

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

# Close Sustainable Balanced Portfolio Fund – I (Accumulation)

A sub-fund of Close Discretionary Funds unit trust (ISIN: GB00BLPK3X58)  
This Fund is managed by Close Asset Management (UK) Limited (“CAM(UK)L”)

## Objectives and investment policy<sup>1</sup>

**Objectives:** To provide capital growth with some income over the medium term (i.e. more than 5 years)<sup>2</sup>.

The Fund also seeks to maintain a weighted average carbon intensity (tonnes of Scope 1 and 2 CO<sub>2</sub>e per US\$m of revenue) below a benchmark of the ICE BofA Global Corporate Index for fixed interest securities and the MSCI All Countries World Index for equities, targeting a level 50% below these benchmarks by 2030 from 2019 baseline, and net zero by emissions by 2050.

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

The Fund uses a sustainable investment process to ensure that it is invested in alignment with its carbon emissions reduction targets while also ensuring that the Fund invests in 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. The investment universe is identified by the Investment Adviser using both quantitative and qualitative assessments.

The Fund’s sustainability policy is to actively select investments which can measurably demonstrate alignment with, or a clear pathway to, a decarbonised future and the Fund will hold more than 70% of assets in securities which have an available Carbon Intensity enabling measurement of the carbon intensity objective.

To help achieve the Fund’s objective, 70-100% of the Fund’s securities which have an available Carbon Intensity will each be required to have a Carbon Intensity below the lower of the relevant ESG benchmark or 50% below the 2019 baseline Carbon Intensity of the non-ESG benchmark. 0%-30% of securities with available Carbon Intensity may have measurements above the relevant benchmarks if they fulfil the Investment Adviser’s criterion of being on course to lower (improve) their emissions by 50% from their 2019 baseline by 2030.

Firstly, the Investment Adviser applies a quantitative and qualitative analysis process to identify and select companies and will continue to apply this process as well as engaging with the companies to meet the criteria. In addition to the Investment Adviser’s process for selecting and measuring the Carbon Intensity, the Investment Adviser also considers whether companies follow good governance practices (e.g. with respect to sound management and company board, corporate culture, capital allocation and remuneration policies).

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

Rather than focusing on a specific sustainability theme across all investments the Investment Adviser focuses on what it assesses to be most material to each individual company and its broader stakeholders. The relevance of the qualitative information and data to the fundamental analysis varies across issuers, sectors and geographies. The Investment Adviser is not limited to assessing only these aspects in its analysis, and may investigate more or fewer, depending on the materiality and availability of information for any given issuer, sector or geography. The Investment Adviser considers these aspects together as a whole and no one aspect has consistent prevalence over the others in order to determine the suitability of an investment.

The Investment Adviser will also engage with company management where it identifies opportunities to effect positive change, or to deepen knowledge and insight, with respect to sustainability considerations, where deemed

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

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

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

**Divestment criteria:** The Investment Adviser will monitor all companies to check if changes mean that they may no longer meet its definition of having positive attributes. Any change to results under the screening process or provision of new information which results in a holding no longer meeting the Investment Adviser’s criteria will mean that the holding will be sold within 90 days of the change occurring.

The 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 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 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 Fund will not purchase unlisted investments. The fixed interest component of the Fund may include government and corporate bonds (which may include emerging market and high yield bonds from issuers anywhere in the world). These may be investment grade, sub-investment grade or unrated. Investment grade bonds for the purposes of this Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

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

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

<sup>1</sup> A summary of the Manager’s Sustainability Policy and Investment Process can be found in Appendix 1 of the Prospectus.

<sup>2</sup> The Fund should be regarded as a long term investment and may not be appropriate for investors who plan to withdraw their money in the short to medium term i.e. within 5 years.

## Other information:

Units can be bought, sold or switched in the fund on any business day, as defined in the Prospectus. An order must be received by the administrator by 11:45am on any business day to receive that day’s fund price. Please note that if an order is placed by an intermediary or financial adviser they may require extra processing time. Units will be accumulation units. Income from investments held by the fund will be invested into the value of the units.

**Risk and reward profile**

The Risk and Reward profile demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is an estimate based on CAM(UK)L's risk-profiling tools, may change over time and may not be a reliable indication of the future risk profile of the Fund.



Typically lower risk/reward ←————→ Typically higher risk/reward

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

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

**Investing in the Fund carries the following main risks:**

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

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

**Currency risk:** The Fund invests in overseas assets, denominated in currencies other than Sterling. Changes in exchange rates may have a negative impact on the value of your investment. The Fund does not hedge its currency exposure.

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

**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 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.

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

**Charges**

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

**One-off charges taken before or after you invest**

Entry charge	10.00%
Exit charge	0.00%

**Charges taken from the Fund over a year**

Ongoing charges	0.10%
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**Charges taken from the Fund under certain specific conditions**

Performance fee	None
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The figure for ongoing charges excludes portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares or units in another fund and transaction costs paid to the custodian of the Fund.

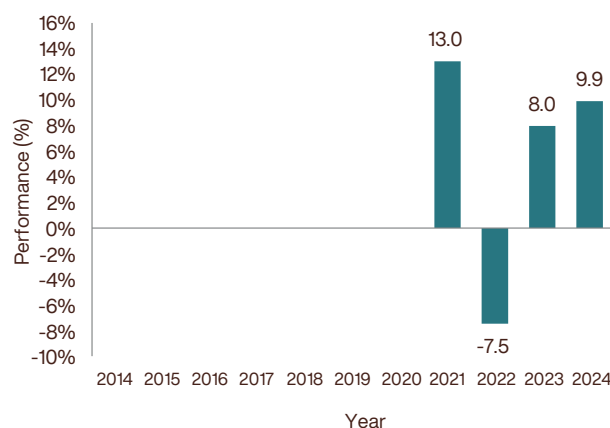
The ongoing charges are based on the Fund's expenses for the twelve months ending 30 September 2024, this now includes the Fund Management Fee which is fixed. Ongoing charges may vary from year to year. The Closed-Ended Funds synthetic cost is 0.01%.

Following the recent changes to disclosure requirements; Closed-Ended Funds are now excluded in the calculation of the synthetic element of the ongoing charge.

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

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

**Past performance**



The past performance is calculated in GBP.

This chart includes all charges except entry and exit charges.

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

Fund launch date: 2 November 2020.

Unit class launch date: 2 November 2020.

**Comparator Benchmark:** IA Mixed Investment 40%-85% Shares.

**Note:** The Fund does not use this benchmark as a target, nor is the Fund constrained by the benchmark. It should be used for reference purposes only.

**Practical information**

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

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

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

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

\*Calls to this number are recorded for monitoring purposes.

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

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

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

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

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

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

This Key Investor Information is accurate as at 20 January 2025.