditors					
Other creditors	10	(2,079)		(3,301)	
Total other liabilities			(2,079)		(3,301)
Total liabilities			(2,079)		(3,301)
Net assets attributable to unitholders			471,559		416,635

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(165)	(5)
Gains/(losses) on non-derivative securities	40,848	(23,529)
Net capital gains/(losses)	40,683	(23,534)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	331	129
Money market deposit	445	92
Non-taxable overseas dividends	2,282	2,557
Rebate of fees from holdings in third party collective investment schemes	19	8
Taxable overseas dividends	781	616
UK dividends	137	–
UK franked dividends from collective investment schemes	3,116	3,144
UK unfranked dividends from collective investment schemes	2,749	1,381
Total revenue	9,860	7,927

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	2,234	2,025
Total expenses	2,234	2,025

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	349	–
Total taxation	349	–

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	7,626	5,902
Corporation tax at 20% (31/3/2023 - 20%)	1,525	1,180
Effects of:		
Movement in unrecognised tax losses	(97)	(40)
Revenue not subject to tax	(1,079)	(1,140)
Total taxation (see note 5(a))	349	–

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 2024 there is no potential deferred tax asset (31/3/2023 - £96,546) due to tax losses (31/3/2023 - £482,732). Accordingly, no tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	2,935	2,418
Final distribution	4,394	3,673
	7,329	6,091
Add: Revenue deducted on cancellation of units	242	134
Less: Revenue received on creation of units	(294)	(323)
Net distribution for the year	7,277	5,902

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	1,250	1,230
Income tax recoverable	1	–
Receivable for creation of units	3,621	2,354
Sales awaiting settlement	–	2,953
Total debtors	4,872	6,537

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	7,977	7,057

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	203	182
Amounts payable on cancellation of units	1,527	1,064
Corporation tax payable	349	–
Purchases awaiting settlement	–	2,055
Total other creditors	2,079	3,301

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
US Dollar	70	30,553	30,623
Total	70	30,553	30,623

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
US Dollar	–	26,371	26,371
Total	–	26,371	26,371

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	460,789	460,789
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 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	406,342	406,342
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	105,664	–
Level 2: Observable market data	355,125	–
Level 3: Unobservable data	–	–
	460,789	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	100,715	–
Level 2: Observable market data	305,627	–
Level 3: Unobservable data	–	–
	406,342	–

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 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	162,058	2	–	2	–
Total	162,058	2		2	
Total purchases including commission and taxes	162,062				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	144,924	4	–	–	–
Total	144,924	4		–	
Total sales net of commissions and taxes	144,920				
Total transaction costs		6		2	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Notes to the Financial statements

continued

13. Portfolio transaction costs continued

Year to 31 March 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	88,574	1	–	–	–
Total	88,574	1		–	
Total purchases including commission and taxes		88,575			

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	43,160	5	0.01	–	–
Total	43,160	5		–	
Total sales net of commissions and taxes		43,155			
Total transaction costs		6		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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.

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 0.06% (31/3/2023 - 0.19%).

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 274.

The balance due from the Managed Balanced Fund at the year end in respect of fees paid to the Manager was £203,187 (31/3/2023 - £181,656).

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

	Unit holding %	Related party name
Managed Balanced Fund	63.92	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	X
	Accumulation units
Opening units	150,401,488
Units created	23,708,499
Units cancelled	(21,349,466)
Closing units	152,760,521

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
X Accumulation				
Group 1	2.8772	–	2.8772	2.4419
Group 2	1.3151	1.5621	2.8772	2.4419

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
X Accumulation				
Group 1	1.9358	–	1.9358	1.7016
Group 2	1.0921	0.8437	1.9358	1.7016

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 2024

Fund objective and policy

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

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

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

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

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

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

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

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

Investment Report

Market commentary

Fund performance

In the 12 months to the 31st March 2024 the Close Managed Growth fund (X Acc) rose 13.2%, whilst the IA Flexible Investment sector rose 10.1%.

The reporting period saw inflation easing from the double digit levels of the previous year and by the end of March inflation rates were hovering a percentage point or two above target for many of the developed market central banks. This, combined with the prospect of interest rates being cut, has been positive for equity and bond markets. As the reporting period progressed there was also better economic data emerging from the US that gave hope that the Federal Reserve had navigated the 'soft landing' of curtailing inflation, whilst not crashing the economy and causing a recession. While the jury is still out about the overall health of the global economy the impact on market sentiment has generally been positive; and 2023 calendar year ended with a strong rally in risk assets. At the forefront of the rising equity markets has been the theme of Artificial Intelligence (AI). Companies with perceived leadership in this area have seen their stock prices rise sharply, and led to a resurgence of the tech sector after a difficult 2022. Geopolitical concerns, particularly, in the Middle East were the backdrop to commodities, having a volatile but ultimately positive period from a price perspective.

On a regional basis, over the year, the US was the strongest market with a return of 27.0%, followed by the Japan 23.1%, Europe 12.7%, the UK 8.3% and emerging markets with 5.9%. The laggard was Asia ex-Japan, which delivered 1.8%. Within fixed interest UK government bonds continued to struggle against a potentially stickier inflation environment, returning -0.2%.

It was a period in which Managed Growth outperformed the IA Mixed Investment (40%-85% Shares) Sector, particularly during the latter part of the year. We had some funds that did well, relative to their respective market as well as an allocation to the Nasdaq index, which had a very strong year, delivering a return of 37.7% for our holding. In the US (in addition to our Nasdaq position mentioned) the Brown Advisory US Flexible fund returned 33.8% and was well above of the main market index, as was the Baillie Gifford American fund, which returned 37.2% for the year. In Europe our managers had a more difficult time with the notable exception of the Liontrust European Dynamic fund, which we added in May, and comfortably beat the index since we added it, returning 16.8% to the end of March 2024. In fixed income we had generally positive performance from our core credit exposure such as the Artemis Corporate Bond fund, which had a total return of 9.2% for the year, and the Fidelity Short Dated Corporate Bond fund, which delivered a total return of 7.1%. Despite a moderation in inflation expectations, funds that had a long duration position generally did less well, and our exposure here was principally in the strategic bond space. It was also a weak reporting year for alternatives, with the discounts to NAV on our infrastructure holdings continuing to be in the double digits. There was some better (albeit volatile) performance from our two specialist investment trusts, both of which invest into unlisted (as well as listed) companies. Chrysalis Investment Limited had a share price return of 41.4%, while Seraphim Space Investment Trust delivered 31.0%.

We made a number of changes through the year. The most significant area was within Europe, where we added Liontrust European Dynamic, Chelverton European Select, and River European funds, which replaced the BlackRock European Dynamic, Barings Europe and European Opportunities Trust. It was a change that reflected a desire to get more control over how we gained exposure to both core and value areas of the European market. In the US we added small cap exposure in the form of the First Eagle US Small Cap Opportunity fund. We also switched our Japan holding to the M&G Japan fund from a passive index fund and our emerging market fund to the Pacific North of South Emerging Market All Cap fund. Both changes represent a slight tilt to the value style and since we made them they have been additive to performance overall. Within fixed income we added the Lombard Odier Fallen Angels fund, which invests in the high yield debt of formerly investment grade issuers. Finally we made some changes to our alternative fund holdings by selling the Sandbar Global Market Neutral and Invenomic US Equity Long/Short funds and replacing them with the GLG Alpha Select Alternative fund. Again, making the change when we did has been positive for overall fund performance.

Overall we have allowed our equity weighting to remain at the top end of the range but have kept the overall asset allocation broadly similar throughout the year. At the margin we have generally trimmed the better performing areas of the fund and topped up the weaker parts. As we've moved into 2024 the outlook for inflation has become more uncertain in terms of potential rate cuts, so our efforts to add to the value areas of the portfolio over the last few years, we hope, provides opportunity to provide decent relative total return – as we saw in 2022.

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Managed Growth Fund X Accumulation	13.2%	(6.2%)	3.0%	34.8%	(6.3%)
IA Flexible Investment Sector	10.1%	(4.0%)	5.0%	29.1%	(8.1%)

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

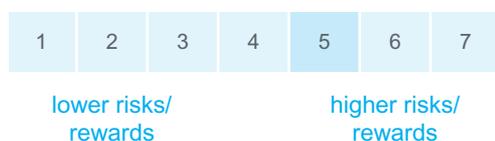
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.51% (31/3/2023 - 0.58%).

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

Comparative tables

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	307.58	326.30	318.36
Return before operating charges	44.27	(15.41)	11.60
Operating charges	(3.20)	(3.31)	(3.66)
Return after operating charges	41.07	(18.72)	7.94
Distributions	(3.76)	(3.42)	(2.06)
Retained distributions on accumulation units	3.76	3.42	2.06
Closing net asset value per unit*	348.65	307.58	326.30
After direct transaction costs of**	(0.01)	(0.01)	0.00
Performance			
Return after charges	13.35%	(5.74%)	2.49%
Other information			
Closing net asset value £'000	112,233	101,373	98,600
Closing number of units	32,190,550	32,958,481	30,217,947
Operating charges	1.01%	1.08%	1.09%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	348.00	327.30	355.80
Lowest unit price	300.50	288.00	303.50

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 80.85% (31/3/2023 - 77.01%)			
United Kingdom - 15.48% (31/3/2023 - 19.53%)			
373,500	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	2,475	2.21
589,689	iShares Core FTSE 100 UCITS ETF	4,582	4.08
790,852	Liontrust Special Situations Fund	3,862	3.44
1,700,000	Premier Miton UK Value Opportunities Fund	4,202	3.74
845,000	Seraphim Space Investment Trust	414	0.37
1,464,000	Thesis - TM Tellworth UK Smaller Companies Fund	1,843	1.64
		17,378	15.48
Europe - 11.89% (31/3/2023 - 10.90%)			
19,500	Berenberg Europe EX UK Focus Fund	1,585	1.42
3,017,800	ES Alliancebernstein Europe Ex UK Equity Fund	4,165	3.71
795,000	ES River & Mercantile Funds Icvc-ES River & Mercantile European Fund	2,392	2.13
2,360,000	Liontrust European Dynamic Fund	2,711	2.42
2,247,210	MI Chelverton Equity Fund-MI Chelverton European Select Fund	2,485	2.21
		13,338	11.89
Asia Pacific (ex Japan) - 9.97% (31/3/2023 - 8.79%)			
1,844,896	Invesco Asian Fund UK	3,720	3.31
34,881	Schroder ISF Asian Total Return	3,777	3.37
3,986,000	Schroder Recovery Fund	3,695	3.29
		11,192	9.97
Japan - 3.28% (31/3/2023 - 2.38%)			
2,140,000	M&G Investment Funds 1 - Japan Fund	3,676	3.28
North America - 27.32% (31/3/2023 - 24.47%)			
73,540	Amundi Nasdaq-100 II UCITS ETF	4,274	3.81
294,680	Baillie Gifford Overseas Growth Funds ICVC - American Fund	4,123	3.67
213,149	Brown Advisory US Flexible Equity Fund	5,700	5.08
287,297	CT Lux US Disciplined Core Equities	4,964	4.42
15,500	First Eagle US Small Cap Opportunity Fund	1,714	1.53
979,000	Premier Miton US Opportunities Fund	4,363	3.89
70,158	Vanguard S&P 500 UCITS ETF	5,521	4.92
		30,659	27.32

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Emerging Markets - 3.64% (31/3/2023 - 2.57%)		
270,000	Pacific Capital Ucits Funds-Pacific North of South EM All Cap Equity	4,086	3.64
	Global - 9.27% (31/3/2023 - 8.37%)		
185,342	Brown Advisory Global Leaders Fund	3,939	3.51
658,000	Chrysalis Investments	545	0.48
1,221,000	ES River and Mercantile Global Recovery Fund	3,915	3.49
224,914	Scottish Mortgage Investment Trust	2,009	1.79
		10,408	9.27
	FIXED INTEREST - 8.77% (31/3/2023 - 10.04%)		
	United Kingdom Gilts & Corporate Bonds - 6.41% (31/3/2023 - 5.77%)		
19,800	Amundi UK Government Bond UCITS ETF	2,060	1.84
2,615,000	Artemis Corporate Bond Fund	2,411	2.15
1,001,522	BlackRock Investment Funds - BlackRock Sustainable Sterling Strategic Bond Fund	1,072	0.96
144,335	Fidelity Investment Funds - Short Dated Corporate Bond Fund	1,213	1.08
5,500	Vanguard Investments Funds ICVC - Vanguard UK Long Duration Gilt Index Fund	432	0.38
		7,188	6.41
	Dynamic Bonds - 1.45% (31/3/2023 - 1.67%)		
1,517,377	Janus Henderson Strategic Bond Fund	1,631	1.45
	Non Equity Investment Instrument - 0.91% (31/3/2023 - 2.60%)		
100,000	Lombard Odier Funds-Fallen Angels Recovery	1,021	0.91
	ALTERNATIVE - 8.96% (31/3/2023 - 10.55%)		
367,591	BBGI Global Infrastructure	476	0.42
1,580,000	FTF Clearbridge Global Infrastructure Income Fund	1,896	1.69
391,927	GCP Infrastructure Investments	283	0.25
397,749	Hicl Infrastructure	501	0.45
380,000	International Public Partnerships	471	0.42
7,418	Invesco Physical Gold ETC	1,258	1.12
8,500	MAN Funds VI - Man GLG Alpha Select Alternative	1,052	0.94
334,800	Pantheon Infrastructure	246	0.22
510,230	Renewables Infrastructure	513	0.46

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE continued		
72,000	Royal Mint Physical Gold ETC	1,252	1.11
25,600	UBS CMCI Composite SF UCITS ETF	2,113	1.88
		10,061	8.96
	Portfolio of investments	110,638	98.58
	Net other assets	1,595	1.42
	Total net assets	112,233	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		12,087		(6,745)
Revenue	3	1,749		1,536	
Expenses	4	(519)		(475)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		1,230		1,061	
Taxation	5	–		–	
Net revenue after taxation for the year			1,230		1,061
Total return before distributions			13,317		(5,684)
Distributions	7		(1,230)		(1,061)
Change in net assets attributable to unitholders from investment activities			12,087		(6,745)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			101,373		98,600
Amounts received on creation of units		19,276		18,618	
Amounts paid on cancellation of units		(21,724)		(10,195)	
			(2,448)		8,423
Change in net assets attributable to unitholders from investment activities			12,087		(6,745)
Retained distribution on accumulation units	7		1,221		1,095
Closing net assets attributable to unitholders			112,233		101,373

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			110,638		98,943
Current assets					
Debtors	8	4,355		777	
Cash and bank balances	9	1,285		1,896	
Total other assets			5,640		2,673
Total assets			116,278		101,616
LIABILITIES					
Creditors					
Other creditors	10	(4,045)		(243)	
Total other liabilities			(4,045)		(243)
Total liabilities			(4,045)		(243)
Net assets attributable to unitholders			112,233		101,373

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(35)	(1)
Gains/(losses) on non-derivative securities	12,122	(6,744)
Net capital gains/(losses)	12,087	(6,745)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	79	29
Money market deposit	56	18
Non-taxable overseas dividends	557	605
Rebate of fees from holdings in third party collective investment schemes	5	3
Taxable overseas dividends	78	44
UK franked dividends from collective investment schemes	763	736
UK unfranked dividends from collective investment schemes	211	101
Total revenue	1,749	1,536

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	519	475
Total expenses	519	475

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	–	–
Total taxation	–	–

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	1,230	1,061
Corporation tax at 20% (31/3/2023 - 20%)	246	212
Effects of:		
Movement in unrecognised tax losses	18	56
Revenue not subject to tax	(264)	(268)
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 2024 there is a potential deferred tax asset of £291,563 (31/3/2023 - £273,628) due to tax losses of £1,457,815 (31/3/2023 - £1,368,142). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	556	486
Final distribution	665	609
	1,221	1,095
Add: Revenue deducted on cancellation of units	71	29
Less: Revenue received on creation of units	(62)	(63)
Net distribution for the year	1,230	1,061

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	93	64
Receivable for creation of units	503	412
Sales awaiting settlement	3,759	301
Total debtors	4,355	777

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	1,285	1,896

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued expenses	47	43
Amounts payable on cancellation of units	239	200
Purchases awaiting settlement	3,759	–
Total other creditors	4,045	243

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
US Dollar	17	6,957	6,974
Total	17	6,957	6,974

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
US Dollar	28	6,604	6,632
Total	28	6,604	6,632

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	110,638	110,638
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 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	98,943	98,943
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	26,518	–
Level 2: Observable market data	84,120	–
Level 3: Unobservable data	–	–
	110,638	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	25,179	–
Level 2: Observable market data	73,764	–
Level 3: Unobservable data	–	–
	98,943	–

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 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	257	–	–	1	0.39
Collective investment schemes	42,185	–	–	1	–
Total	42,442	–		2	
Total purchases including commission and taxes	42,444				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	40,819	1	–	–	–
Total	40,819	1		–	
Total sales net of commissions and taxes	40,818				
Total transaction costs		1		2	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	18,480	–	–	1	0.01
Total	18,480	–		1	
Total purchases including commission and taxes	18,481				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	11,811	1	0.01	–	–
Total	11,811	1		–	
Total sales net of commissions and taxes	11,810				
Total transaction costs		1		1	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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 0.06% (31/3/2023 - 0.20%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 274.

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 £46,600 (31/3/2023 - £42,708).

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

	Unit holding %	Related party name
Managed Growth Fund	57.83	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	X Accumulation units
Opening units	32,958,481
Units created	6,093,839
Units cancelled	(6,861,770)
Closing units	32,190,550

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
X Accumulation				
Group 1	2.0658	–	2.0658	1.8474
Group 2	0.9710	1.0948	2.0658	1.8474

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
X Accumulation				
Group 1	1.6947	–	1.6947	1.5714
Group 2	0.7480	0.9467	1.6947	1.5714

Equalisation

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

Close Sustainable Select Fixed Income Fund

For the year ended 31 March 2024

Fund objective and policy

The investment objective of the Close Sustainable Select Fixed Income Fund ("the Sustainable Select Fund") is to generate income while maintaining its capital value over the medium term (i.e. more than 5 years). The Fund also seeks to maintain a weighted average carbon intensity (tonnes of Scope 1 and 2 CO₂e per US\$m of revenue) below a benchmark of the ICE Bofa Global Corporate Index, targeting a level 50% below this benchmark by 2030 from 2019 baseline, and net zero by emissions by 2050.

The Sustainable Select Fund has a focus on income producing assets and will hold at least 80% of its portfolio in sterling denominated (or hedged back to sterling) fixed interest securities (mainly corporate bonds, although the Fund may also hold government bonds) and deposits (including money market instruments).

The Investment Adviser operates a selective strategy meaning that they have discretion to pick the most appropriate holdings from a wide range of fixed income securities across different sectors, rather than being constrained by sector. Consequently, the Sustainable Select Fund may at any one time hold a relatively small number of stocks as chosen by the Manager from a wide range of fixed income securities across different sectors.

The fixed interest securities in which the Sustainable Select Fund invests may be investment grade, sub-investment grade or unrated. Investment grade securities for the purposes of this Sustainable Select Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

The Fund uses a sustainable investment process to ensure that it is invested in a way that contributes to reducing greenhouse gas emissions. The investment universe is identified by the Investment Adviser using both quantitative and qualitative assessments.

Firstly, the Investment Adviser applies a quantitative screening process to exclude companies that derive more than 10% of their annual revenues from activities related to thermal coal. The Investment Adviser then applies its qualitative assessment in order to identify and select companies considered by the Investment Adviser as having operations and/or business models that aim to minimise their harmful effects on society and the environment. As part of this assessment, the Investment Adviser also considers whether companies follow good governance practices (e.g. with respect to sound management and company board, corporate culture, capital allocation and remuneration policies).

There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Sustainable Select Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Sustainable Select Fund in cash.

In order to gain indirect exposure to fixed interest securities and deposits (including money market instruments), the Sustainable 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 Sustainable Select Fund may also invest in international non-Sterling fixed income securities.

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

Investment Report

Market commentary

Fund Performance

The Sustainable Select Fixed Income fund (X Acc share class) returned +10.9% in the 12 months to 31st March 2024. Over the same time period, the IA Strategic Bond sector returned +7.2%.

The Sustainable Select Fixed Income Fund has therefore outperformed the IA sector by +3.7% over the past 12 months, and is a 1st Quartile fund on a 1yr, 3yr and 5yr basis (versus the IA sector).

In February 2024, Sustainable Select Fixed Income was also named as, “the most consistent UK strategic bond fund over the past decade”, and, “one of the most consistent UK bond funds of the decade across all sectors” by Trustnet. More details in the link: [The most consistent UK bond funds of the decade | Trustnet¹](#)

Macro Backdrop

The Bank of England raised the policy rate to 5.25% (from 4.25% in March 2023), and increased the Quantitative Tightening programme (“QT”) to GBP 100bn / year (from GBP 80bn / year). The Federal Reserve raised rates to 5.50% (from 5.00%), and maintained Quantitative Tightening at c. USD 95bn per month. Over the last 12 months, the Federal Reserve has reduced its balance sheet by USD 1.2trn (to USD 7.4trn). The European Central Bank raised the Depo Rate to 4.00% (from 3.00%) and increased Quantitative Tightening to EUR 25bn / month (from EUR 15bn per month).

In the UK, the Composite Purchasing Managers Index (PMI) data declined to a (still strong) 52.9 (Feb-24 = 53.0), while consensus 2024 GDP growth forecasts also declined slightly to +0.3% (Feb-24 = +0.3%). CPI inflation declined to +3.4% (Jan-24 = 4.0%), while core inflation (i.e. excluding volatile energy and food prices) also declined to +4.5% (Jan-24 = +5.1%). Forecasts indicate inflation will continue to decline to c. +1.8% in Q2 2024. Unemployment was stable at 3.9%.

In the US, Composite PMI data weakened slightly to 52.2 (Feb-24 = 52.5), while consensus 2024 GDP growth forecasts improved to +2.2% (Feb-24 = +2.0%). US CPI inflation increased to +3.2% (Jan-24 = 3.1%) – and forecasts indicate inflation will decline to c. +2.7% in Q4 2024. Unemployment increased to 3.9% (Jan-24 = 3.7%).

In the Eurozone, Composite PMI data improved to 49.9 (Feb-24 = 49.2), while consensus 2024 GDP growth forecasts remained stable at +0.5% (Feb-24 = +0.5%). Eurozone inflation declined to +2.6% (Jan-24 = +2.8%), and forecasts indicate inflation will continue to decline to c. +2.1% in Q3 2024, albeit forecasts are volatile given ongoing concerns over Russian gas supplies. Unemployment was stable at 6.4%.

Portfolio Activity

On the portfolio construction side, the yield-to-call is 5.8%; duration is 4.9 years; the average rating of the fund is A+; cash levels are 16% 15%; and the unrated portion of the fund is 4%.

Outlook & Strategy

Sovereign bond yields offer fair value in the UK, US and Eurozone.

Sterling Investment Grade bonds are Rich versus all historical timeframes, with sterling ‘BBB’ credit spreads at 143bps, versus their 5yr average of 187bps; 10yr average of 185bps; and 20yr average of 218bps.

Sterling High Yield spreads are Rich versus all historical timeframes, with ‘BB’ spreads at 283bps (5yr average = 373bps; 10yr average = 348bps; 20yr average = 430bps).

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

¹<https://www.trustnet.com/news/13406708/the-most-consistent-uk-bond-funds-of-the-decade>

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Close Sustainable Select Fixed Income Fund X Acc*	10.9%	(4.1%)	(1.1%)	15.2%	(2.8%)
IA Sterling Strategic Bond Sector**	7.2%	(5.7%)	(2.2%)	12.4%	(1.4%)

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

*The above performance data relates to the X Accumulation unit class. Previously, performance was referenced to the X Income class. The performance differences between these two unit classes are negligible.

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

The SRRI table demonstrates where the Sustainable 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 Sustainable 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.

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 Select Fund carries the following risks:

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

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

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

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

Investment Report

continued

Risk and Reward Profile continued

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 Sustainable Select Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Comparative tables

For the year ended I Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	91.24	99.62	104.55
Return before operating charges	10.23	(3.45)	(0.57)
Operating charges	(0.12)	(0.12)	(0.14)
Return after operating charges	10.11	(3.57)	(0.71)
Distributions	(4.85)	(4.81)	(4.22)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	96.50	91.24	99.62
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	11.08%	(3.58%)	(0.68%)
Other information			
Closing net asset value £'000	147,227	114,153	52,243
Closing number of units	152,570,369	125,114,312	52,440,388
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	97.01	100.00	106.90
Lowest unit price	89.64	86.33	99.88

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	91.18	99.56	104.48
Return before operating charges	10.22	(3.44)	(0.57)
Operating charges	(0.42)	(0.45)	(0.50)
Return after operating charges	9.80	(3.89)	(1.07)
Distributions	(4.54)	(4.49)	(3.85)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	96.44	91.18	99.56
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	10.75%	(3.91%)	(1.02%)
Other information			
Closing net asset value £'000	217,500	165,322	82,559
Closing number of units	225,533,306	181,308,512	82,922,137
Operating charges	0.45%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	96.92	99.99	106.80
Lowest unit price	89.57	86.27	99.80

*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.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	108.12	112.50	113.79
Return before operating charges	12.45	(3.86)	(0.73)
Operating charges	(0.54)	(0.52)	(0.56)
Return after operating charges	11.91	(4.38)	(1.29)
Distributions	(5.48)	(5.18)	(4.26)
Retained distributions on accumulation units	5.48	5.18	4.26
Closing net asset value per unit*	120.03	108.12	112.50
After direct transaction costs of**	0.00	0.00	0.00
Performance			
Return after charges	11.02%	(3.89%)	(1.13%)
Other information			
Closing net asset value £'000	216,773	125,144	26,951
Closing number of units	180,593,371	115,747,885	23,956,603
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	120.10	113.30	117.70
Lowest unit price	108.00	99.78	112.30

*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 2024

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 84.16% (31/3/2023 - 97.34%)			
Sterling Denominated Fixed Rate Corporate Bonds - 23.99% (31/3/2023 - 49.97%)			
£500,000	Admiral 5.5% 25/7/2024	499	0.09
£5,000,000	Barclays 3.75% 22/11/2030	4,795	0.82
£11,000,000	Barclays 8.407% 14/11/2032	11,687	2.01
£5,000,000	Barclays 8.875% Perpetual	5,087	0.87
£8,000,000	BUPA Finance 4% Perpetual	5,837	1.00
£1,000,000	BUPA Finance 4.125% 14/6/2035	838	0.14
£3,800,750	Co-Operative 11% 22/12/2025	4,016	0.69
£8,800,000	Co-operative 2011 7.5% 8/7/2026	8,733	1.50
£5,000,000	Ford Motor Credit 6.86% 5/6/2026	5,135	0.88
£5,379,000	Hiscox 6.125% 24/11/2045	5,350	0.92
£15,000,000	HSBC 3% 29/5/2030	13,471	2.32
£1,400,000	HSBC 8.201% 16/11/2034	1,540	0.27
£2,000,000	Jupiter Fund Management 8.875% 27/7/2030	2,008	0.35
£7,438,000	Just 5% Perpetual	5,630	0.97
£5,059,000	Just 9% 26/10/2026	5,479	0.94
£1,700,000	Nationwide Building Society 5.75% Perpetual	1,609	0.28
£10,500,000	NatWest 7.416% 6/6/2033	10,968	1.89
£10,754,000	Paragon Banking 4.375% 25/9/2031	9,914	1.71
£1,000,000	Pension Insurance 4.625% 7/5/2031	899	0.15
£4,200,000	Pension Insurance 7.375% Perpetual	4,111	0.71
£1,500,000	Phoenix 5.75% Perpetual	1,344	0.23
£6,150,000	Rothesay Life 6.875% Perpetual	5,788	1.00
£2,000,000	Rothesay Life 7.734% 16/5/2033	2,166	0.37
£4,200,000	Society of Lloyd's 4.875% 7/2/2047	4,081	0.70
£7,200,000	Travis Perkins 3.75% 17/2/2026	6,849	1.18
£11,850,000	Virgin Money UK 5.125% 11/12/2030	11,648	2.00
		139,482	23.99
Sterling Denominated Fixed Rate Government Bonds - 22.55% (31/3/2023 - 4.13%)			
£85,500,000	United Kingdom Gilt 1.125% 31/1/2039	56,462	9.71
£65,500,000	United Kingdom Gilt 1.75% 7/9/2037	49,549	8.52

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Fixed Rate Government Bonds continued			
£5,000,000	United Kingdom Gilt 4.5% 7/6/2028	5,107	0.88
£20,000,000	United Kingdom Gilt 5% 7/3/2025	20,037	3.44
		131,155	22.55
Sterling Denominated Floating Rate Corporate Bonds - 3.78% (31/3/2023 - 1.15%)			
£22,200,000	Nationwide Building Society 5.875% FRN Perpetual	21,978	3.78
Euro Denominated Fixed Rate Corporate Bonds - 14.74% (31/3/2023 - 27.60%)			
€2,000,000	Bank of Ireland 6.75% 1/3/2033	1,827	0.31
€7,700,000	EDP - Energias de Portugal 1.5% 14/3/2082	5,991	1.03
€7,200,000	Enel 1.375% Perpetual	5,471	0.94
€3,900,000	Engie 1.5% Perpetual	2,950	0.51
€3,500,000	Iberdrola International 1.45% Perpetual	2,748	0.47
€2,700,000	Iberdrola International 1.825% Perpetual	1,976	0.34
€12,000,000	International Personal Finance 9.75% 12/11/2025	10,099	1.74
€5,000,000	Merck 1.625% 25/6/2079	4,185	0.72
€4,000,000	Orange 1.375% Perpetual	2,934	0.50
€19,500,000	Pershing Square 1.375% 1/10/2027	14,727	2.53
€15,000,000	Trafigura 7.5% Perpetual	12,854	2.21
€10,000,000	Veolia Environnement 1.625% Perpetual	7,924	1.36
€2,000,000	Veolia Environnement 2% Perpetual	1,541	0.27
€4,000,000	Veolia Environnement 2.5% Perpetual	3,070	0.53
€2,000,000	Veolia Environnement 5.993% Perpetual	1,787	0.31
€3,500,000	Vodafone 2.625% 27/8/2080	2,865	0.49
€3,500,000	Volkswagen International Finance 3.875% Perpetual	2,768	0.48
		85,717	14.74
United States Dollar Denominated Fixed Rate Corporate Bonds - 10.03% (31/3/2023 - 9.00%)			
\$5,550,000	Beazley Insurance 5.5% 10/9/2029	4,228	0.73
\$2,650,000	Beazley Insurance 5.875% 4/11/2026	2,061	0.35
\$26,250,000	Perenti Finance 6.5% 7/10/2025	20,634	3.55
\$22,268,000	Phoenix 5.625% Perpetual	17,166	2.95
\$12,716,000	Trafigura 5.875% Perpetual	9,299	1.60
\$6,800,000	UBS 3.875% Perpetual	4,917	0.85
		58,305	10.03

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	United States Dollar Denominated Fixed Rate Government Bonds - 9.07% (31/3/2023 - 4.13%)		
\$106,500,000	United States Treasury Notes 1.125% 15/5/2040	52,771	9.07
	United States Dollar Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2023 - 1.36%)		
	DERIVATIVES* - (0.29%) (31/3/2023 - 0.73%)		
	Open Forward Currency Contracts - (0.29%) (31/3/2023 - 0.73%)		
€20,471,232	Bought EUR 20,471,232 : Sold GBP 17,569,563	(61)	(0.01)
£100,328,202	Bought GBP 100,328,202 : Sold EUR 117,490,884	(162)	(0.02)
£106,050,557	Bought GBP 106,050,557 : Sold USD 135,873,865	(1,501)	(0.26)
		(1,724)	(0.29)
	Portfolio of investments	487,684	83.87
	Net other assets	93,816	16.13
	Total net assets	581,500	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 £94,146.

Financial statements

Statement of total return for the year ended 31 March 2024

	Notes	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Income			
Net capital gains/(losses)	2	28,687	(18,737)
Revenue	3	26,145	10,850
Expenses	4	(1,839)	(713)
Interest payable and similar charges	6	(1)	(2)
Net revenue before taxation for the year		24,305	10,135
Taxation	5	(47)	(12)
Net revenue after taxation for the year		24,258	10,123
Total return before distributions		52,945	(8,614)
Distributions	7	(24,258)	(10,123)
Change in net assets attributable to unitholders from investment activities		28,687	(18,737)

Statement of change in net assets attributable to unitholders for the year ended 31 March 2024

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders	404,619	161,753
Amounts received on creation of units	244,184	311,267
Amounts paid on cancellation of units	(104,398)	(51,768)
	139,786	259,499
Dilution adjustment	132	222
Change in net assets attributable to unitholders from investment activities	28,687	(18,737)
Retained distribution on accumulation units	8,276	1,882
Closing net assets attributable to unitholders	581,500	404,619

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			489,408		396,847
Current assets					
Debtors	8	12,577		41,598	
Cash and bank balances	9	91,629		5,081	
Total other assets			104,206		46,679
Total assets			593,614		443,526
LIABILITIES					
Investment liabilities			(1,724)		(32)
Creditors					
Bank overdrafts		(6,153)		–	
Distribution payable		(1,541)		(1,296)	
Other creditors	10	(2,696)		(37,579)	
Total other liabilities			(10,390)		(38,875)
Total liabilities			(12,114)		(38,907)
Net assets attributable to unitholders			581,500		404,619

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Sustainable 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 gains/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency losses	(474)	(293)
Gains/(losses) on forward currency contracts	6,278	(4,659)
Gains/(losses) on non-derivative securities	22,883	(13,785)
Net capital gains/(losses)	28,687	(18,737)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	685	43
Interest from overseas fixed interest securities	9,246	4,561
Interest from UK fixed interest securities	16,214	6,246
Total revenue	26,145	10,850

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,839	713
Total expenses	1,839	713

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Overseas tax	47	12
Total taxation	47	12

b) Factors affecting taxation charge for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	24,305	10,135
Corporation tax at 20% (31/3/2023 - 20%)	4,861	2,027
Effects of:		
Movement in unrecognised tax losses	7	2
Overseas tax	47	12
Prior year adjustment to unrecognised tax losses	2	–
Relief on overseas tax expensed	(9)	(2)
Tax deductible interest distributions	(4,861)	(2,027)
Total taxation (see note 5(a))	47	12

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

c) Provision for deferred tax

At 31 March 2024 there is a potential deferred tax asset of £9,328 (31/3/2023 - £2,486) due to tax losses of £46,641 (31/3/2023 - £12,431). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interest	1	2
	1	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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
1st Interim distribution	1,837	593
2nd Interim distribution	1,908	565
3rd Interim distribution	1,902	626
4th Interim distribution	2,011	610
5th Interim distribution	2,051	752
6th Interim distribution	2,094	742
7th Interim distribution	2,159	827
8th Interim distribution	1,982	877
9th Interim distribution	2,108	990
10th Interim distribution	2,028	989
11th Interim distribution	2,026	994
Final distribution	2,423	1,857
	24,529	10,422
Add: Revenue deducted on cancellation of units	222	110
Less: Revenue received on creation of units	(493)	(409)
Net distribution for the year	24,258	10,123

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	6,608	6,197
Receivable for creation of units	5,969	3,095
Sales awaiting settlement	—	32,306
Total debtors	12,577	41,598

Notes to the Financial statements

continued

9. Cash and bank balances

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Cash and bank balances	91,629	5,081

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	185	120
Amounts payable on cancellation of units	2,511	1,928
Purchases awaiting settlement	–	35,531
Total other creditors	2,696	37,579

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 Select Fund's net assets at 31 March 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Euro	–	3,854	3,854
US Dollar	296	5,016	5,312
Total	296	8,870	9,166

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Euro	–	5,484	5,484
US Dollar	–	2,521	2,521
Total	–	8,005	8,005

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 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	21,978	467,430	–	489,408
Investment liabilities	–	–	(1,724)	(1,724)

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

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	10,182	383,681	2,984	396,847
Investment liabilities	–	–	(32)	(32)

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
31/3/2024		
Level 1: Quoted prices	131,155	–
Level 2: Observable market data	358,253	(1,724)
Level 3: Unobservable data	–	–
	489,408	(1,724)
31/3/2023		
Level 1: Quoted prices	–	–
Level 2: Observable market data	396,847	(32)
Level 3: Unobservable data	–	–
	396,847	(32)

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 31/3/2024	% of net assets as at 31/3/2023
Investment Grade	48.07	48.62
Below Investment Grade	16.87	23.96
Not Rated	19.22	24.76
	84.16	97.34

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	356,925	–	–	–	–
Total	356,925	–		–	
Total purchases including commission and taxes	356,925				

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Debt instruments (direct)	287,002	–	–	–	–
Total	287,002	–		–	
Total sales net of commissions and taxes	287,002				

Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	373,564	–	–	–	–
Total	373,564	–		–	
Total purchases including commission and taxes	373,564				

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Debt instruments (direct)	116,962	1	–	–	–
Total	116,962	1		–	
Total sales net of commissions and taxes	116,961				

Total transaction costs		1		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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

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

Dealing spread costs suffered by the Sustainable 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 0.69% (31/3/2023 - 0.95%).

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 274.

The balance due from the Sustainable Select Fund at the year end in respect of fees paid to the Manager was £184,823 (31/3/2023 - £120,233).

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

	Unit holding %	Related party name
Sustainable Select Fund	47.27	Lion Nominees Limited

Notes to the Financial statements

continued

15. Unit movement

Year to 31 March 2024

	I Income units	X Income units	X Accumulation units
Opening units	125,114,312	181,308,512	115,747,885
Units created	48,166,278	97,465,811	96,350,017
Units cancelled	(21,828,805)	(52,278,620)	(31,363,071)
Units converted	1,118,584	(962,397)	(141,460)
Closing units	152,570,369	225,533,306	180,593,371

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 2024

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 March 2024

Group 2: units purchased between 1 March 2024 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/4/2024	Distribution Paid per Unit on 30/4/2023
I Income				
Group 1	0.4233	–	0.4233	0.4379
Group 2	0.2023	0.2210	0.4233	0.4379
X Income				
Group 1	0.3969	–	0.3969	0.4126
Group 2	0.2695	0.1274	0.3969	0.4126
X Accumulation				
Group 1	0.4888	–	0.4888	0.4848
Group 2	0.2295	0.2593	0.4888	0.4848

11th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 February 2024

Group 2: units purchased between 1 February 2024 and 29 February 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/3/2024	Distribution Paid per Unit on 31/3/2023
I Income				
Group 1	0.3636	–	0.3636	0.3783
Group 2	0.1777	0.1859	0.3636	0.3783
X Income				
Group 1	0.3390	–	0.3390	0.3547
Group 2	0.1459	0.1931	0.3390	0.3547
X Accumulation				
Group 1	0.4159	–	0.4159	0.4144
Group 2	0.2269	0.1890	0.4159	0.4144

Distribution tables

continued

10th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2024

Group 2: units purchased between 1 January 2024 and 31 January 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2024	Distribution Paid per Unit on 28/2/2023
I Income				
Group 1	0.3717	–	0.3717	0.4028
Group 2	0.1629	0.2088	0.3717	0.4028
X Income				
Group 1	0.3454	–	0.3454	0.3750
Group 2	0.1858	0.1596	0.3454	0.3750
X Accumulation				
Group 1	0.4221	–	0.4221	0.4386
Group 2	0.1360	0.2861	0.4221	0.4386

9th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 December 2023

Group 2: units purchased between 1 December 2023 and 31 December 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/1/2024	Distribution Paid per Unit on 31/1/2023
I Income				
Group 1	0.3953	–	0.3953	0.4278
Group 2	0.1855	0.2098	0.3953	0.4278
X Income				
Group 1	0.3693	–	0.3693	0.4000
Group 2	0.1368	0.2325	0.3693	0.4000
X Accumulation				
Group 1	0.4498	–	0.4498	0.4666
Group 2	0.2899	0.1599	0.4498	0.4666

Distribution tables

continued

8th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 November 2023

Group 2: units purchased between 1 November 2023 and 30 November 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/12/2023	Distribution Paid per Unit on 31/12/2022
I Income				
Group 1	0.3814	–	0.3814	0.3920
Group 2	0.1795	0.2019	0.3814	0.3920
X Income				
Group 1	0.3570	–	0.3570	0.3658
Group 2	0.2022	0.1548	0.3570	0.3658
X Accumulation				
Group 1	0.4332	–	0.4332	0.4249
Group 2	0.1973	0.2359	0.4332	0.4249

7th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

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

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
I Income				
Group 1	0.4243	–	0.4243	0.4097
Group 2	0.1800	0.2443	0.4243	0.4097
X Income				
Group 1	0.3995	–	0.3995	0.3826
Group 2	0.1961	0.2034	0.3995	0.3826
X Accumulation				
Group 1	0.4830	–	0.4830	0.4422
Group 2	0.3165	0.1665	0.4830	0.4422

Distribution tables

continued

6th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 September 2023

Group 2: units purchased between 1 September 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/10/2023	Distribution Paid per Unit on 31/10/2022
I Income				
Group 1	0.4158	–	0.4158	0.4062
Group 2	0.2054	0.2104	0.4158	0.4062
X Income				
Group 1	0.3916	–	0.3916	0.3796
Group 2	0.1959	0.1957	0.3916	0.3796
X Accumulation				
Group 1	0.4714	–	0.4714	0.4371
Group 2	0.2478	0.2236	0.4714	0.4371

5th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 August 2023

Group 2: units purchased between 1 August 2023 and 31 August 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/9/2023	Distribution Paid per Unit on 30/9/2022
I Income				
Group 1	0.4140	–	0.4140	0.4196
Group 2	0.2354	0.1786	0.4140	0.4196
X Income				
Group 1	0.3889	–	0.3889	0.3915
Group 2	0.2168	0.1721	0.3889	0.3915
X Accumulation				
Group 1	0.4662	–	0.4662	0.4486
Group 2	0.3106	0.1556	0.4662	0.4486

Distribution tables

continued

4th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2023

Group 2: units purchased between 1 July 2023 and 31 July 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2023	Distribution Paid per Unit on 31/8/2022
I Income				
Group 1	0.4173	–	0.4173	0.3728
Group 2	0.2350	0.1823	0.4173	0.3728
X Income				
Group 1	0.3922	–	0.3922	0.3447
Group 2	0.1556	0.2366	0.3922	0.3447
X Accumulation				
Group 1	0.4681	–	0.4681	0.3937
Group 2	0.3642	0.1039	0.4681	0.3937

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 June 2023

Group 2: units purchased between 1 June 2023 and 30 June 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/7/2023	Distribution Paid per Unit on 31/7/2022
I Income				
Group 1	0.4064	–	0.4064	0.4049
Group 2	0.1902	0.2162	0.4064	0.4049
X Income				
Group 1	0.3822	–	0.3822	0.3772
Group 2	0.2137	0.1685	0.3822	0.3772
X Accumulation				
Group 1	0.4542	–	0.4542	0.4292
Group 2	0.2447	0.2095	0.4542	0.4292

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 May 2023

Group 2: units purchased between 1 May 2023 and 31 May 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/6/2023	Distribution Paid per Unit on 30/6/2022
I Income				
Group 1	0.4200	–	0.4200	0.3722
Group 2	0.2360	0.1840	0.4200	0.3722
X Income				
Group 1	0.3948	–	0.3948	0.3429
Group 2	0.2684	0.1264	0.3948	0.3429
X Accumulation				
Group 1	0.4671	–	0.4671	0.3888
Group 2	0.2026	0.2645	0.4671	0.3888

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 April 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/5/2023	Distribution Paid per Unit on 31/5/2022
I Income				
Group 1	0.4123	–	0.4123	0.3887
Group 2	0.1964	0.2159	0.4123	0.3887
X Income				
Group 1	0.3879	–	0.3879	0.3597
Group 2	0.0894	0.2985	0.3879	0.3597
X Accumulation				
Group 1	0.4571	–	0.4571	0.4066
Group 2	0.0805	0.3766	0.4571	0.4066

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 2024

Fund objective and policy

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

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

The Tactical Conservative Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a conservative risk and volatility level and in response to changing market conditions. However, the allocation to equities will remain within a 20-60% range, consistent with its risk/return profile.

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

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

The Tactical Conservative Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Conservative Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Conservative Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

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).

The Tactical Select Passive Conservative fund was up +8.94% for the 12 month period to end of March 2024 and outperformed its IA 20-60 peer group by +1.23%. The outperformance has grown consistently throughout the period. The performance was mainly driven by unexpectedly positive 2023. At the beginning of 2023, we expected the central banks to continue to raise interest rates aggressively in an attempt to combat high inflation and thus the rhetoric was that the year would see Value stocks rally while Tech/Growth stocks would suffer. Whilst the rates did continue to rise rapidly towards Q3 2023, it stabilised in Q4. Tech and Growth stocks rallied hard as the year was drawing to close; with 7 major stocks earning the name "The Magnificent-7" as a result of their dominance in market cap terms.

As we invest predominantly in broad market indices with an exposure to tech thematic (Cyber security Videogaming and eSports) sectors (US information tech and Nasdaq); our performance to end of 2023 kept improving. The Q2 2023 performance was still a bit weak when the fund was down -0.96%, underperforming the IA 20-60 peer group (-0.41%) by -0.55%. The following quarter, Q3, we caught up strongly - helped by strong commodities performance – with the Fund achieving +1.37% whereas the IA 20-60 peer group was down -0.12% (i.e. we outperformed the peer group by +1.49% in that period). Q4 was the best quarter for the fund as we rallied towards the end of the year and were up +5.31%, but slightly underperformed the IA 20-60 peer group (+5.65%) by -0.34%.

The first quarter of 2024 was interesting in that the barbell approach we took in 2023 (Balancing Value with Growth within equities and ultrashort with ultra-long duration bonds in Fixed Income) was not working as intended. By way of example, the Nasdaq (Growth) and US Healthcare sector (Value) both underperformed vs the broader US Markets, while US Information tech sector (Growth) and US Financials (Value) both outperformed. As such the fund had very strong beginning to the year; up +3.03% for the quarter and outperforming the IA 20-60 peer group (+2.49%) by +0.54%.

Despite the good performance, uncertainty remains. Rate cuts – which were largely fully priced-in by the market towards the end of 2023 took a dramatic U-turn at the beginning of the new year; markets moderating their expectations greatly. Regardless, we are still expecting cuts this year and have therefore moderately increased our duration by investing in SPDR BBG 15+ Gilts UCITS ETF. Due to uncertainty we have added "Trium Alternative Growth Fund" to the portfolio – this fund aims to deliver returns that are uncorrelated to macro-economic environment, (such as interest rate fluctuations, economic growth, unemployment etc).

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Tactical Conservative Fund X Accumulation	8.9%	(5.3%)	3.5%	15.6%	(6.1%)
IA Mixed Investments 20-60% Sector	7.7%	(4.8%)	2.7%	19.8%	(7.2%)

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

The charges incurred by the Tactical Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.17% (31/3/2023 - 0.17%).

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

Comparative tables

For the year ended X Income units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	225.57	241.90	237.62
Return before operating charges	20.68	(11.02)	8.97
Operating charges	(1.12)	(1.10)	(1.18)
Return after operating charges	19.56	(12.12)	7.79
Distributions	(4.97)	(4.21)	(3.51)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit*	240.16	225.57	241.90
After direct transaction costs of**	0.00	(0.01)	(0.01)
Performance			
Return after charges	8.67%	(5.01%)	3.28%
Other information			
Closing net asset value £'000	8,286	7,788	7,087
Closing number of units	3,450,036	3,452,456	2,929,650
Operating charges	0.49%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	242.30	242.80	254.10
Lowest unit price	219.30	211.60	235.40

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	272.56	286.75	277.65
Return before operating charges	25.27	(12.88)	10.49
Operating charges	(1.36)	(1.31)	(1.39)
Return after operating charges	23.91	(14.19)	9.10
Distributions	(6.04)	(5.02)	(4.12)
Retained distributions on accumulation units	6.04	5.02	4.12
Closing net asset value per unit*	296.47	272.56	286.75
After direct transaction costs of**	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	8.77%	(4.95%)	3.28%
Other information			
Closing net asset value £'000	243,594	222,991	218,713
Closing number of units	82,166,310	81,813,123	76,274,376
Operating charges	0.49%	0.48%	0.48%
Direct transaction costs**	0.00%	0.00%	0.01%
Prices*			
Highest unit price	296.20	287.90	299.50
Lowest unit price	265.60	253.70	277.40

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 44.87% (31/3/2023 - 44.43%)			
United Kingdom - 17.21% (31/3/2023 - 17.84%)			
8,108,705	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	14,782	5.87
1,540,710	iShares Core FTSE 100 UCITS ETF	11,972	4.75
151,165	Vanguard FTSE 100 UCITS ETF	5,246	2.08
76,805	Vanguard FTSE 250 UCITS ETF	2,356	0.94
34,195	Vanguard FTSE UK All Share Index Unit Trust	8,988	3.57
		43,344	17.21
Europe - 6.72% (31/3/2023 - 8.34%)			
289,215	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	3,997	1.59
128,845	Vanguard FTSE Developed Europe ex UK UCITS ETF	4,461	1.77
187,920	Xtrackers Euro Stoxx 50 UCITS ETF	8,470	3.36
		16,928	6.72
Asia Pacific (ex Japan) - 2.90% (31/3/2023 - 3.03%)			
2,212,435	HSBC Index Tracker Investment Funds - Pacific Index Fund	7,299	2.90
Japan - 0.94% (31/3/2023 - 0.86%)			
47,000	Amundi Prime Japan UCITS ETF DR (D)	1,149	0.45
934,310	HSBC Index Tracker Investment Funds - Japan Index Fund	1,230	0.49
		2,379	0.94
North America - 12.79% (31/3/2023 - 10.06%)			
59,790	Amundi Nasdaq-100 II UCITS ETF	3,475	1.38
202,320	First Trust US Equity Income UCITS ETF	5,349	2.12
9,550	Invesco Technology S&P US Select Sector UCITS ETF	4,275	1.70
87,630	SPDR S&P U.S. Financials Select Sector UCITS ETF	3,367	1.34
67,530	SPDR S&P U.S. Health Care Select Sector UCITS ETF	2,384	0.95
79,790	Vanguard S&P 500 UCITS ETF	6,279	2.49
9,345	Vanguard US Equity Index Fund	7,076	2.81
		32,205	12.79
Emerging Markets - 2.58% (31/3/2023 - 2.68%)			
1,602,700	Amundi MSCI Emerging Markets UCITS ETF	6,489	2.58
Global - 1.73% (31/3/2023 - 1.62%)			
137,675	VanEck Video Gaming and eSports UCITS ETF	4,362	1.73

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 42.10% (31/3/2023 - 39.79%)			
United Kingdom Gilts & Corporate Bonds - 39.74% (31/3/2023 - 39.79%)			
808,580	Amundi UK Government Bond 0-5Y UCITS ETF	13,681	5.43
77,105	Amundi UK Government Bond UCITS ETF	8,023	3.19
40,910	Amundi UK Government Inflation-Linked Bond UCITS ETF	5,871	2.33
4,499,461	Close Sustainable Select Fixed Income Fund ⁺	4,365	1.73
18,327,390	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	15,318	6.08
100,985	Invesco UK Gilt 1-5 Year UCITS ETF	3,719	1.48
50,695	iShares Core GBP Corp Bond UCITS ETF	6,259	2.48
48,435	iShares GBP Corp Bond 0-5yr UCITS ETF	4,827	1.92
90,545	JPMorgan BetaBuilders UK Gilt 1-5 YR UCITS ETF	8,498	3.37
1,063,155	L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	10,102	4.01
84,700	SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF	2,437	0.97
175,750	Vanguard UK Short-Term Investment Grade Bond Index Fund	16,993	6.75
		100,093	39.74
Global - 2.36% (31/3/2023 - 0.00%)			
59,015	JPMorgan GBP Ultra-Short Income UCITS ETF	5,960	2.36
ALTERNATIVE - 10.89% (31/3/2023 - 10.12%)			
24,240	Invesco Physical Gold ETC	4,110	1.63
217,240	iShares Global Infrastructure UCITS ETF	5,260	2.09
255,630	L&G Cyber Security UCITS ETF	4,981	1.98
235,890	Royal Mint Physical Gold ETC	4,101	1.63
21,000	Trium UCITS Platform-Trium Alternative Growth Fund	2,315	0.92
80,660	UBS CMCI Composite SF UCITS ETF	6,658	2.64
		27,425	10.89
Portfolio of investments		246,484	97.86
Net other assets		5,396	2.14
Total net assets		251,880	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		15,133		(15,176)
Revenue	3	6,513		5,073	
Expenses	4	(756)		(708)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		5,757		4,365	
Taxation	5	(604)		(298)	
Net revenue after taxation for the year			5,153		4,067
Total return before distributions			20,286		(11,109)
Distributions	7		(5,153)		(4,067)
Change in net assets attributable to unitholders from investment activities			15,133		(15,176)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders		230,779		225,800
Amounts received on creation of units	40,104		41,419	
Amounts paid on cancellation of units	(39,120)		(25,291)	
		984		16,128
Dilution adjustment		–		(3)
Change in net assets attributable to unitholders from investment activities		15,133		(15,176)
Retained distribution on accumulation units		4,984		4,030
Closing net assets attributable to unitholders		251,880		230,779

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			246,484		217,706
Current assets					
Debtors	8	3,126		853	
Cash and bank balances	9	4,180		12,690	
Total other assets			7,306		13,543
Total assets			253,790		231,249
LIABILITIES					
Creditors					
Distribution payable		(79)		(62)	
Other creditors	10	(1,831)		(408)	
Total other liabilities			(1,910)		(470)
Total liabilities			(1,910)		(470)
Net assets attributable to unitholders			251,880		230,779

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/(losses)

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(2)	5
Gains/(losses) on non-derivative securities	15,135	(15,181)
Net capital gains/(losses)	15,133	(15,176)

3. Revenue

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Bank interest	294	132
Non-taxable overseas dividends	1,660	1,966
Rebate of fees from holdings in third party collective investment schemes	5	7
Taxable overseas dividends	2,739	1,517
UK franked dividends from collective investment schemes	1,078	907
UK unfranked dividends from collective investment schemes	737	544
Total revenue	6,513	5,073

4. Expenses

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	756	708
Total expenses	756	708

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	604	298
Total taxation	604	298

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	5,757	4,365
Corporation tax at 20% (31/3/2023 - 20%)	1,151	873
Effects of:		
Revenue not subject to tax	(547)	(575)
Total taxation (see note 5(a))	604	298

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 2024 there is no potential deferred tax asset (31/3/2023 - £nil) due to tax losses (31/3/2023 - £nil). Accordingly, no tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	2,772	2,352
Final distribution	2,379	1,811
	5,151	4,163
Add: Revenue deducted on cancellation of units	212	122
Less: Revenue received on creation of units	(210)	(218)
Net distribution for the year	5,153	4,067

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	377	194
Receivable for creation of units	2,749	659
Total debtors	3,126	853

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	4,180	12,690

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued expenses	67	62
Amounts payable on cancellation of units	1,432	171
Corporation tax payable	332	175
Total other creditors	1,831	408

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	19	
Total	19	30,011	30,030

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	25,273	25,273

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	246,484	246,484
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 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	217,706	217,706
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	168,118	–
Level 2: Observable market data	78,366	–
Level 3: Unobservable data	–	–
	246,484	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	166,334	–
Level 2: Observable market data	51,372	–
Level 3: Unobservable data	–	–
	217,706	–

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 2024

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	30,716	2	0.01	–	–
Total	30,716	2		–	
Total purchases including commission and taxes	30,718				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	17,634	3	0.02	–	–
Total	17,634	3		–	
Total sales net of commissions and taxes	17,631				
Total transaction costs		5		–	
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 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	31,005	5	0.02	–	–
Total	31,005	5		–	
Total purchases including commission and taxes	31,010				

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	13,992	2	0.01	–	–
Total	13,992	2		–	
Total sales net of commissions and taxes	13,990				
Total transaction costs		7		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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 0.12% (31/3/2023 - 0.13%).

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 274.

The balance due from the Tactical Conservative Fund at the year end in respect of fees paid to the Manager was £66,992 (31/3/2023 - £61,920).

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

	Unit holding %	Related party name
Tactical Conservative Fund	68.70	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	X Income units	X Accumulation units
Opening units	3,452,456	81,813,123
Units created	433,197	14,129,208
Units cancelled	(435,617)	(13,776,021)
Closing units	3,450,036	82,166,310

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
X Income				
Group 1	2.2901	–	2.2901	1.7830
Group 2	1.4162	0.8739	2.2901	1.7830
X Accumulation				
Group 1	2.7999	–	2.7999	2.1374
Group 2	1.2581	1.5418	2.7999	2.1374

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
X Income				
Group 1	2.6802	–	2.6802	2.4277
Group 2	1.3416	1.3386	2.6802	2.4277
X Accumulation				
Group 1	3.2384	–	3.2384	2.8777
Group 2	1.8858	1.3526	3.2384	2.8777

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 2024

Fund objective and policy

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

The Tactical Balanced Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Tactical Select Passive" fund range, this means the Tactical Balanced Fund will achieve this exposure almost exclusively through a disciplined investment process and investment in passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager) and exchange traded funds.

The Tactical Balanced Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band. In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a balanced risk and volatility level and in response to changing market conditions. However, the Tactical Balanced Fund operates a balanced strategy, meaning that the allocation to equities will remain within a 40%-85% range, consistent with its risk/return profile.

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

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

The Tactical Balanced Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Balanced Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Balanced Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

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).

Tactical Select Passive Balanced fund was up +11.53% for the period and outperformed its IA 40-85 peer group by +1.37%. The outperformance has grown consistently throughout the period. The performance was mainly driven by unexpectedly positive 2023. At the beginning of 2023, we expected the central banks to continue to raise interest rates aggressively in an attempt to combat high inflation and thus the rhetoric was that the year would see Value stocks rally while Tech/Growth stocks would suffer. Whilst the rates did continue to rise rapidly towards Q3 2023, it stabilised in Q4. Tech and Growth stocks rallied hard as the year was drawing to close; with 7 major stocks earning the name “The Magnificent-7” as a result of their dominance in market cap terms.

As we invest predominantly in broad market indices with an exposure to tech thematic (Cyber security Videogaming and eSports) sectors (US information tech and Nasdaq); our performance to end of 2023 kept improving. The Q2 2023 performance of the fund was flat at +0.06%, underperforming the IA 40-85 peer group (+0.16%) by -0.10%. The following quarter, Q3, we caught up strongly - helped by strong commodities performance – with the Fund achieving +1.09% whereas the IA 40-85 peer group was down -0.18% (i.e. we outperformed the peer group by +1.27% in that period. Q4 was the best quarter for the fund as we rallied towards the end of the year and were up +5.50%, but slightly underperformed the IA 40-85 peer group (+5.76%), by -0.26%.

The first quarter of 2024 was interesting in that the barbell approach we took in 2023 (Balancing Value with Growth within equities and ultrashort with ultra-long duration bonds in Fixed Income) was not working as intended. By way of example, the Nasdaq (Growth) and US Healthcare sector (Value) both underperformed vs the broader US Markets, while US Information tech sector (Growth) and US Financials (Value) both outperformed. As such the fund had very strong beginning to the year: up +4.51% for the quarter and outperforming the IA 40- 85 peer group (+4.17%) by +0.34%.

Despite the good performance, uncertainty remains. Rate cuts – which were largely fully priced-in by the market towards the end of 2023 took a dramatic U-turn at the beginning of the new year; markets moderating their expectations greatly. Regardless, we are still expecting cuts this year and have therefore moderately increased our duration by investing in SPDR BBG 15+ Gilts UCITS ETF. Due to uncertainty we have added “Trium Alternative Growth Fund” to the portfolio – this fund aims to deliver returns that are uncorrelated to macro-economic environment, (such as interest rate fluctuations, economic growth, unemployment etc).

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Tactical Balanced Fund X Accumulation	11.5%	(4.0%)	5.8%	22.8%	(8.5%)
IA Mixed Investments 40-85% Sector	10.2%	(4.5%)	5.2%	26.4%	(8.0%)

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 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. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

The charges incurred by the Tactical Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.17% (31/3/2023 - 0.17%).

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

Comparative tables

For the year ended I Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	108.82	112.34	106.33
Return before operating charges	12.76	(3.23)	6.30
Operating charges	(0.30)	(0.29)	(0.29)
Return after operating charges	12.46	(3.52)	6.01
Distributions	(2.49)	(2.37)	(1.88)
Retained distributions on accumulation units	2.49	2.37	1.88
Closing net asset value per unit*	121.28	108.82	112.34
After direct transaction costs of**	0.00	(0.01)	(0.01)
Performance			
Return after charges	11.45%	(3.13%)	5.65%
Other information			
Closing net asset value £'000	3,534	2,084	1,603
Closing number of units	2,913,999	1,915,407	1,426,953
Operating charges	0.27%	0.27%	0.26%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	121.20	112.80	117.20
Lowest unit price	106.70	100.70	106.70

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	321.11	332.14	315.00
Return before operating charges	37.78	(9.41)	18.80
Operating charges	(1.68)	(1.62)	(1.66)
Return after operating charges	36.10	(11.03)	17.14
Distributions	(6.71)	(6.38)	(4.92)
Retained distributions on accumulation units	6.71	6.38	4.92
Closing net asset value per unit*	357.21	321.11	332.14
After direct transaction costs of**	(0.01)	(0.02)	(0.02)
Performance			
Return after charges	11.24%	(3.32%)	5.44%
Other information			
Closing net asset value £'000	498,481	396,678	321,642
Closing number of units	139,547,163	123,534,420	96,838,440
Operating charges	0.51%	0.51%	0.50%
Direct transaction costs**	0.00%	0.00%	0.00%
Prices*			
Highest unit price	357.00	333.60	346.80
Lowest unit price	314.80	297.40	315.50

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 64.34% (31/3/2023 - 64.73%)			
United Kingdom - 20.03% (31/3/2023 - 23.04%)			
197,055	Amundi Prime UK Mid & Small Cap UCITS ETF	4,185	0.83
8,472,389	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	26,290	5.24
2,998,315	iShares Core FTSE 100 UCITS ETF	23,297	4.64
557,705	Vanguard FTSE 100 UCITS ETF	19,355	3.85
314,025	Vanguard FTSE 250 UCITS ETF	9,631	1.92
67,751	Vanguard FTSE UK All Share Index Unit Trust	17,808	3.55
		100,566	20.03
Europe - 14.29% (31/3/2023 - 13.94%)			
1,795,008	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	24,807	4.94
563,765	Vanguard FTSE Developed Europe ex UK UCITS ETF	19,521	3.89
381,775	Xtrackers Euro Stoxx 50 UCITS ETF	27,415	5.46
		71,743	14.29
Asia Pacific (ex Japan) - 3.13% (31/3/2023 - 3.64%)			
2,823,205	HSBC Index Tracker Investment Funds - Pacific Index Fund	15,714	3.13
Japan - 1.93% (31/3/2023 - 1.80%)			
212,960	Amundi Prime Japan UCITS ETF DR (D)	5,207	1.04
2,547,859	HSBC Index Tracker Investment Funds - Japan Index Fund	4,482	0.89
		9,689	1.93
North America - 19.96% (31/3/2023 - 17.26%)			
145,005	Amundi Nasdaq-100 II UCITS ETF	8,427	1.68
691,680	First Trust US Equity Income UCITS ETF	18,288	3.64
20,900	Invesco Technology S&P US Select Sector UCITS ETF	9,356	1.86
1,479,170	Schroder US Equity Income Maximiser Fund	1,565	0.31
273,955	SPDR S&P U.S. Financials Select Sector UCITS ETF	10,527	2.10
277,135	SPDR S&P U.S. Health Care Select Sector UCITS ETF	9,785	1.95
328,510	Vanguard S&P 500 UCITS ETF	25,850	5.15
17,750	Vanguard US Equity Index Fund	16,380	3.27
		100,178	19.96
Emerging Markets - 3.28% (31/3/2023 - 3.92%)			
4,061,315	Amundi MSCI Emerging Markets UCITS ETF	16,445	3.28

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
273,105	Global - 1.72% (31/3/2023 - 1.13%) VanEck Video Gaming and eSports UCITS ETF	8,653	1.72
FIXED INTEREST - 22.90% (31/3/2023 - 19.87%)			
United Kingdom Gilts & Corporate Bonds - 21.49% (31/3/2023 - 19.87%)			
940,940	Amundi UK Government Bond 0-5Y UCITS ETF	15,921	3.17
90,691	Amundi UK Government Bond UCITS ETF	9,436	1.88
48,540	Amundi UK Government Inflation-Linked Bond UCITS ETF	6,967	1.39
3,817,445	Close Sustainable Select Fixed Income Fund ⁺	3,703	0.74
24,574,798	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	20,540	4.09
229,680	Invesco UK Gilt 1-5 Year UCITS ETF	8,458	1.69
1,332,280	L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	12,659	2.52
235,465	SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF	6,774	1.35
107,670	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	4,340	0.86
197,205	Vanguard UK Short-Term Investment Grade Bond Index Fund	19,068	3.80
		107,866	21.49
70,135	Global - 1.41% (31/3/2023 - 0.00%) JPMorgan GBP Ultra-Short Income UCITS ETF	7,083	1.41
ALTERNATIVE - 10.02% (31/3/2023 - 9.81%)			
48,000	Invesco Physical Gold ETC	8,139	1.62
356,260	iShares Global Infrastructure UCITS ETF	8,627	1.72
468,665	L&G Cyber Security UCITS ETF	9,132	1.82
466,045	Royal Mint Physical Gold ETC	8,103	1.61
40,040	Trium UCITS Platform-Trium Alternative Growth Fund	4,413	0.88
144,425	UBS CMCI Composite SF UCITS ETF	11,921	2.37
		50,335	10.02
Portfolio of investments		488,272	97.26
Net other assets		13,743	2.74
Total net assets		502,015	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		40,589		(16,729)
Revenue	3	11,022		8,134	
Expenses	4	(1,491)		(1,157)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		9,531		6,977	
Taxation	5	(547)		(163)	
Net revenue after taxation for the year			8,984		6,814
Total return before distributions			49,573		(9,915)
Distributions	7		(8,984)		(6,814)
Change in net assets attributable to unitholders from investment activities			40,589		(16,729)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			398,762		323,245
Amounts received on creation of units		116,775		115,074	
Amounts paid on cancellation of units		(63,305)		(30,100)	
			53,470		84,974
Dilution adjustment			(9)		(6)
Change in net assets attributable to unitholders from investment activities			40,589		(16,729)
Retained distribution on accumulation units	7		9,203		7,278
Closing net assets attributable to unitholders			502,015		398,762

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			488,272		376,465
Current assets					
Debtors	8	2,454		4,049	
Cash and bank balances	9	15,377		19,462	
Total other assets			17,831		23,511
Total assets			506,103		399,976
LIABILITIES					
Creditors					
Other creditors	10	(4,088)		(1,214)	
Total other liabilities			(4,088)		(1,214)
Total liabilities			(4,088)		(1,214)
Net assets attributable to unitholders			502,015		398,762

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/(losses)

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(19)	14
Gains/(losses) on non-derivative securities	40,608	(16,743)
Net capital gains/(losses)	40,589	(16,729)

3. Revenue

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Bank interest	612	252
Non-taxable overseas dividends	4,778	4,560
Rebate of fees from holdings in third party collective investment schemes	9	9
Taxable overseas dividends	2,757	1,164
UK franked dividends from collective investment schemes	2,016	1,602
UK unfranked dividends from collective investment schemes	850	547
Total revenue	11,022	8,134

4. Expenses

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,491	1,157
Total expenses	1,491	1,157

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge in the year		
Corporation tax	547	163
Total taxation	547	163

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	9,531	6,977
Corporation tax at 20% (31/3/2023 - 20%)	1,906	1,395
Effects of:		
Revenue not subject to tax	(1,359)	(1,232)
Total taxation (see note 5(a))	547	163

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 2024 there is no deferred tax asset (31/3/2023 - £nil) due to tax losses (31/3/2023 - £nil). Accordingly, no tax asset has been recognised (31/3/2023 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	5,157	4,042
Final distribution	4,046	3,236
	9,203	7,278
Add: Revenue deducted on cancellation of units	296	162
Less: Revenue received on creation of units	(515)	(626)
Net distribution for the year	8,984	6,814

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	522	272
Receivable for creation of units	1,932	3,777
Total debtors	2,454	4,049

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	15,377	19,462

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	141	113
Amounts payable on cancellation of units	3,635	993
Corporation tax payable	312	108
Total other creditors	4,088	1,214

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	79	
Total	79	72,179	72,258

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
	US Dollar	–	
Total	–	53,113	53,113

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	488,272	488,272
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 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	376,465	376,465
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	358,309	–
Level 2: Observable market data	129,963	–
Level 3: Unobservable data	–	–
	488,272	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	288,502	–
Level 2: Observable market data	87,963	–
Level 3: Unobservable data	–	–
	376,465	–

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 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	94,628	11	0.01	–	–
Total	94,628	11		–	
Total purchases including commission and taxes	94,639				
Sales					
Collective investment schemes	26,460	4	0.02	–	–
Total	26,460	4		–	
Total sales net of commissions and taxes	26,456				
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 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	95,803	16	0.02	–	–
Total	95,803	16		–	
Total purchases including commission and taxes		95,819			

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	17,048	1	0.01	–	–
Total	17,048	1		–	
Total sales net of commissions and taxes		17,047			
Total transaction costs		17		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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 0.12% (31/3/2023 - 0.13%).

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 274.

The balance due from the Tactical Balanced Fund at the year end in respect of fees paid to the Manager was £140,973 (31/3/2023 - £112,557).

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

	Unit holding %	Related party name
Tactical Balanced Fund	57.17	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	I Accumulation units	X Accumulation units
Opening units	1,915,407	123,534,420
Units created	1,048,639	35,271,313
Units cancelled	(678,649)	(19,045,600)
Units converted	628,602	(212,970)
Closing units	2,913,999	139,547,163

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
I Accumulation				
Group 1	1.0855	–	1.0855	0.9847
Group 2	0.4336	0.6519	1.0855	0.9847
X Accumulation				
Group 1	2.8764	–	2.8764	2.6040
Group 2	1.3450	1.5314	2.8764	2.6040

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
I Accumulation				
Group 1	1.4060	–	1.4060	1.3810
Group 2	0.8456	0.5604	1.4060	1.3810
X Accumulation				
Group 1	3.8377	–	3.8377	3.7734
Group 2	2.4815	1.3562	3.8377	3.7734

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 2024

Fund objective and policy

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

The Tactical Growth Fund will hold at least 80% of its portfolio in a mixture of equities and fixed interest securities. As part of the "Tactical Select Passive" fund range, this means the Tactical Growth Fund will achieve this exposure almost exclusively through a disciplined investment process and investment in passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager) and exchange traded funds.

The Tactical Growth Fund is actively managed, with the Investment Adviser employing a strategic asset allocation model (developed in collaboration with an external provider) that is matched to a specific risk and volatility band (which is consistent with a growth objective). In addition to this, the Investment Adviser uses a disciplined investment process whereby it seeks to add value through its tactical asset allocation decisions, meaning short term adjustments to the asset mix to take advantage of market opportunities or reduce risk during periods of volatility. Accordingly, the allocation to particular asset classes may vary over time at the Investment Adviser's discretion as is consistent with a growth risk and volatility level and in response to changing market conditions. However, the allocation to equities will not normally fall below 60%, consistent with its risk/return profile.

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

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

The Tactical Growth Fund may also invest in other transferable securities (including closed ended funds), collective investment schemes managed by the Manager or an affiliate of the Manager, money market instruments, deposits, cash and near cash. There may be occasions where the Investment Adviser considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Tactical Growth Fund. In such circumstances, the Investment Adviser may hold up to 20% of the Tactical Growth Fund in cash.

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

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

Investment Report

Market commentary

Fund performance

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).

Tactical Select Passive Growth fund was up +13.86% for the period and substantially outperformed its IA Flexible peer group by +3.78%. The outperformance has grown consistently throughout the period. The performance was mainly driven by unexpectedly positive 2023. At the beginning of 2023, we expected the central banks to continue to raise interest rates aggressively in an attempt to combat high inflation and thus the rhetoric was that the year would see Value stocks rally while Tech/Growth stocks would suffer. Whilst the rates did continue to rise rapidly towards Q3 2023, it stabilised in Q4. Tech and Growth stocks rallied hard as the year was drawing to close; with 7 major stocks earning the name “The Magnificent-7” as a result of their dominance in market cap terms.

As we invest predominantly in broad market indices with an exposure to tech through thematic (Cyber security Videogaming and eSports) sectors (US information tech and Nasdaq); our performance to end of 2023 kept improving. The Q2 2023 performance of the fund was decent at +0.99%, outperforming the IA Flexible peer group (+0.17%) by +0.82%. The following quarter, Q3, we caught up strongly - helped by strong commodities performance – with the Fund achieving +0.81% whereas the IA Flexible peer group was down -0.08% (i.e. we outperformed the peer group by +0.89% in that period). Q4 was the best quarter for the fund as we rallied towards the end of the year and were up +5.99%, and still outperforming the IA flexible peer group (+5.27%), by +0.71%.

The first quarter of 2024 was interesting in that the barbell approach we took in 2023 (Balancing Value with Growth within equities and ultrashort with ultra-long duration bonds in Fixed Income) was not working as intended. By way of example, the Nasdaq (Growth) and US Healthcare sector (Value) both underperformed vs the broader US Markets, while US Information tech sector (Growth) and US Financials (Value) both outperformed. As such the fund had very strong beginning to the year; up +5.52% for the quarter and outperforming the IA Flexible peer group (+4.48%) by +1.04%.

Despite the good performance, uncertainty remains. Rate cuts – which were largely fully priced-in by the market towards the end of 2023 took a dramatic U-turn at the beginning of the new year; markets moderating their expectations greatly. Regardless, we are still expecting cuts this year and have therefore moderately increased our duration by investing in SPDR BBG 15+ Gilts UCITS ETF. Due to uncertainty we have added “Trium Alternative Growth Fund” to the portfolio – this fund aims to deliver returns that are uncorrelated to macro-economic environment, (such as interest rate fluctuations, economic growth, unemployment etc).

Investment Report

continued

Fund Performance

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

	Year to 31/3/2024	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020
Tactical Growth Fund X Accumulation	13.9%	(3.7%)	7.7%	29.1%	(10.2%)
IA Flexible Investment Sector	10.1%	(4.0%)	5.0%	29.1%	(8.1%)

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
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lower risks/
rewards

higher risks/
rewards

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

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Growth Fund carries the following risks:

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

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

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

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

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

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Tactical Growth Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date. Collective Investment Schemes are classified in the portfolio statement based on the underlying core asset type of the fund.

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 0.19% (31/3/2023 - 0.18%).

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

Comparative tables

For the year ended I Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	113.87	117.12	109.07
Return before operating charges	16.00	(2.95)	8.37
Operating charges	(0.34)	(0.30)	(0.32)
Return after operating charges	15.66	(3.25)	8.05
Distributions	(2.40)	(2.57)	(2.00)
Retained distributions on accumulation units	2.40	2.57	2.00
Closing net asset value per unit*	129.53	113.87	117.12
After direct transaction costs of**	(0.01)	(0.01)	0.00
Performance			
Return after charges	13.75%	(2.77%)	7.38%
Other information			
Closing net asset value £'000	4,606	2,542	2,233
Closing number of units	3,555,997	2,232,485	1,906,699
Operating charges	0.29%	0.27%	0.28%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	129.40	117.70	122.60
Lowest unit price	112.40	105.30	109.20

For the year ended X Accumulation units	31/3/2024 pence per unit	31/3/2023 pence per unit	31/3/2022 pence per unit
Change in net assets per unit			
Opening net asset value per unit*	353.76	364.49	340.08
Return before operating charges	49.97	(9.02)	26.22
Operating charges	(1.87)	(1.71)	(1.81)
Return after operating charges	48.10	(10.73)	24.41
Distributions	(6.94)	(7.40)	(5.53)
Retained distributions on accumulation units	6.94	7.40	5.53
Closing net asset value per unit*	401.86	353.76	364.49
After direct transaction costs of**	(0.02)	(0.02)	(0.01)
Performance			
Return after charges	13.60%	(2.94%)	7.18%
Other information			
Closing net asset value £'000	146,913	100,640	72,735
Closing number of units	36,558,507	28,448,498	19,955,358
Operating charges	0.51%	0.49%	0.50%
Direct transaction costs**	0.00%	0.01%	0.00%
Prices*			
Highest unit price	401.60	366.30	382.00
Lowest unit price	348.90	327.50	340.40

*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 2024

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 76.06% (31/3/2023 - 75.90%)			
United Kingdom - 22.00% (31/3/2023 - 23.69%)			
73,825	Amundi Prime UK Mid & Small Cap UCITS ETF	1,568	1.03
2,936,085	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	9,111	6.01
958,855	iShares Core FTSE 100 UCITS ETF	7,450	4.92
174,230	Vanguard FTSE 100 UCITS ETF	6,047	3.99
123,458	Vanguard FTSE 250 UCITS ETF	3,786	2.50
20,446	Vanguard FTSE UK All Share Index Unit Trust	5,374	3.55
		33,336	22.00
Europe - 13.57% (31/3/2023 - 14.84%)			
534,645	UBS Lux Fund Solutions - MSCI EMU UCITS ETF	7,389	4.88
147,360	Vanguard FTSE Developed Europe ex UK UCITS ETF	5,102	3.37
112,265	Xtrackers Euro Stoxx 50 UCITS ETF	8,062	5.32
		20,553	13.57
Asia Pacific (ex Japan) - 5.14% (31/3/2023 - 5.27%)			
1,397,980	HSBC Index Tracker Investment Funds - Pacific Index Fund	7,781	5.14
Japan - 3.13% (31/3/2023 - 3.47%)			
79,675	Amundi Prime Japan UCITS ETF DR (D)	1,948	1.29
1,587,184	HSBC Index Tracker Investment Funds - Japan Index Fund	2,792	1.84
		4,740	3.13
North America - 25.27% (31/3/2023 - 22.24%)			
126,190	Amundi Nasdaq-100 II UCITS ETF	7,334	4.84
201,590	First Trust US Equity Income UCITS ETF	5,330	3.52
9,930	Invesco Technology S&P US Select Sector UCITS ETF	4,445	2.93
1,489,213	Schroder US Equity Income Maximiser Fund	1,575	1.04
108,085	SPDR S&P U.S. Financials Select Sector UCITS ETF	4,153	2.74
98,690	SPDR S&P U.S. Health Care Select Sector UCITS ETF	3,485	2.30
75,800	Vanguard S&P 500 UCITS ETF	5,965	3.94
6,507	Vanguard US Equity Index Fund	6,005	3.96
		38,292	25.27
Emerging Markets - 4.22% (31/3/2023 - 5.37%)			
1,579,735	Amundi MSCI Emerging Markets UCITS ETF	6,397	4.22

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
130,515	Global - 2.73% (31/3/2023 - 1.02%) VanEck Video Gaming and eSports UCITS ETF	4,135	2.73
FIXED INTEREST - 10.03% (31/3/2023 - 7.22%)			
23,240	United Kingdom Gilts & Corporate Bonds - 8.84% (31/3/2023 - 7.22%) Amundi UK Government Bond UCITS ETF	2,418	1.60
13,545	Amundi UK Government Inflation-Linked Bond UCITS ETF	1,944	1.28
1,309,633	Close Sustainable Select Fixed Income Fund ⁺	1,271	0.84
3,125,363	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	2,612	1.72
66,470	Invesco UK Gilt 1-5 Year UCITS ETF	2,448	1.62
31,631	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	1,275	0.84
14,720	Vanguard UK Short-Term Investment Grade Bond Index Fund	1,423	0.94
		13,391	8.84
17,900	Global - 1.19% (31/3/2023 - 0.00%) JPMorgan GBP Ultra-Short Income UCITS ETF	1,808	1.19
ALTERNATIVE - 10.17% (31/3/2023 - 10.42%)			
13,410	Invesco Physical Gold ETC	2,274	1.50
95,420	iShares Global Infrastructure UCITS ETF	2,311	1.53
194,785	L&G Cyber Security UCITS ETF	3,795	2.50
130,120	Royal Mint Physical Gold ETC	2,262	1.49
11,275	Trium UCITS Platform-Trium Alternative Growth Fund	1,243	0.82
42,745	UBS CMCI Composite SF UCITS ETF	3,528	2.33
		15,413	10.17
	Portfolio of investments	145,846	96.26
	Net other assets	5,673	3.74
	Total net assets	151,519	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 2024

	Notes	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Income					
Net capital gains/(losses)	2		14,829		(3,705)
Revenue	3	2,709		1,960	
Expenses	4	(387)		(254)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation for the year		2,322		1,706	
Taxation	5	(20)		4	
Net revenue after taxation for the year			2,302		1,710
Total return before distributions			17,131		(1,995)
Distributions	7		(2,306)		(1,706)
Change in net assets attributable to unitholders from investment activities			14,825		(3,701)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2024

	Note	GBP £'000	Year to 31/3/2024 GBP £'000	GBP £'000	Year to 31/3/2023 GBP £'000
Opening net assets attributable to unitholders			103,182		74,968
Amounts received on creation of units		46,690		39,786	
Amounts paid on cancellation of units		(15,647)		(9,778)	
			31,043		30,008
Dilution adjustment			1		21
Change in net assets attributable to unitholders from investment activities			14,825		(3,701)
Retained distribution on accumulation units	7		2,468		1,886
Closing net assets attributable to unitholders			151,519		103,182

Financial statements

continued

Balance sheet

as at 31 March 2024

	Notes	GBP £'000	As at 31/3/2024 GBP £'000	GBP £'000	As at 31/3/2023 GBP £'000
ASSETS					
Fixed assets					
Investments			145,846		96,513
Current assets					
Debtors	8	2,313		2,186	
Cash and bank balances	9	4,227		4,998	
Total other assets			6,540		7,184
Total assets			152,386		103,697
LIABILITIES					
Creditors					
Other creditors	10	(867)		(515)	
Total other liabilities			(867)		(515)
Total liabilities			(867)		(515)
Net assets attributable to unitholders			151,519		103,182

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/(losses)

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Net capital gains/(losses) on investments during the year comprise:		
Currency gains	–	5
Gains/(losses) on non-derivative securities	14,829	(3,710)
Net capital gains/(losses)	14,829	(3,705)

3. Revenue

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Bank interest	215	75
Non-taxable overseas dividends	1,424	1,226
Rebate of fees from holdings in third party collective investment schemes	3	2
Taxable overseas dividends	256	40
UK franked dividends from collective investment schemes	610	460
UK unfranked dividends from collective investment schemes	201	157
Total revenue	2,709	1,960

4. Expenses

	Year to 31/3/2024	Year to 31/3/2023
	GBP	GBP
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	387	254
Total expenses	387	254

The audit fee for the year, was £7,950 (2023: £7,500).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
a) Analysis of taxation charge/(credit) in the year		
Corporation tax	16	–
Deferred tax charge/(credit)	4	(4)
Total taxation	20	(4)

b) Factors affecting taxation charge/(credit) for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	2,322	1,706
Corporation tax at 20% (31/3/2023 - 20%)	464	341
Effects of:		
Movement in unrecognised tax losses	(38)	(8)
Revenue not subject to tax	(406)	(337)
Total taxation (see note 5(a))	20	(4)

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

c) Provision for deferred tax

At 31 March 2024 there is no deferred tax asset (31/3/2023 - £41,909) due to tax losses (31/3/2023 - £209,546). Accordingly, no tax asset has been recognised (31/3/2023 - £3,991).

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Deferred tax at the start of the year	(4)	–
Deferred tax credit	4	(4)
Deferred tax at the end of the year	–	(4)

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2024 GBP £'000	Year to 31/3/2023 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 31/3/2024 GBP £'000	Year to 31/3/2023 GBP £'000
Interim distribution	1,406	1,032
Final distribution	1,062	854
	2,468	1,886

Add: Revenue deducted on cancellation of units	80	56
Less: Revenue received on creation of units	(242)	(236)
Net distribution for the year	2,306	1,706

Reconciliation of distributions:

Net revenue after taxation	2,302	1,710
Add/(Less): Deferred tax	4	(4)
Net distribution for the year	2,306	1,706

8. Debtors

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Accrued revenue	87	70
Deferred tax	–	4
Income tax recoverable	5	19
Receivable for creation of units	2,221	2,093
Total debtors	2,313	2,186

9. Cash and bank balances

	As at 31/3/2024 GBP £'000	As at 31/3/2023 GBP £'000
Cash and bank balances	4,227	4,998

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2024	As at 31/3/2023
	GBP £'000	GBP £'000
Accrued expenses	39	26
Amounts payable on cancellation of units	828	489
Total other creditors	867	515

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2023 - £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 2024 was:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
Euro	15	–	15
US Dollar	18	28,726	28,744
Total	33	28,726	28,759

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

	Net foreign currency assets		Total GBP £'000
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	
US Dollar	–	17,989	17,989
Total	–	17,989	17,989

b) Interest rate risk

The interest rate risk profile of financial assets and liabilities at 31 March 2024 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	145,846	145,846
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 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	–	–	96,513	96,513
Investment liabilities	–	–	–	–

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
31/3/2024		
Level 1: Quoted prices	106,659	–
Level 2: Observable market data	39,187	–
Level 3: Unobservable data	–	–
	145,846	–

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	70,411	–
Level 2: Observable market data	26,102	–
Level 3: Unobservable data	–	–
	96,513	–

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 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	37,258	5	0.01	–	–
Total	37,258	5		–	
Total purchases including commission and taxes	37,263				
Sales					
Collective investment schemes	3,631	–	–	–	–
Total	3,631	–		–	
Total sales net of commissions and taxes	3,631				
Total transaction costs		5		–	
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 2023

Purchases	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	29,480	5	0.02	–	–
Total	29,480	5		–	
Total purchases including commission and taxes		29,485			

Sales	Value	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Collective investment schemes	2,769	–	–	–	–
Total	2,769	–		–	
Total sales net of commissions and taxes		2,769			

Total transaction costs	5	–
Total transaction costs as a % of average net assets	0.01%	0.00%

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

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

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

At the balance sheet date the average portfolio dealing spread was 0.12% (31/3/2023 - 0.12%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 274.

The balance due from the Tactical Growth Fund at the year end in respect of fees paid to the Manager was £39,030 (31/3/2023 - £26,460).

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

	Unit holding %	Related party name
Tactical Growth Fund	48.70	Lion Nominees Limited

15. Unit movement

Year to 31 March 2024

	I Accumulation units	X Accumulation units
Opening units	2,232,485	28,448,498
Units created	1,915,230	12,206,244
Units cancelled	(591,718)	(4,096,235)
Closing units	3,555,997	36,558,507

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 2024

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased between 1 October 2023 and 31 March 2024

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2024	Distribution Paid per Unit on 31/7/2023
I Accumulation				
Group 1	0.9876	–	0.9876	1.0244
Group 2	0.2880	0.6996	0.9876	1.0244
X Accumulation				
Group 1	2.8080	–	2.8080	2.9212
Group 2	1.2473	1.5607	2.8080	2.9212

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased between 1 April 2023 and 30 September 2023

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2023	Distribution Paid per Unit on 30/11/2022
I Accumulation				
Group 1	1.4143	–	1.4143	1.5458
Group 2	0.8621	0.5522	1.4143	1.5458
X Accumulation				
Group 1	4.1345	–	4.1345	4.4782
Group 2	1.9379	2.1966	4.1345	4.4782

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

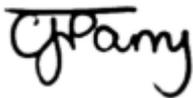
Statement of Manager's Responsibilities in relation to the Annual Report and Financial Statements of the Close Discretionary Funds ("the Trust")

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 24 July 2024.



C.J. Parry (Director)
24 July 2024

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 2024.

The Trustee in its capacity as Trustee of Close Discretionary Funds must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

For and on behalf of
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA
24 July 2024

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at 160 Queen Victoria Street, London EC4V 4LA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent Auditor's Report

Independent auditor's report to the unitholders of Close Discretionary Funds

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Close Discretionary Funds (the "Trust"):

- give a true and fair view of the financial position of the Trust and the sub-funds as at 31 March 2024 and of the net revenue and the net capital losses on the property of the sub-funds for the year ended 31 March 2024; 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 (and amended in June 2017), 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 Trust 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 Trust'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 Trust 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 Trust'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 Trust 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 Trust's industry and its control environment, and reviewed the Trust'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, including those that are specific to the Trust's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Trust 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 Trust's ability to operate or to avoid a material penalty. These include The Open-Ended Investment Companies Regulation 2001.

We discussed among the audit engagement team, including relevant internal specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in relation to the valuation and existence of investments. There is a risk that the investments may not be valued correctly or may not represent the property of the Trust. Given the size and nature of the balance and its importance to the Trust, we have considered that there is a potential risk of fraud in this area. The specific procedures performed to address these risks are described below:

- obtained an understanding of the relevant controls at the administrator, The Bank of New York Mellon (International) Limited over the valuation and existence of investments;
- revalued each sub-fund's investment portfolio as at 31 March 2024, through independently obtaining prices for each investment held at the period end date; and
- agreed each 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 Trust 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 2024 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 Trust'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 Trust'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 Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
24 July 2024

General Information

Close Discretionary Funds ("the Trust") is a unit trust scheme which is constituted by its Trust Deed entered into between the Manager, Close Asset Management (UK) Limited, and the then Trustee, Citibank International Plc.

The Trust was authorised by the Financial Conduct Authority on 25 August 2010. The Trust is a UCITS (Undertakings for Collective Investments in Transferable Securities Directive) scheme.

The Trust is an umbrella unit trust comprising thirteen sub-funds as at 31 March 2024 ("the sub-funds"):

- Close Sustainable Balanced Portfolio Fund****
- Close Diversified Income Portfolio Fund*
- Close Conservative Portfolio Fund*
- Close Balanced Portfolio Fund*
- Close Growth Portfolio Fund*
- Close Managed Income Fund**
- Close Managed Conservative Fund**
- Close Managed Balanced Fund**
- Close Managed Growth Fund**
- Close Sustainable Select Fixed Income Fund ***
- 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 2024 the following sub-funds invested in the Close Sustainable Select Fixed Income Fund:

	Number of units held	Market value £'000
Close Tactical Select Passive Conservative Fund	4,499,461	4,365
Close Tactical Select Passive Balanced Fund	3,817,445	3,703
Close Tactical Select Passive Growth Fund	1,309,633	1,271

No transactions occurred during the year to 31 March 2024.

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

Changes to sub-funds

There have been no changes to the sub-funds during the year ended 31 March 2024.

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).

General Information

continued

Remuneration Policy (Unaudited) continued

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	367,971	183,800	551,771	11
Other Risk Takers	705,100	526,975	1,232,075	6
Total	1,073,071	710,775	1,783,846	17

The variable remuneration disclosed in the table above is for the year ended 31 July 2023, 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 2024 cannot be known until after 31 July 2024 has passed.

Buying and Selling

Units may be purchased on any business day between 9.00 a.m. and 5.00 p.m. by telephoning our unit trust dealers on 0370 606 6402*. The Manager reserves the right to place deals on receipt of cleared funds only. To sell your units, please send a signed request to repurchase to Close Asset Management (UK) Limited, PO Box 367, Darlington, DL1 9RG or telephone 0370 606 6402* to request a form. Payment will normally be made within five working days of receipt of signed documentation.

Redemption proceeds will be forwarded at the unitholder's risk.

Unit Prices

Units are priced on a single mid-market pricing basis in accordance with the COLL Source book and the Trust Deed. Unit prices are calculated daily at 12 noon and all dealings are currently on a forward price basis. A forward price is the price calculated at the next valuation point after the purchase or redemption is deemed to be accepted by the Manager. The Manager, to protect unitholders, reserves the right to revalue in times of currency or market volatility. The price of a unit is the net asset value of a sub-fund attributable to the relevant unit class of that sub-fund divided by the number of units in that class in issue.

Prices for all Close Asset Management (UK) Limited ("Close") range of authorised units trusts and open-ended investment companies ("OEICS") are available on Close's website, www.closebrothersam.com/funds, or the website www.fundlistings.com or by contacting Close on 0370 606 6452*.

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

Prospectus and Key Investor Information Document

Copies of the prospectus and of the Key Investor Information Document for each unit class of each sub-fund of the Trust are available free of charge from the Manager. These set out the initial, annual and administration charges and minimum investments for all thirteen sub-funds of the Trust.

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 2024/25 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.

General Information

continued

Dilution levy/price swing

The actual cost to the Scheme of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the sub-fund. Under certain circumstances (where the net movement of purchases and redemptions by unitholders is greater than 1% of assets under management) this may have an adverse effect on the interests of unitholders generally. In order to prevent this effect, called 'dilution' the Manager has the power to charge a dilution levy/price swing on the sale and/or redemption of the units. The dilution levy/price swing will be applied at the outset and will be paid into and will become part of the sub-fund. The dilution levy for the sub-fund will be calculated by reference to the costs of dealing in the underlying investments of the sub-fund, including any dealing spreads, commission and transfers. Further details can be found in section 6.4 of the prospectus of the Trust.

Risk Warnings

Unitholders should remember that past performance is not a reliable indicator of future results as the price and value of units, and the income from them, can fall as well as rise. Unitholders may not get back the amount originally invested. This information relating to Close Discretionary Funds is issued by Close Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority.

Securities Financing Transactions

The European Regulation on Reporting and Transparency of Securities Financing Transactions requires exposure to securities financing transactions ("SFTs") and total return swaps to be disclosed in reports and financial statements. During the year to 31 March 2024 and at the balance sheet date, the sub-funds did not use SFTs or total return swaps.

Initial and Annual charges

Information about charges including preliminary and annual charge can be found in the Fund's Prospectus, <https://www.closebrothersam.com/funds>.

Distributions

Where possible the sub-funds will declare an annual dividend in relation to the year ending 31 March each year. In addition and where possible, further dividend/s may also be declared. Information on distributions including dates can be found in Fund's Prospectus, www.closebrothersam.com/funds.

Minimum investment and Individual Savings Account (ISA)

Information about minimum investment into sub-funds can be found in the Prospectus, <https://www.closebrothersam.com/funds>. All sub-funds are qualifying investments for stock and shares ISA's.

Assessment of Value

Close Asset Management (UK) Limited has published an Assessment of Value in respect of its funds, including the Close Discretionary Funds, covering the reporting period.

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

Directory

ACD

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

S.H. Forrest

C.J. Parry

E. Reynolds

A.J. Sippetts

R.C.S. Smith

I.P. Wallace (resigned 17th April 2024)

Investment Advisor

Close Asset Management Limited*

(Authorised and regulated by the Financial Conduct Authority)

10 Crown Place, London EC2A 4FT

Trustee

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

160 Queen Victoria Street, London EC4V 4LA

Administrator & Registrar

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Capital House, 2 Festival Square, Edinburgh EH3 9SU

Independent Auditor

Deloitte LLP

Statutory Auditor

9 Haymarket Square, Edinburgh EH3 8RY

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 31/03/2024