

Close Discretionary Funds

Annual Report & Financial Statements
for the year ended 31 March 2021 (audited)

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Authorised Status and Report of the Manager

Authorised Status

Close Discretionary Funds ("The Trust") is an authorised scheme under the Financial Services and Market Act 2000 (the "Act"). The scheme is classified as a UCITS scheme.

Certification of Financial Statements by Directors of the Manager

This report has been prepared in accordance with the Financial Conduct Authority Collective Investment Schemes ("COLL") Sourcebook.



I.P. Wallace (Director)



R.C.S. Smith (Director)
Close Asset Management (UK) Limited
23 July 2021

Investment Advisor's Report

The 12 month period to end March 2021 began just after the global health crisis precipitated by the coronavirus pandemic caused a severe rout in risk asset prices. Over the period in review, equity markets have enjoyed a strong rebound. In GBP terms, emerging market equities have performed best, rallying 45.0%, followed by the US (+39.6%) and Europe (+35.9%). Japanese equities gained +24.9% and the UK +24.1%.

While UK gilts have lost -2.9% as economic expectations for the UK improved, UK corporate bonds have prospered, rising +9.0%. In local terms, European government bonds rose +3.1% and US government bonds rose +0.7%.

In currency markets, sterling strengthened relative to safe haven currencies, gaining +11.0% versus USD and +14.2% versus JPY. The US dollar weakened -5.9% on a trade weighted basis. Relative to EUR, sterling appreciated +4.4%.

Within commodities, oil prices rallied +179.4% in US dollar terms, having fallen sharply in 2020. Gold continued to perform over the period, gaining 5.1% in dollar terms on sustained demand for safe haven assets.

Outlook

Over the first quarter of 2021, economic expectations have improved as investors grow more confident that the rollout of vaccines will allow the global economy to reopen. Because the efficacy of health policy remains the main constraint on a country's economy, we are now seeing the pace of vaccine rollouts have a powerful effect on economic expectations, with global economic activity expected to rebound in the second and third quarters as social restrictions are withdrawn.

Vaccination programmes are progressing at varying rates in different countries, with supply and distribution constraints the most potent factor. The UK is one of the best performing countries so far, with 30% of people having received at least one dose at the beginning of March. In the US, 15% of people have received at least one dose, and an increase in doses expected to facilitate an acceleration.

The US reopening is expected to be turbo-charged by a double dose of stimulus – on top of the \$900bn second package delivered in December, Congress have passed a third package of up to \$1.9trn. This new stimulus will hit just as the reopening of the services sector is likely to increase job openings, as well as consumption opportunities. As a result, the US economy is expected to grow by 10.9% YoY in Q2 2021. We also expect to see similar dynamics in other countries, though the magnitude and timing of rebounds may differ, based on how soon services can resume, the degree of fiscal support households have received and how long employment takes to recover.

The expected improvement in the global economy is also likely to lead to a period of higher inflation, as demand surges to overtake supply, supply-chain bottlenecks hit, and year-on-year comparisons flatter prices. Some market participants believe that, in the US, the additional fiscal support will mean that this inflationary pressure will be enduring, requiring the Fed to tighten monetary policy.

The US Federal Reserve Open Markets Committee has hitherto said that it will not tighten monetary policy in response to a period of higher inflation, because many of the inflationary factors may be transitory. The market is signalling that it thinks the Fed is behind the curve.

For this inevitable inflationary ripple to translate into sustained inflationary pressure the post-pandemic boom needs to deliver significant repair in the labour market. As well as cyclical inflationary dynamics, other changes may impact inflation, including the aging population, increased automation, greening the economy, and deglobalisation may all play a part.

While the outlook for growth points, with some confidence, to recovery and we anticipate inflation to rise in the near-term, inflation dynamics are less well understood and are positioning to manage the risk that the period of low inflation that persisted since at least the financial crisis could end. This presents an opportunity for investors to hold equity sectors that are geared to the economic cycle and will prosper in the upswing, and a reason to be cautious on bonds.

At the same time, we continue to believe that a number of structural changes are in play within the global economy, and that businesses exposed to these themes can make attractive investments. Moments of market turbulence, when stocks in these often richly valued sectors are repriced lower, may present a buying opportunity.

Please refer to the COVID-19 section on page 284 of the General Information.

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 2021

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (changed to the Investment Association in January 2015) in May 2014 (the "SORP"), and amended in June 2017.

The Manager is confident that the Trust will continue in operation and be able to meet its liabilities as they fall due for at least the next twelve months from the approval of these financial statements. The Trust has adequate financial resources and its assets primarily consist of securities, which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

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

b. Revenue

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

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

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

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

c. Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged against revenue.

With the exception of the Close Diversified Income Portfolio Fund and the Close Managed Income Fund, whose expenses are charged to capital.

d. Basis of valuation of investments

The investments are valued at their fair value, excluding accrued revenue, at close of business on the last business day of the accounting year. The fair value of non-derivative securities (excluding collective investment schemes) is the bid market price and the fair value for derivative instruments is the cost of closing out the contract at the balance sheet date. Collective investment schemes are valued at the quoted price.

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. Revenue items 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.

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.

Notes applicable to the Financial statements of all sub-funds

continued

1. Accounting policies continued

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.

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.

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.

Notes applicable to the Financial statements of all sub-funds

continued

4. Derivatives and other financial instruments continued

Interest rate risk

This is the risk of changes (negative as well as positive) in the value of investments and cash and deposit balances as a result of fluctuations in interest rates. For example, a reduction in interest rates will mean that a sub-fund receives less credit interest on cash placed on deposit. Alternatively, an increase in interest rates means that a sub-fund will be charged higher debit interest on any overdrawn accounts. The interest rate risk profile of financial assets and liabilities at the year end for each sub-fund is shown in the relevant notes.

Liquidity risk

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

Currency risk

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

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

Use of derivatives

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

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

Valuation risk

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

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

5. Valuation techniques

Valuation techniques using observable market data

Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions and minimise the use of non-observable data. Observable market data should be observable for substantially the full term of the instrument. Typically this category will include over-the-counter instruments (OTC), instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject fair value pricing adjustments made by reference to observable market data. Examples include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and less frequently traded open-ended funds. For the sub-fund, there are corporate bonds, open forward currency contracts and collective investment 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.

Notes applicable to the Financial statements of all sub-funds

continued

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:	
	31/3/2021 £'000	31/3/2020 £'000	31/3/2021 £'000	31/3/2020 £'000
Close Sustainable Bond Portfolio Fund	23,034	22,166	(23,034)	(22,166)
Close Sustainable Balanced Portfolio Fund*	1,493	n/a	(1,493)	n/a
Close Diversified Income Portfolio Fund	50,399	54,353	(50,399)	(54,353)
Close Conservative Portfolio Fund	80,356	71,795	(80,356)	(71,795)
Close Balanced Portfolio Fund	128,508	110,888	(128,508)	(110,888)
Close Growth Portfolio Fund	37,653	30,923	(37,653)	(30,923)
Close Managed Income Fund	12,133	10,966	(12,133)	(10,966)
Close Managed Conservative Fund	21,491	16,971	(21,491)	(16,971)
Close Managed Balanced Fund	33,981	23,745	(33,981)	(23,745)
Close Managed Growth Fund	7,947	4,765	(7,947)	(4,765)
Close Select Fixed Income Fund	15,045	15,659	(15,045)	(15,659)
Close Tactical Select Passive Conservative Fund	20,961	16,582	(20,961)	(16,582)
Close Tactical Select Passive Balanced Fund	26,994	20,218	(26,994)	(20,218)
Close Tactical Select Passive Growth Fund	6,214	4,521	(6,214)	(4,521)

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.

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:	
	31/3/2021 £'000	31/3/2020 £'000	31/3/2021 £'000	31/3/2020 £'000
Close Sustainable Bond Portfolio Fund	946	389	(774)	(319)
Close Sustainable Balanced Portfolio Fund*	840	n/a	(687)	n/a
Close Diversified Income Portfolio Fund	7,184	6,271	(5,878)	(5,131)
Close Conservative Portfolio Fund	35,854	14,547	(29,335)	(11,902)
Close Balanced Portfolio Fund	40,345	30,019	(33,009)	(24,561)
Close Growth Portfolio Fund	14,850	11,170	(12,150)	(9,139)
Close Managed Income Fund	262	398	(215)	(326)
Close Managed Conservative Fund	1,806	1,913	(1,478)	(1,565)
Close Managed Balanced Fund	2,910	2,616	(2,381)	(2,140)
Close Managed Growth Fund	656	522	(537)	(427)
Close Select Fixed Income Fund	1,451	644	(1,187)	(527)
Close Tactical Select Passive Conservative Fund	2,683	2,675	(2,196)	(2,189)
Close Tactical Select Passive Balanced Fund	4,561	4,602	(3,732)	(3,765)
Close Tactical Select Passive Growth Fund	1,274	1,283	(1,042)	(1,049)

These calculations assume all other variables remain constant.

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

Notes applicable to the Financial statements of all sub-funds

continued

6. Sensitivity analysis continued

c) Interest Rate Risk

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

7. Leverage

The sub-funds did not employ significant leverage during the year (31/3/2020 - same).

Close Sustainable Bond Portfolio Fund*

For the year ended 31 March 2021

Fund objective and policy

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

The Sustainable Bond Fund will invest at least 80% in sterling denominated investment grade corporate bonds of duration between two and twelve years. The Sustainable Bond Fund may also invest in sterling denominated government bonds as well as subinvestment grade and unrated bonds.

Investment grade bonds for the purposes of the Sustainable Bond Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase.

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

Under the ethical screen, the Sustainable Bond Fund may not invest in issuers with more than 10% of their revenue exposure to alcohol, gambling, tobacco or any other areas deemed not to meet the Manager's ethical standards. Issuers which meet the ethical criteria are then subject to an ESG rating screening, where ESG ratings provided by a third party are used.

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

For government bonds only the ESG screen is applied when selecting investments.

In order to gain indirect exposure to both corporate and government bonds, the Sustainable Bond Fund may also invest in collective investment schemes (which may include schemes managed by the Manager or an affiliate of the Manager) and closed-ended funds. Where such funds are used, the Manager will seek to ensure they meet broadly comparable ethical and ESG screening criteria. The Sustainable Bond Fund may also invest directly or indirectly in deposits and money market instruments.

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

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

*Effective 2 November 2020, the Fund has applied a new sustainability strategy to the investments made for the Fund. This means that potential investments will only be brought into the Fund if they meet the Manager's sustainability requirements. As a result of the new Fund strategy the name of the Fund has been changed from the Close Bond Income Portfolio Fund to the Close Sustainable Bond Portfolio Fund. With the exception of some new wording in the Fund's Prospectus to reflect the sustainability strategy, the changes to the investment objective and policy will not change the way in which the Fund is managed or its aims. The emphasis of the Fund will still be on achieving an income return with some capital growth and the Fund will continue to invest in sterling denominated investment grade corporate bonds.

Fund Report

Market commentary

Fund Performance

The Sustainable Bond Fund returned +7.4% in the 12 months to 31st March 2021. Over the same time period, the IA Corporate Bond sector returned +9.0%.

Macro Backdrop

Newsflow in 2021 was dominated by the ongoing COVID-19 vaccine rollout, and how quickly major economies can begin to re-open. As such, forward-looking macro data is balancing the negative short-term impact from ongoing lockdowns and social restrictions, against the 6 to 12-month positive outlook that the vaccine rollout has created. Despite near-term volatility, 2021 GDP growth forecasts in the UK, US and Eurozone are +5.0%, +6.2%, and +4.2%, respectively. This compares to 2020 GDP growth rates in the UK, US and Eurozone of -7.3%, -3.5%, and -6.6%, respectively.

In the UK, March 2021 composite PMI data materially improved to 56.4 (from 36.0 in March 2020), predominantly due to a strong rebound in services PMI (March 2021 = 56.3; March 2020 = 34.5). Q1 2021 GDP consensus forecast was further downgraded to -3.5% while Q2 2021 GDP forecast was maintained at +4.7%, reflecting a strong expected pick-up in activity as the UK economy progressively re-opens in Q2 2021. Inflation is expected to remain below 2% until 2023; and unemployment is expected to peak at c. 6.1% in Q4 2021.

In the Eurozone, March 2021 composite PMI data also improved to 53.2 (from 29.7 in March 2020) – materially exceeding expectations. Manufacturing PMI reached an all-time high of 62.5 – as a result of a strong recovery in global trade. Services PMI also increased to 49.6, but remained in contraction territory – as new waves of lockdowns impacted sentiment. Q2 2021 GDP consensus forecast was downgraded from 2.1% to 2.0% while Q3 2021 forecast was maintained at +2.0%. Inflation is expected to remain below 1.6% until 2023; and unemployment is expected to peak at c. 8.6% in Q4 2021.

Portfolio Activity

The average credit rating on the portfolio remained strong at A- and 58% of fund holdings are in AAA to A- rated bonds.

The Sustainable Bond Fund also maintained an ESG rating of AA. The Sustainable Bond Fund now offers a yield of 1.9% and duration of 6.4 years. We believe the very strong credit quality of the fund de-risks the fund from any future volatility.

Outlook & Strategy

All Fixed Income sub-asset classes now appear rich:

- **Sovereign bond** yields remain near record lows across the US, UK, and Eurozone – despite gradually rising since the mini crisis in 2020.
- **Sterling Investment Grade** bonds are rich versus all historical timeframes, with sterling BBB credit spreads at 138bps, versus their 5yr average of 181bps; 10yr average of 216bps; and 20yr average of 217bps.
- **Sterling High Yield** spreads are rich versus history, with BB spreads at 269bps (5yr average = 331bps; 10yr average = 384bps; 20yr average = 438bps).

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

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Sustainable Bond Fund X Accumulation	7.4%	0.8%	1.7%	3.9%	8.6%
IA Sterling Corporate Bond Sector	9.0%	0.8%	3.0%	1.7%	8.9%

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

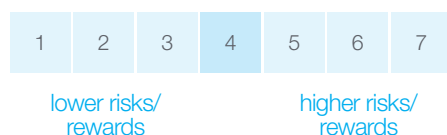
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Sustainable Bond Fund currently has three types of unit class in issue; I Income, X Income, and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")



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

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Sustainable Bond Fund carries the following risks:

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

Currency risk: The Sustainable Bond Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Sustainable Bond Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

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

Sustainability strategy risk: The Funds are subject to screening criteria applied by the Manager which mean that they are unable to invest in certain sectors, companies and investments that conflict with the Manager's sustainability policy. The Sustainable Bond Fund will only invest in issuers which have, what the Manager considers to be, positive ESG attributes. This investment strategy may result in the Sustainable Bond Fund having a narrower range of eligible investments, which may in turn affect the Sustainable Bond Fund's performance.

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

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

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

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

Comparative tables

For the year ended A Income units*	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit***	n/a	112.91	114.61
Return before operating charge	n/a	1.84	2.58
Operating charges	n/a	(1.11)	(1.11)
Return after operating charges	n/a	0.73	1.47
Distributions	n/a	0.00	(3.17)
Retained distributions on accumulation units	n/a	0.00	0.00
Closing net asset value per unit***	n/a	113.64	112.91
After direct transaction costs of**	n/a	0.00	0.00
Performance			
Return after charges	n/a	0.65%	1.28%
Other information			
Closing net asset value £'000	n/a	0	0
Closing number of units	n/a	0	43
Operating charges	n/a	0.98%	0.98%
Direct transaction costs**	n/a	0.00%	0.00%
Prices***			
Highest unit price	n/a	121.00	115.40
Lowest unit price	n/a	94.13	110.00

For the year ended A Accumulation units*	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit***	n/a	142.78	140.99
Return before operating charge	n/a	1.41	3.15
Operating charges	n/a	(1.43)	(1.36)
Return after operating charges	n/a	(0.02)	1.79
Distributions	n/a	(3.52)	(4.05)
Retained distributions on accumulation units	n/a	3.52	4.05
Closing net asset value per unit***	n/a	142.76	142.78
After direct transaction costs of**	n/a	0.00	0.00
Performance			
Return after charges	n/a	(0.01)%	1.27%
Other information			
Closing net asset value £'000	n/a	1,073	1,326
Closing number of units	n/a	751,602	928,725
Operating charges	n/a	0.97%	0.97%
Direct transaction costs**	n/a	0.00%	0.00%
Prices***			
Highest unit price	n/a	153.60	143.10
Lowest unit price	n/a	139.80	138.10

*A Accumulation and A Income unit classes closed on 1 September 2020.

**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.

***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

Comparative tables

continued

For the year ended I Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	95.69	98.04	99.65
Return before operating charge	7.79	1.02	2.18
Operating charges	(0.13)	(0.13)	(0.13)
Return after operating charges	7.66	0.89	2.05
Distributions	(2.74)	(3.24)	(3.66)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	100.61	95.69	98.04
After direct transaction costs of*	0.00	0.00	0.00
Performance			
Return after charges	8.01%	0.91%	2.06%
Other information			
Closing net asset value £'000	15,804	10,161	8,586
Closing number of units	15,709,143	10,618,038	8,756,740
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs*	0.00%	0.00%	0.00%
Prices**			
Highest unit price	104.90	103.70	100.40
Lowest unit price	96.30	94.55	95.74

For the year ended X Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	126.80	129.92	132.04
Return before operating charge	10.29	1.35	2.90
Operating charges	(0.61)	(0.60)	(0.59)
Return after operating charges	9.68	0.75	2.31
Distributions	(3.20)	(3.87)	(4.43)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	133.28	126.80	129.92
After direct transaction costs of*	0.00	0.00	0.00
Performance			
Return after charges	7.63%	0.58%	1.75%
Other information			
Closing net asset value £'000	103,205	106,857	135,614
Closing number of units	77,432,500	84,271,460	104,386,469
Operating charges	0.45%	0.45%	0.45%
Direct transaction costs*	0.00%	0.00%	0.00%
Prices**			
Highest unit price	138.80	137.40	133.00
Lowest unit price	127.60	125.20	126.80

*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.

**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.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	163.89	163.11	160.27
Return before operating charge	13.30	1.59	3.61
Operating charges	(0.84)	(0.81)	(0.77)
Return after operating charges	12.46	0.78	2.84
Distributions	(4.12)	(4.86)	(5.40)
Retained distributions on accumulation units	4.12	4.86	5.40
Closing net asset value per unit**	176.35	163.89	163.11
After direct transaction costs of*	0.00	0.00	0.00
Performance			
Return after charges	7.60%	0.48%	1.77%
Other information			
Closing net asset value £'000	118,984	110,180	119,287
Closing number of units	67,470,418	67,227,419	73,131,214
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs*	0.00%	0.00%	0.00%
Prices**			
Highest unit price	182.20	176.20	163.40
Lowest unit price	164.90	160.50	157.50

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM - 79.01% (31/3/2020 - 90.36%)			
Sterling Denominated Fixed Rate Corporate Bonds - 69.98% (31/3/2020 - 60.87%)			
£6,175,000	A2Dominion Housing 3.5% 15/11/2028	6,723	2.82
£1,834,000	Admiral 5.5% 25/7/2024	2,068	0.87
£7,400,000	Aviva 4% 3/6/2055	8,068	3.39
£3,300,000	Bupa Finance 4.125% 14/6/2035	3,542	1.49
£4,589,000	Bupa Finance 5% 8/12/2026	5,309	2.23
£4,500,000	Close Brothers 4.25% 24/1/2027+	4,610	1.94
£9,000,000	Coventry Building Society 1% 21/9/2025	8,928	3.75
£4,700,000	Daimler 1.5% 13/1/2022	4,733	1.99
£5,000,000	Direct Line Insurance 4% 5/6/2032	5,538	2.33
£1,000,000	EDP Finance 8.625% 4/1/2024	1,207	0.51
£5,000,000	Enel Finance International 5.75% 14/9/2040	7,320	3.08
£4,000,000	Landesbank Baden-Wuerttemberg 1.5% 3/2/2025	4,062	1.71
£3,400,000	Legal & General 4.5% 1/11/2050	3,776	1.59
£4,450,000	Legal & General 5.375% 27/10/2045	5,103	2.14
£4,600,000	Lloyds Bank 1.5% 23/6/2023	4,683	1.97
£1,500,000	M&G 3.875% 20/7/2049	1,586	0.67
£3,774,000	Paragon Banking 4.375% 25/9/2031	3,846	1.62
£3,500,000	Paragon Banking 6% 28/8/2024	3,794	1.59
£5,186,000	Phoenix 5.625% 28/04/2031	6,117	2.57
£7,559,000	Principality Building Society 2.375% 23/11/2023	7,789	3.27
£3,000,000	Prudential 5.625% 20/10/2051	3,499	1.47
£5,000,000	QBE Capital Funding 6.115% 24/5/2042	5,262	2.21
£800,000	Rothsay Life 3.375% 12/7/2026	843	0.35
£7,800,000	Rothsay Life 5.5% 17/9/2029	8,639	3.63
£2,900,000	Sage Group 1.625% 25/2/2031	2,802	1.18
£400,000	Scottish Widows 5.5% 16/6/2023	437	0.18
£5,000,000	Scottish Widows 7% 16/6/2043	7,151	3.00
£6,000,000	Siemens Financieringsmaatschappij 0.875% 5/6/2023	6,036	2.54
£1,200,000	Siemens Financieringsmaatschappij 3.75% 10/9/2042	1,612	0.68
£3,800,000	Society of Lloyd's 4.75% 30/10/2024	4,210	1.77
£3,200,000	Society of Lloyd's 4.875% 7/2/2047	3,640	1.53
£3,500,000	SSE 3.74% Perpetual	3,675	1.54
£3,800,000	Travis Perkins 3.75% 17/2/2026	4,000	1.68
£3,060,000	TSB Banking 5.75% 6/5/2026	3,072	1.29
£7,000,000	Verizon Communications 1.875% 3/11/2038	6,509	2.73
£5,800,000	Virgin Money UK 5.125% 11/12/2030	6,362	2.67
		166,551	69.98
Sterling Denominated Fixed Rate Government Bonds - 1.41% (31/3/2020 - 6.74%)			
£2,900,000	Treasury 1.625% 22/10/2071	3,360	1.41

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Floating Rate Corporate Bonds - 7.62% (31/3/2020 - 22.75%)			
£1,500,000	Bank of Nova Scotia 1.2225% FRN 11/6/2021	1,501	0.63
£1,500,000	Commonwealth Bank of Australia 1.37156% FRN 12/7/2021	1,501	0.63
£954,000	Enel SPA 6.625% FRN 15/9/2076	977	0.41
£4,000,000	National Australia Bank 0.890801% FRN 4/2/2025	4,042	1.70
£3,653,000	NGG Finance 5.625% FRN 18/6/2073	4,102	1.73
£6,000,000	Westpac Banking 1.03375% FRN 18/1/2023	6,005	2.52
		18,128	7.62
EUROPE - 10.69% (31/3/2020 - 0.00%)			
Euro Denominated Fixed Rate Corporate Bonds - 10.69% (31/3/2020 - 0.00%)			
€ 4,500,000	Coca-Cola 0.375% 15/3/2033	3,724	1.57
€ 4,000,000	Coca-Cola 0.8% 15/3/2040	3,239	1.36
€ 5,000,000	Credit Suisse 0.625% 18/1/2033	4,026	1.69
€ 5,000,000	EDP - Energias de Portugal 1.625% 15/4/27	4,579	1.93
€ 1,500,000	Glanbia Co-operative Society 1.375% 9/6/2021	1,269	0.53
€ 2,000,000	Raiffeisen Bank International 2.875% 18/6/2032	1,831	0.77
€ 7,300,000	Swiss Re Finance UK 2.714% 4/6/2052	6,768	2.84
		25,436	10.69
UNITED STATES - 7.09% (31/3/2020 - 6.74%)			
United States Dollar Denominated Fixed Rate Corporate Bonds - 4.79% (31/3/2020 - 5.94%)			
\$6,000,000	Beazley Insurance DAC 5.5% 10/9/2029	4,762	2.00
\$6,800,000	Hikma Finance USA 3.25% 9/7/2025	5,096	2.14
\$2,000,000	Phoenix 4.75% 4/9/2031	1,538	0.65
		11,396	4.79
United States Dollar Denominated Floating Rate Corporate Bonds - 2.30% (31/3/2020 - 0.80%)			
\$7,800,000	Zurich Finance 3% FRN 19/4/2051	5,465	2.30
DERIVATIVES* - 0.00% (31/3/2020 - (0.39)%)			
Open Forward Currency Contracts - 0.00% (31/3/2020 - (0.39)%)			
£20,638,793	Bought GBP 20,638,793 : Sold EUR 24,105,614	101	0.04
£13,494,846	Bought GBP 13,494,846 : Sold USD 18,748,582	(94)	(0.04)
		7	—
Portfolio of investments		230,343	96.79
Net other assets		7,650	3.21
Total net assets		237,993	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 £9,801.

*Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		11,628		(5,029)
Revenue	3	6,829		8,534	
Expenses	4	(1,078)		(1,161)	
Interest payable and similar charges	6	(1)		—	
Net revenue before taxation for the year		5,750		7,373	
Taxation	5	(3)		—	
Net revenue after taxation for the year			5,747		7,373
Total return before distributions			17,375		2,344
Distributions	7		(5,749)		(7,373)
Change in net assets attributable to unitholders from investment activities			11,626		(5,029)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		228,271		264,813
Amounts received on creation of units	23,279		13,073	
Amounts paid on cancellation of units	(27,962)		(47,938)	
		(4,683)		(34,865)
Dilution adjustment		2		12
Change in net assets attributable to unitholders from investment activities		11,626		(5,029)
Retained distribution on accumulation units		2,777		3,340
Closing net assets attributable to unitholders		237,993		228,271

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			230,437		221,663
Current assets					
Debtors	8	3,498		3,057	
Cash and bank balances	9	5,623		6,061	
Total other assets			9,121		9,118
Total assets			239,558		230,781
LIABILITIES					
Investment liabilities			(94)		(891)
Creditors					
Bank overdrafts		(3)		—	
Distribution payable		(694)		(917)	
Other creditors	10	(774)		(702)	
Total other liabilities			(1,471)		(1,619)
Total liabilities			(1,565)		(2,510)
Net assets attributable to unitholders			237,993		228,271

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Sustainable Bond Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	404	(185)
Gains/(losses) on forward currency contracts	1,590	(871)
Gains/(losses) on non-derivative securities	9,634	(3,973)
Net capital gains/(losses)	11,628	(5,029)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest from overseas fixed interest securities	1,494	2,549
Interest from UK fixed interest securities	5,335	5,985
Total revenue	6,829	8,534

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,078	1,161
Total expenses	1,078	1,161

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	3	—
Total taxation	3	—

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	5,750	7,373
Corporation tax at 20% (31/3/2020- 20%)	1,150	1,475

Effects of:

Overseas tax	3	—
Tax deductible interest distributions	(1,150)	(1,475)
Total taxation (see note 5(a))	3	—

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

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	1	—
	1	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
1st Interim distribution	1,583	1,925
2nd Interim distribution	1,469	1,833
3rd Interim distribution	1,318	1,727
Final distribution	1,363	1,765
	5,733	7,250

Add: Revenue deducted on cancellation of units	81	179
Less: Revenue received on creation of units	(65)	(56)
Net distribution for the year	5,749	7,373

Reconciliation of distributions:		
Net revenue after taxation	5,747	7,373
Add: Equalisation on conversions	2	—
Net distribution for the year	5,749	7,373

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	2,979	2,869
Receivable for creation of units	519	188
Total debtors	3,498	3,057

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	5,623	6,061

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	91	92
Payable for cancellation of units	683	610
Total other creditors	774	702

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

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

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

The currency profile for the Sustainable Bond Fund's net assets at 31 March 2020 was:

	Net foreign currency assets		
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	3,505	3,505
Total	—	3,505	3,505

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	53,760	167,903	—	221,663
Investment liabilities	—	—	(891)	(891)

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
31/3/2021		
Level 1: Quoted prices	—	—
Level 2: Observable market data	230,437	(94)
Level 3: Unobservable data	—	—
	230,437	(94)
31/3/2020		
Level 1: Quoted prices	—	—
Level 2: Observable market data	221,663	(891)
Level 3: Unobservable data	—	—
	221,663	(891)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	78.48	62.34
Below Investment Grade	1.68	5.68
Not Rated	16.63	29.08
	96.79	97.10

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	161,076	—	—	—	—
Total	161,076	—		—	
Total purchases including commission and taxes	161,076				

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Debt instruments (direct)	161,321	—	—	—	—
Total	161,321	—		—	
Total sales net of commissions and taxes	161,321				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Debt instruments (direct)	46,457	—	—	—	—
Total	46,457	—		—	
Total purchases including commission and taxes	46,457				

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Debt instruments (direct)	83,093	—	—	—	—
Total	83,093	—		—	
Total sales net of commissions and taxes	83,093				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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

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

For the Sustainable Bond 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 Bond Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.54% (31/3/2020 - 0.68%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Sustainable Bond Fund at the year end in respect of fees paid to the Manager was £90,522 (31/3/2020 - £91,811).

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

	Unit holding %	Related party name
Sustainable Bond Fund	83.27%	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021	A Income* units	A Accumulation* units	I Income units	X Income units	X Accumulation units
Opening units	—	751,602	10,618,038	84,271,460	67,227,419
Units created	—	24,023	5,475,987	3,302,616	7,536,749
Units cancelled	—	(13,120)	(2,296,428)	(7,215,710)	(9,096,506)
Units converted	—	(762,505)	1,911,546	(2,925,866)	1,802,756
Closing units	—	—	15,709,143	77,432,500	67,470,418

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.

*A Accumulation and A Income unit classes closed on 1 September 2020.

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2021

Group 2: units purchased between 1 January 2021 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2021	Distribution Paid per Unit on 31/5/2020
A Income*				
Group 1	n/a	n/a	n/a	0.0000
Group 2	n/a	n/a	n/a	0.0000
A Accumulation*				
Group 1	n/a	n/a	n/a	0.9055
Group 2	n/a	n/a	n/a	0.9055
I Income				
Group 1	0.6577	—	0.6577	0.8246
Group 2	0.3663	0.2914	0.6577	0.8246
X Income				
Group 1	0.7635	—	0.7635	0.9847
Group 2	0.3716	0.3919	0.7635	0.9847
X Accumulation				
Group 1	0.9911	—	0.9911	1.2502
Group 2	0.4797	0.5114	0.9911	1.2502

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 December 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2021	Distribution Paid per Unit on 28/2/2020
A Income*				
Group 1	n/a	n/a	n/a	0.0000
Group 2	n/a	n/a	n/a	0.0000
A Accumulation*				
Group 1	n/a	n/a	n/a	0.8430
Group 2	n/a	n/a	n/a	0.8430
I Income				
Group 1	0.6345	—	0.6345	0.7861
Group 2	0.3890	0.2455	0.6345	0.7861
X Income				
Group 1	0.7307	—	0.7307	0.9333
Group 2	0.3073	0.4234	0.7307	0.9333
X Accumulation				
Group 1	0.9429	—	0.9429	1.1760
Group 2	0.5016	0.4413	0.9429	1.1760

*A Accumulation and A Income unit classes closed on 1 September 2020.

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2020

Group 2: units purchased between 1 July 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Income*				
Group 1	n/a	n/a	n/a	0.0000
Group 2	n/a	n/a	n/a	0.0000
A Accumulation*				
Group 1	n/a	n/a	n/a	0.8739
Group 2	n/a	n/a	n/a	0.8739
I Income				
Group 1	0.7032	—	0.7032	0.8108
Group 2	0.3811	0.3221	0.7032	0.8108
X Income				
Group 1	0.8216	—	0.8216	0.9662
Group 2	0.5828	0.2388	0.8216	0.9662
X Accumulation				
Group 1	1.0557	—	1.0557	1.2093
Group 2	0.5513	0.5044	1.0557	1.2093

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 June 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2020	Distribution Paid per Unit on 31/8/2019
A Income				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
A Accumulation				
Group 1	0.8076	—	0.8076	0.8931
Group 2	0.3568	0.4508	0.8076	0.8931
I Income				
Group 1	0.7491	—	0.7491	0.8211
Group 2	0.2168	0.5323	0.7491	0.8211
X Income				
Group 1	0.8877	—	0.8877	0.9830
Group 2	0.3486	0.5391	0.8877	0.9830
X Accumulation				
Group 1	1.1345	—	1.1345	1.2218
Group 2	0.4689	0.6656	1.1345	1.2218

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.

*A Accumulation and A Income unit classes closed on 1 September 2020.

Close Sustainable Balanced Portfolio Fund

For the period ended 31 March 2021

Fund objective and policy

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

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

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

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

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

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

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

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

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

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

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

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

The Sustainable Balanced Fund may use derivatives, including exchange traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

In Q4 2020, despite COVID-19 cases spiking and continued mobility restrictions, positive vaccine readouts drove a risk-on rally which continued into Q1. The prospect of a strong economic recovery has led to increasing concerns of inflationary pressure, driving bond yields higher and leading to one of the sharpest equity market rotations on record.

In these conditions, ESG/sustainable funds have generally underperformed following a strong period prior to the vaccine readouts. This is well-demonstrated by energy being the best performing sector since launch (+55%), with oil & gas companies most often being excluded from funds with an ESG/sustainable mandate.

The Sustainable Balanced Fund was seeded with £400,000 and grew to over £16m by 31 March 2021. Strong inflows into a small fund inevitably created a cash drag, with equity markets rising sharply over the period. November 2020, the month of launch, was in fact the strongest month for the UK large cap market since 1989.

The Sustainable Balanced Fund does not adopt a currency hedging policy. This negatively impacted relative performance given sterling strength since launch. The pound is generally considered to be a cyclical currency, which combined with the UK's relatively quick vaccine rollout led to broad appreciation against other currencies. To approximate the impact, the Sustainable Balanced Fund benefited from a 1.5% hedging contribution to performance since the end of October 2020 to 31 March 2021.

Most trading activity within the Sustainable Balanced Fund has been the investing of inflows. By the end of March 2021, the Sustainable Balanced Fund was of sufficient size to start switching our fixed income collectives into direct bonds. The benefits of doing so include being able to target duration more accurately in a rising-yield environment, and reduce the OCF of the Sustainable Balanced Fund. Within equities, we have recently added US natural dog food company Freshpet, and the UK's leading kitchen supplier Howdens.

Looking ahead, we believe that shares can outperform bonds with central banks remaining accommodative. There is some uncertainty relating to COVID-19 while cases globally remain high, however the economy is forecasted to rebound strongly. A withdrawal of the monetary and fiscal stimulus schemes supporting global markets presents a risk that may cause volatility, if not managed carefully. We remain focused on our positioning, favouring high quality companies that will benefit in the post-COVID-19 world.

Fund Report

continued

Fund Performance

As the Fund was launched less than one year ago, no performance data is to be reported.

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

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

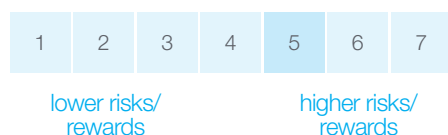
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Sustainable Balanced Fund currently has two types of unit class in issue; I Accumulation and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")



The Sustainable Balanced Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Sustainable Balanced Fund carries the following risks:

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

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

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

Sustainability strategy risk: The Funds are subject to screening criteria applied by the Manager which mean that they are unable to invest in certain sectors, companies and investments that conflict with the Manager's sustainability policy. The Sustainable Balanced Fund will only invest in issuers which have, what the Manager considers to be, positive ESG attributes. This investment strategy may result in the Sustainable Balanced Fund having a narrower range of eligible investments, which may in turn affect the Sustainable Balanced Fund's performance.

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Sustainable Balanced Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Sustainable Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.08%

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

Comparative tables

For the period ended I Accumulation units*	31/3/2021 pence per unit
Change in net assets per unit	
Opening net asset value per unit***	100.00
Return before operating charge	4.74
Operating charges	(0.07)
Return after operating charges	4.67
Distributions	(0.58)
Retained distributions on accumulation units	0.58
Closing net asset value per unit***	104.67
After direct transaction costs of**	(0.29)
Performance	
Return after charges	4.67%
Other information	
Closing net asset value £'000	28
Closing number of units	26,450
Operating charges	0.17%
Direct transaction costs**	0.68%
Prices***	
Highest unit price	106.50
Lowest unit price	100.00

For the period ended X Accumulation units*	31/3/2021 pence per unit
Change in net assets per unit	
Opening net asset value per unit***	100.00
Return before operating charge	4.77
Operating charges	(0.39)
Return after operating charges	4.38
Distributions	(0.29)
Retained distributions on accumulation units	0.29
Closing net asset value per unit***	104.38
After direct transaction costs of**	(0.29)
Performance	
Return after charges	4.38%
Other information	
Closing net asset value £'000	16,561
Closing number of units	15,866,676
Operating charges	0.91%
Direct transaction costs**	0.68%
Prices***	
Highest unit price	106.40
Lowest unit price	100.00

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

**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.

***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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 9.37%			
Sterling Denominated Fixed Rate Corporate Bonds - 5.84%			
£300,000	Bupa Finance 5% 25/4/2023	324	1.95
£300,000	Paragon Banking 6% 28/8/2024	325	1.96
£300,000	Travis Perkins 4.5% 07/9/2023	320	1.93
		969	5.84
Sterling Denominated Fixed Rate Government Bonds - 3.53%			
£280,000	UK Treasury 1.5% 22/7/2026	296	1.79
£270,000	UK Treasury 1.625% 22/10/2028	289	1.74
		585	3.53
EQUITIES - 66.40%			
UNITED KINGDOM - 17.51%			
34,000	3i	392	2.36
7,900	Admiral	245	1.48
13,000	Anglo American	369	2.22
7,000	Ashtead	303	1.83
3,200	AstraZeneca	232	1.40
21,200	GlaxoSmithKline	273	1.64
21,000	Howden Joinery	154	0.93
2,000	London Stock Exchange	139	0.84
14,000	Mondi	259	1.56
17,000	RELX	309	1.86
30,000	Tate & Lyle	230	1.39
		2,905	17.51
EMERGING MARKETS - 2.31%			
63,000	iShares MSCI EM SRI UCITS ETF	384	2.31
EUROPE - 15.60%			
Denmark - 1.49%			
5,000	Novo Nordisk 'B'	247	1.49
Germany - 1.31%			
1,800	Deutsche Boerse	217	1.31
Ireland - 1.77%			
300,000	Greencoat Renewables	294	1.77

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Sweden - 3.66%		
5,000	Atlas Copco	221	1.33
19,500	Sandvik	387	2.33
		608	3.66
	Switzerland - 7.37%		
2,700	Nestlé	219	1.32
440	Partners	409	2.46
900	Roche Holding	212	1.28
34,000	UBS	383	2.31
		1,223	7.37
	ASIA PACIFIC (ex JAPAN) - 2.35%		
76,000	HSBC Index Tracker Investment Funds - Pacific Index Fund	390	2.35
	JAPAN - 4.26%		
2,500	Hoya	213	1.28
4,100	Secom	250	1.51
15,000	Xtrackers MSCI Japan ESG UCITS ETF	243	1.47
		706	4.26
	NORTH AMERICA - 24.37%		
	United States - 24.37%		
1,700	3M	237	1.43
1,300	Accenture	260	1.57
120	Adobe Systems	41	0.25
5,500	Applied Materials	533	3.21
6,000	Bristol-Myers Squibb	275	1.66
4,590	Cerner	239	1.44
6,700	Cisco Systems	251	1.51
7,600	Coca-Cola	290	1.75
5,000	eBay	222	1.34
2,700	Electronic Arts	265	1.60
1,700	Freshpet	196	1.18
1,200	Microsoft	205	1.23
750	Nvidia	290	1.75
2,300	PepsiCo	236	1.42
1,700	Visa	262	1.58
2,100	Zoetis	240	1.45
		4,042	24.37

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 7.14%			
United Kingdom Gilts & Corporate Bonds - 7.14%			
2,800	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	298	1.80
7,000	Lyxor Green Bond (DR) UCITS ETF	322	1.94
6,000	Lyxor World Water (DR) UCITS ETF	258	1.56
10,000	SPDR Barclays 0-5 Year Sterling Corporate Bond UCITS ETF	306	1.84
		1,184	7.14
ALTERNATIVE - 7.07%			
190,000	Greencoat UK Wind	244	1.47
150,000	International Public Partnership	251	1.51
8,000	WisdomTree Copper ETF	207	1.25
3,000	WisdomTree Physical Platinum ETC	241	1.45
14,000	WisdomTree Physical Silver ETC	230	1.39
		1,173	7.07
	Portfolio of investments	14,927	89.98
	Net other assets	1,662	10.02
	Total net assets	16,589	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 period 2 November 2020 to 31 March 2021

			2/11/2020 to 31/3/2021
		GBP £'000	GBP £'000
Income	Notes		
Net capital gains	2		13
Revenue	3	52	
Expenses	4	(25)	
Interest payable and similar charges	6	—	
Net revenue before taxation for the period		27	
Taxation	5	(5)	
Net revenue after taxation for the period			22
Total return before distributions			35
Distributions	7		(22)
Change in net assets attributable to unitholders from investment activities			13

Statement of change in net assets attributable to unitholders

for the period 2 November 2020 to 31 March 2021

			2/11/2020 to 31/3/2021
		GBP £'000	GBP £'000
Opening net assets attributable to unitholders	Note		—
Amounts received on creation of units		16,547	
Amounts paid on cancellation of units		(10)	
			16,537
Dilution Levy			(7)
Change in net assets attributable to unitholders from investment activities			13
Retained distribution on accumulation units	7		46
Closing net assets attributable to unitholders			16,589

Financial statements

continued

Balance sheet

as at 31 March 2021

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

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Sustainable Balanced Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 9.

2. Net capital gains

2/11/2020 to
31/3/2021*
GBP
£'000

The net capital gains on investments during the period comprise:

Foreign currency	4
Gains on non-derivative securities	9
Net capital gains	13

3. Revenue

2/11/2020 to
31/3/2021*
GBP
£'000

UK franked dividends from collective investment schemes	4
UK unfranked dividends from collective investment schemes	1
Overseas dividends	33
UK dividends	14
Total revenue	52

4. Expenses

2/11/2020 to
31/3/2021*
GBP
£'000

Payable to the Manager, associates of the Manager and agents of either of them:

Fund Management Fee	25
Total expenses	25

*The Sustainable Balanced Fund launched on 2 November 2020, therefore there are no prior year comparatives.

The audit fee for the year, was £7,000.

Notes to the Financial statements

continued

5. Taxation

2/11/2020 to
31/3/2021*
GBP
£'000

a) Analysis of taxation charge in period

Overseas tax	5
Total taxation	5

b) Factors affecting taxation charge for the period

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

	GBP £'000
Net revenue before taxation	27
Corporation tax at 20%	5
Effects of:	
Movement in excess management expenses	4
Overseas tax	5
Revenue not subject to tax	(9)
Total taxation (see note 5(a))	5

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

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £3,612 due to tax losses of £18,058.

*The Sustainable Balanced Fund launched on 2 November 2020, therefore there are no prior year comparatives.

Notes to the Financial statements

continued

6. Interest payable and similar charges

2/11/2020 to
31/3/2021*
GBP
£'000

Interest	—
	—

7. Distributions

The distributions take account of revenue received on the creation of units and comprise:

2/11/2020 to
31/3/2021*
GBP
£'000

Final distribution	46
	46
Less: Revenue received on creation of units	(24)
Net distribution for the period	22

8. Debtors

As at
31/3/2021*
GBP
£'000

Accrued revenue	36
Receivable for creation of units	625
Overseas tax recoverable	1
Sales awaiting settlement	879
Total debtors	1,541

9. Cash and bank balances

As at
31/3/2021*
GBP
£'000

Cash and bank balances	1,131
-------------------------------	--------------

10. Other creditors

As at
31/3/2021*
GBP
£'000

Accrued expenses	10
Purchases awaiting settlement	1,000
Total other creditors	1,010

*The Sustainable Balanced Fund launched on 2 November 2020, therefore there are no prior year comparatives.

Notes to the Financial statements

continued

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

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 2021 was:

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

b) Interest rate risk

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

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	1,554	13,373	14,927
Investment liabilities	—	—	—	—

c) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
31/3/2021		
Level 1: Quoted prices	11,799	—
Level 2: Observable market data	3,128	—
Level 3: Unobservable data	—	—
	14,927	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

The Valuation technique is disclosed on page 7.

Notes to the Financial statements

continued

12. Financial instruments and derivatives (continued)

d) Credit rating

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

13. Portfolio transaction costs

Period to 31 March 2021

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

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Equity instruments (direct)	243	—	—	—	—
Collective investment schemes	1,003	—	0.01		
Total	1,246	—		—	
Total sales net of commissions and taxes	1,246				
Total transaction costs		6		15	
Total transaction costs as a % of average net assets		0.08%		0.21%	

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

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

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

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

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 0.17%.

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Sustainable Balanced Fund at the year end in respect of fees paid to the Manager was £10,323.

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

	Unit holding %	Related party name
Sustainable Balanced Fund	81.89%	Lion Nominees Limited

15. Unit movement

Period to 31 March 2021

	I Accumulation*	X Accumulation*
Opening units	n/a	n/a
Units created	26,450	15,876,284
Units cancelled	—	(9,608)
Units converted	—	—
Closing units	26,450	15,866,676

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.

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

16. Post balance sheet events

At the signing date there were no significant post balance sheet events.

Distribution tables

For the period ended 31 March 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 2 November 2020

Group 2: units purchased between 2 November 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021
I Accumulation *			
Group 1	0.5839	—	0.5839
Group 2	0.3161	0.2678	0.5839
X Accumulation*			
Group 1	0.2911	—	0.2911
Group 2	0.1364	0.1547	0.2911

Equalisation

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

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

Close Diversified Income Portfolio Fund

For the year ended 31 March 2021

Fund objective and policy

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

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

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

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

The Diversified Income Fund may also invest in money market instruments and deposits, cash and near cash.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed-ended funds and exchange-traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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

The Diversified Income Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

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

Fund Report

Market commentary

The Diversified Income Portfolio Fund X Acc units rose 14.7% in the 12 months to March 2021.

This was an unusually high return for Diversified Income given that the 10-year average return is 5%, but of course the past year has been anything but usual.

The sharp sell-off in March 2020 was followed by a sustained recovery in markets, helped by government support, central bank support and latterly the hopes for a successful vaccine leading to an end of lockdowns.

Valuations continued to recover with BBB spreads for instance back down to 138bps from 193bps at the half year stage and 311bps at March 2020.

Though some of the holdings were hurt by the economic impact of Covid-19, performance in the year did benefit from the actions taken in the virus-induced sell off. 7.5% of the Diversified Income Fund was switched out of Gilts and cash and reinvested into more attractive bond and equity ideas that the panic threw up. In the second half of the year, despite a recovery in valuations further attractive risk adjusted investments have been made, largely funded out of some low yielding fixed income positions. These new ideas have included:

- Unilever - which fell back to the share price levels of the March panic.
- Lancashire Holdings 2041 – an unfamiliar name to the fixed income community, but not to us as we own the equity. It came with an attractive yield of 5.625% - extremely high for an investment grade rated bond.
- Paragon 2031 – Paragon tendered for their 2026 bond at a yield of 1.25% and we replaced it with their new 2031 bond at a yield of 4.375%.
- Burford 2028 – Burford received a ratings upgrade from Moody's and then issued its first ever institutional bond, coming with a yield of 6.25%.
- Supermarket Income REIT – this specialist REIT has inflation-linked returns from a portfolio of supermarkets.

The number of companies returning to dividend paying ways continued to increase in H2 and in the end had little impact on the yield paid out by Diversified Income. The bigger impact will come from the double digit cash balance we are currently sitting on after reducing fixed income to the lowest level in the Diversified Income Fund's history and generally higher valuations across asset classes. Reducing fixed income has proved to be the correct decision on a short-term basis as the beginning of 2021 has experienced a bond market sell-off (The IA UK Gilt sector is -7.4% and the IA £ Corporate Bond sector is -3.3% in Q1 2021).

Given the strongly rising NAV Diversified Income's yield (based on end of month prices) fell from 5.3% in March 2020 to 4% in September, and then to 3.8% as at March 2021. The Diversified Income 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.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Diversified Income Fund X Accumulation	14.7%	(5.7)%	5.3%	(1.4)%	10.7%
IA Mixed Investments 20-60% Sector	19.8%	(7.2)%	2.9%	0.8%	12.9%

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

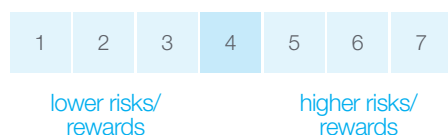
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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.

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 0.34% (31/3/2020 - 0.03%).

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

Comparative tables

For the year ended A Income	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	100.33	111.51	110.74
Return before operating charge	15.91	(5.13)	6.73
Operating charges	(1.81)	(1.53)	(1.49)
Return after operating charges	14.10	(6.66)	5.24
Distributions	(4.24)	(4.52)	(4.47)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	110.19	100.33	111.51
After direct transaction costs of*	(0.03)	(0.03)	(0.02)
Performance			
Return after charges	14.05%	(5.97)%	4.73%
Other information			
Closing net asset value £'000	419	549	949
Closing number of units	380,656	547,095	850,811
Operating charges	1.66%	1.35%	1.32%
Direct transaction costs*	0.03%	0.03%	0.02%
Prices**			
Highest unit price	112.60	116.10	114.90
Lowest unit price	99.92	96.64	109.30

For the year ended A Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	136.99	146.18	139.50
Return before operating charge	21.91	(7.16)	8.58
Operating charges	(2.52)	(2.03)	(1.90)
Return after operating charges	19.39	(9.19)	6.68
Distributions	(5.88)	(6.01)	(5.72)
Retained distributions on accumulation units	5.88	6.01	5.72
Closing net asset value per unit**	156.38	136.99	146.18
After direct transaction costs of*	(0.04)	(0.04)	(0.03)
Performance			
Return after charges	14.15%	(6.29)%	4.79%
Other information			
Closing net asset value £'000	13,818	15,465	25,696
Closing number of units	8,836,188	11,289,505	17,578,470
Operating charges	1.66%	1.35%	1.32%
Direct transaction costs*	0.03%	0.03%	0.02%
Prices**			
Highest unit price	157.70	156.90	146.90
Lowest unit price	136.40	130.60	139.70

*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.

**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.

Comparative tables

continued

For the year ended Y Accumulation***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	179.78	171.02
Return before operating charge	n/a	(8.99)	10.39
Operating charges	n/a	(1.76)	(1.63)
Return after operating charges	n/a	(10.75)	8.76
Distributions	n/a	(7.41)	(7.02)
Retained distributions on accumulation units	n/a	7.41	7.02
Closing net asset value per unit**	n/a	169.03	179.78
After direct transaction costs of*	n/a	(0.05)	(0.03)
Performance			
Return after charges	n/a	(5.98)%	5.12%
Other information			
Closing net asset value £'000	n/a	186	200
Closing number of units	n/a	110,109	111,237
Operating charges	n/a	0.95%	0.92%
Direct transaction costs*	n/a	0.03%	0.02%
Prices**			
Highest unit price	n/a	193.60	180.70
Lowest unit price	n/a	161.10	171.20

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

*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.

**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.

***Y Accumulation unit class closed 1 September 2020.

Comparative tables

continued

For the year ended X Income	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	121.10	133.95	132.38
Return before operating charge	19.07	(6.39)	7.90
Operating charges	(1.40)	(1.02)	(0.97)
Return after operating charges	17.67	(7.41)	6.93
Distributions	(5.13)	(5.44)	(5.36)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	133.64	121.10	133.95
After direct transaction costs of*	(0.03)	(0.04)	(0.03)
Performance			
Return after charges	14.59%	(5.53)%	5.23%
Other information			
Closing net asset value £'000	101,908	97,796	108,441
Closing number of units	76,253,070	80,758,237	80,956,904
Operating charges	1.06%	0.75%	0.72%
Direct transaction costs*	0.03%	0.03%	0.02%
Prices**			
Highest unit price	136.50	140.10	137.60
Lowest unit price	120.60	116.60	131.20

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	159.22	169.07	160.56
Return before operating charge	25.29	(8.56)	9.69
Operating charges	(1.85)	(1.29)	(1.18)
Return after operating charges	23.44	(9.85)	8.51
Distributions	(6.85)	(6.97)	(6.60)
Retained distributions on accumulation units	6.85	6.97	6.60
Closing net asset value per unit**	182.66	159.22	169.07
After direct transaction costs of*	(0.05)	(0.05)	(0.03)
Performance			
Return after charges	14.72%	(5.83)%	5.30%
Other information			
Closing net asset value £'000	447,730	465,896	535,658
Closing number of units	245,119,021	292,606,171	316,821,273
Operating charges	1.05%	0.74%	0.71%
Direct transaction costs*	0.03%	0.03%	0.02%
Prices**			
Highest unit price	184.00	182.30	169.90
Lowest unit price	158.50	151.80	160.80

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 32.69% (31/3/2020 - 45.31%)			
Sterling Denominated Fixed Rate Corporate Bonds - 22.90% (31/3/2020 - 33.02%)			
£273,250	Aberdeen 2.25% Bonds 31/5/2025	270	0.05
£5,642,700	Burford Capital 5% 01/12/2026	5,529	0.98
£2,391,500	Burford Capital 6.125% 26/10/2024	2,394	0.42
£500,000	Co-Operative 11% 18/12/2025	620	0.11
£500,000	Co-Operative 5.125% 17/5/2024	536	0.09
£500,000	Co-Operative 7.5% 08/7/2026	604	0.11
£16,400,000	Hiscox 6.125% 24/11/2045	19,066	3.37
£2,400,000	J Sainsbury 2.875% Perpetual	2,451	0.43
£530,000	Jupiter Fund Management 8.875% Bonds 27/7/2030	609	0.11
£800,000	Just Group 8.125% 26/10/2029	999	0.18
£4,600,000	Just Group 9% 26/10/2026	5,985	1.06
£20,280,000	Lancashire 5.625% Bonds 18/9/2041	14,736	2.61
£2,599,600	National Grid 1.25% 06/10/2021	3,311	0.59
£14,680,000	Paragon Banking 4.375% Bonds 25/9/2031	14,961	2.65
£1,099,800	Paragon Banking 6% 28/8/2024	1,192	0.21
£3,031,500	Paragon Banking 6.125% 30/1/2022	3,101	0.55
£2,146,000	Pension Insurance 4.625% 07/5/2031	2,389	0.42
£2,005,000	Pension Insurance 6.5% 03/7/2024	2,304	0.41
£800,000	Pension Insurance 7.375% Perpetual Bonds	952	0.17
£4,583,000	Pension Insurance 8% 23/11/2026	5,912	1.05
£5,354,000	PGH Capital 6.625% 18/12/2025	6,408	1.13
£2,963,000	Phoenix 5.625% 28/4/2031	3,495	0.62
£1,000,000	Phoenix 5.75% Perpetual	1,051	0.19
£1,700,000	Reassure 5.867% 13/6/2029	2,021	0.36
£1,100,000	Rothsay Life 5.5% 17/9/2029	1,218	0.21
£800,000	Rothsay Life 6.875% Perpetual Bonds	910	0.16
£1,700,000	Shawbrook 9% 10/10/2030	1,715	0.30
£1,550,000	Society of Lloyd's 4.875% 07/2/2047	1,763	0.31
£11,774,000	TP ICAP 5.25% 26/1/2024	12,886	2.28
£750,000	TP ICAP 5.25% 29/5/2026	849	0.15
£2,500,000	Travis Perkins 3.75% Bonds 17/2/2026	2,632	0.47
£6,100,000	Travis Perkins 4.5% 07/9/2023	6,503	1.15
		129,372	22.90
Sterling Denominated Floating Rate Corporate Bonds - 3.28% (31/3/2020 - 4.58%)			
£2,400,000	Nationwide Building Society 5.875% FRN Perpetual	2,625	0.47
£10,032,000	NGG Finance 5.625% 18/6/2073	11,266	1.99
£3,748,800	Severn Trent 1.3% 11/7/2022	4,640	0.82
		18,531	3.28

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Euro Denominated Fixed Rate Corporate Bonds - 0.00% (31/3/2020 - 0.12%)			
United States Dollar Denominated Fixed Rate Corporate Bonds - 6.51% (31/3/2020 - 6.56%)			
\$3,000,000	Beazley 5.875% Bonds 04/11/2026	2,395	0.42
\$11,041,000	Beazley Insurance DAC 5.5% 10/9/2029	8,763	1.55
\$8,480,000	Burford Capital Finance 6.125% 12/8/2025	6,300	1.12
\$3,732,000	Burford Capital Finance 6.25% 15/4/2028	2,773	0.49
\$6,050,000	Marks & Spencer 7.125% 01/12/2037 144A	5,026	0.89
\$10,920,000	Trafigura 6.875% Perpetual	7,939	1.41
\$4,800,000	Trafigura Funding 5.25% 19/3/2023	3,575	0.63
		36,771	6.51
United States Dollar Denominated Floating Rate Corporate Bonds - 0.00% (31/3/2020 - 1.03%)			
EQUITIES - 33.14% (31/3/2020 - 28.24%)			
UNITED KINGDOM - 18.44% (31/3/2020 - 15.34%)			
2,060,088	AEW UK REIT	1,714	0.30
66,121	British American Tobacco	1,834	0.32
72,600	Bunzl	1,687	0.30
537,709	Clinigen	4,167	0.74
67,935	CVS*	1,271	0.22
2,000	db x-trackers FTSE 100 Short Daily UCITS ETF	7	-
276,330	Diploma	7,041	1.25
3,555,879	Ediston Property Investment	2,432	0.43
3,287,000	GCP Student Living	5,095	0.90
2,159,750	Ground Rents Income	1,490	0.26
175,193	Imperial Brands	2,614	0.46
599,971	Lancashire	3,864	0.68
1,355,563	Mears	2,582	0.46
517,000	Moneysupermarket.com	1,378	0.24
725,000	Pacific Industrial & Logistics REIT	1,066	0.19
1,645,000	Phoenix	12,074	2.14
1,857,023	Real Estate Credit Investments	16,244	2.88
12,564,000	Residential Secure Income	11,609	2.06
5,631,919	Schroder European Real Estate Investment	5,395	0.96
86,794	Schroders	2,161	0.38
2,030,000	Supermarket Income REIT	2,192	0.39
7,637,423	Tritax EuroBox	7,643	1.35
165,400	Unilever	6,709	1.19
1,549,443	Warehouse REIT	1,929	0.34
		104,198	18.44

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	EUROPE - 8.63% (31/3/2020 - 7.52%)		
91,900	Germany - 1.01% (31/3/2020 - 0.47%) Brenntag	5,698	1.01
	Guernsey - 3.58% (31/3/2020 - 2.75%)		
360,000	Cordiant Digital Infrastructure non-voting shares	7	—
2,880,000	Cordiant Digital Infrastructure voting shares	2,840	0.50
20,545,270	Starwood Capital	17,381	3.08
		20,228	3.58
	Ireland - 0.68% (31/3/2020 - 0.95%)		
673,251	Greencoat Renewables	660	0.12
1,747,500	Hibernia REIT	1,640	0.29
198,751	UDG Healthcare	1,561	0.27
		3,861	0.68
	Luxembourg - 0.01% (31/3/2020 - 0.01%)		
3,800	db x-trackers Euro Stoxx 50 Short Daily UCITS ETF	31	0.01
	Switzerland - 3.35% (31/3/2020 - 3.34%)		
398,000	IWG	1,355	0.24
111,897	Nestlé	9,076	1.60
36,224	Roche Holding	8,521	1.51
		18,952	3.35
	AUSTRALIA - 0.49% (31/3/2020 - 0.28%)		
131,559	BHP	2,755	0.49
	ASIA PACIFIC (ex JAPAN) - 0.22% (31/3/2020 - 0.69%)		
2,316,173	Schroder Asian Income Maximiser Fund	1,250	0.22
	JAPAN - 0.00% (31/3/2020 - 1.05%)		
	NORTH AMERICA - 5.36% (31/3/2020 - 3.36%)		
	Canada - 0.84% (31/3/2020 - 0.29%)		
329,937	Barrick Gold	4,743	0.84

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States - 4.52% (31/3/2020 - 3.07%)			
554,773	Burford Capital	3,481	0.62
4,000	db x-trackers S&P 500 Inverse Daily UCITS ETF	26	—
6,970	Mastercard 'A'	1,801	0.32
174,681	Philip Morris International	11,242	1.99
7,030,000	Schroder US Equity Income Maximiser Fund	4,287	0.76
30,450	Visa	4,684	0.83
		25,521	4.52
ALTERNATIVE - 23.38% (31/3/2020 - 19.92%)			
361,490	3i Infrastructure	1,070	0.19
3,996,680	BBGI	6,882	1.22
835,425	Foresight Solar Fund	848	0.15
19,485,795	GCP Asset Backed Income Fund	17,849	3.16
7,535,199	GCP Infrastructure Investments Fund	7,701	1.36
13,185,014	Greencoat UK Wind	16,956	3.00
9,323,542	HICL Infrastructure	15,365	2.72
1,679,800	Honeycomb Investment Trust	15,790	2.79
10,482,000	ICG-Longbow Secured UK Property Debt Investments	9,172	1.62
11,819,679	International Public Partnership	19,810	3.51
36,750	Invesco Physical Gold ETC	4,398	0.78
86,900	iShares Physical Gold ETC	2,096	0.37
1,071,265	NextEnergy Solar Fund	1,067	0.19
50,000	Royal Mint Physical Gold ETC	617	0.11
83,892	WisdomTree Physical Gold ETC	9,824	1.74
160,300	WisdomTree Physical Silver ETC	2,636	0.47
		132,081	23.38
DERIVATIVES** - (0.04)% (31/3/2020 - (0.31)%)			
Open Forward Currency Contracts - (0.04)% (31/3/2020 (0.31)%)			
£6,316,331	Bought GBP 6,316,331 : Sold EUR 7,377,322	31	0.01
£749,595	Bought GBP 749,595 : Sold EUR 875,958	3	—
£35,319,867	Bought GBP 35,319,867 : Sold USD 49,070,395	(245)	(0.05)
		(211)	(0.04)
Portfolio of investments		503,781	89.17
Net other assets		61,155	10.83
Total net assets		564,936	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*Securities are listed on the Alternative Investments Market.

**The costs associated with derivatives for the year were £18,528.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		60,785		(57,871)
Revenue	3	25,785		30,268	
Expenses	4	(4,202)		(4,930)	
Interest payable and similar charges	6	(1)		(1)	
Net revenue before taxation for the year		21,582		25,337	
Taxation	5	(2,276)		(2,392)	
Net revenue after taxation for the year			19,306		22,945
Total return before distributions			80,091		(34,926)
Distributions	7		(22,668)		(26,889)
Change in net assets attributable to unitholders from investment activities			57,423		(61,815)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		581,513		670,944
Amounts received on creation of units	19,028		37,678	
Amounts paid on cancellation of units	(111,114)		(87,465)	
		(92,086)		(49,787)
Dilution adjustment		32		17
Change in net assets attributable to unitholders from investment activities		57,423		(61,815)
Retained distribution on accumulation units		18,053		22,154
Unclaimed distributions		1		—
Closing net assets attributable to unitholders		564,936		581,513

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			504,026		543,534
Current assets					
Debtors	8	4,522		6,472	
Cash and bank balances	9	61,692		39,142	
Total other assets			66,214		45,614
Total assets			570,240		589,148
LIABILITIES					
Investment liabilities					
			(245)		(1,784)
Creditors					
Distribution payable		(927)		(1,021)	
Other creditors	10	(4,132)		(4,830)	
Total other liabilities			(5,059)		(5,851)
Total liabilities			(5,304)		(7,635)
Net assets attributable to unitholders			564,936		581,513

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	861	(716)
Gains/(losses) on forward currency contracts	2,956	(1,290)
Gains/(losses) on non-derivative securities	56,968	(55,865)
Net capital gains/(losses)	60,785	(57,871)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest from overseas fixed interest securities	3,954	3,682
Interest from UK fixed interest securities	7,618	9,642
Overseas dividends	7,907	8,790
Overseas REIT dividends	81	61
Rebate of fees from holdings in third party collective investment schemes	9	70
UK dividends	2,398	4,512
UK franked dividends from collective investment schemes	1,256	1,014
UK REIT dividends	918	1,124
UK unfranked dividends from collective investment schemes	1,644	1,373
Total revenue	25,785	30,268

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	4,202	4,930
Total expenses	4,202	4,930

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	2,051	2,192
Overseas tax	225	200
Total taxation	2,276	2,392

b) Factors affecting taxation charge for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	21,582	25,337
Corporation tax at 20% (31/3/2020 - 20%)	4,316	5,067
Effects of:		
Overseas tax	225	200
Revenue not subject to tax	(2,265)	(2,875)
Total taxation (see note 5(a))	2,276	2,392

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	1	1
	1	1

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
1st Interim distribution	5,846	6,788
2nd Interim distribution	5,980	7,277
3rd Interim distribution	5,287	6,667
Final distribution	5,027	5,889
	22,140	26,621

Add: Revenue deducted on cancellation of units	643	450
Less: Revenue received on creation of units	(115)	(182)
Net distribution for the year	22,668	26,889

Reconciliation of distributions:

Net revenue after taxation	19,306	22,945
Capitalised fees	4,202	4,930
Tax relief on capitalised fees	(840)	(986)
Net distribution for the year	22,668	26,889

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	3,239	5,747
Overseas tax recoverable	108	245
Receivable for creation of units	988	297
Sales awaiting settlement	187	183
Total debtors	4,522	6,472

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	61,692	39,142

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	349	377
Corporation tax payable	7	19
Payable for cancellation of units	1,080	1,983
Purchases awaiting settlement	2,696	2,451
Total other creditors	4,132	4,830

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Diversified Incomes Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	—	1,664	1,664
Euro	49	6,920	6,969
Norwegian Krone	—	47	47
Swiss Franc	—	18,637	18,637
US Dollar	64	29,054	29,118
Total	113	56,322	56,435

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	32,619	230,895	280,020	543,534
Investment liabilities	—	—	(1,784)	(1,784)

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
31/3/2021		
Level 1: Quoted prices	319,318	—
Level 2: Observable market data	184,708	(245)
Level 3: Unobservable data	—	—
	504,026	(245)
31/3/2020		
Level 1: Quoted prices	275,218	—
Level 2: Observable market data	268,316	(1,784)
Level 3: Unobservable data	—	—
	543,534	(1,784)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	7.08	16.84
Below Investment Grade	8.91	7.70
Not Rated	16.70	20.77
	32.69	45.31

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	39,889	16	0.04	106	0.27
Debt instruments (direct)	71,669	—	—	2	—
Collective investment schemes	24,225	1	—	—	—
Total	135,783	17		108	
Total purchases including commission and taxes	135,908				
Sales					
Equity instruments (direct)	27,535	15	0.05	—	—
Debt instruments (direct)	172,109	—	—	—	—
Collective investment schemes	31,979	12	0.04	—	—
Total	231,623	27		—	
Total sales net of commissions and taxes	231,596				
Total transaction costs		44		108	
Total transaction costs as a % of average net assets		0.01%		0.02%	

Year to 31 March 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	33,429	8	0.02	26	0.08
Debt instruments (direct)	146,285	—	—	—	—
Collective investment schemes	45,457	15	0.03	57	0.13
Total	225,171	23		83	
Total purchases including commission and taxes	225,277				
Sales					
Equity instruments (direct)	33,179	25	0.08	—	—
Debt instruments (direct)	174,411	—	—	—	—
Collective investment schemes	62,775	53	0.08	—	—
Total	270,365	78		—	
Total sales net of commissions and taxes	270,287				
Total transaction costs		101		83	
Total transaction costs as a % of average net assets		0.02%		0.01%	

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

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

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

Notes to the Financial statements

continued

13. Portfolio transaction costs (continued)

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

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

At the balance sheet date the average portfolio dealing spread was 0.70% (31/3/2020 - 1.00%).

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 281.

The balance due from the Diversified Income Fund at the year end in respect of fees paid to the Manager was £348,720 (31/3/2020 - £377,364).

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

	Unit holding %	Related party name
Diversified Income Fund	62.52	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021	A Income	A Accumulation	Y Accumulation*	I Income	X Income	X Accumulation
Opening units	547,095	11,289,505	110,109	1,811,360	80,758,237	292,606,171
Units created	44,277	126,150	—	554,714	3,507,171	7,829,237
Units cancelled	(210,716)	(2,579,467)	(1,090)	(1,421,860)	(6,245,419)	(56,692,805)
Units converted	—	—	(109,019)	125,006	(1,766,919)	1,376,418
Closing units	380,656	8,836,188	—	1,069,220	76,253,070	245,119,021

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.

*Y Accumulation unit class closed 1 September 2020.

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2021

Group 2: units purchased between 1 January 2021 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/5/2021	Distribution Paid per Unit on 31/5/2020
A Income				
Group 1	0.9884	—	0.9884	1.0252
Group 2	0.2765	0.7119	0.9884	1.0252
A Accumulation				
Group 1	1.3901	—	1.3901	1.3855
Group 2	0.6914	0.6987	1.3901	1.3855
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.7089
Group 2	n/a	n/a	n/a	1.7089
I Income				
Group 1	0.8892	—	0.8892	0.9132
Group 2	0.2586	0.6306	0.8892	0.9132
X Income				
Group 1	1.1982	—	1.1982	1.2368
Group 2	0.5860	0.6122	1.1982	1.2368
X Accumulation				
Group 1	1.6228	—	1.6228	1.6095
Group 2	0.6894	0.9334	1.6228	1.6095

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 December 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 29/2/2021	Distribution Paid per Unit on 28/2/2020
A Income				
Group 1	1.0228	—	1.0228	1.1344
Group 2	0.2759	0.7469	1.0228	1.1344
A Accumulation				
Group 1	1.4253	—	1.4253	1.5182
Group 2	0.6012	0.8241	1.4253	1.5182
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.8710
Group 2	n/a	n/a	n/a	1.8710
I Income				
Group 1	0.9179	—	0.9179	1.0011
Group 2	0.6463	0.2716	0.9179	1.0011
X Income				
Group 1	1.2383	—	1.2383	1.3668
Group 2	0.6369	0.6014	1.2383	1.3668
X Accumulation				
Group 1	1.6617	—	1.6617	1.7614
Group 2	0.7232	0.9385	1.6617	1.7614

*Y Accumulation unit class closed 1 September 2020.

Distribution tables

continued

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2020

Group 2: units purchased between 1 July 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Income				
Group 1	1.1527	—	1.1527	1.2231
Group 2	0.8242	0.3285	1.1527	1.2231
A Accumulation				
Group 1	1.5896	—	1.5896	1.6193
Group 2	0.6091	0.9805	1.5896	1.6193
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.9939
Group 2	n/a	n/a	n/a	1.9939
I Income				
Group 1	1.0316	—	1.0316	0.8590
Group 2	0.5133	0.5183	1.0316	0.8590
X Income				
Group 1	1.3937	—	1.3937	1.4717
Group 2	0.6206	0.7731	1.3937	1.4717
X Accumulation				
Group 1	1.8510	—	1.8510	1.8762
Group 2	1.0127	0.8383	1.8510	1.8762

*Y Accumulation unit class closed 1 September 2020.

Distribution tables

continued

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 June 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2020	Distribution Paid per Unit on 31/8/2019
A Income				
Group 1	1.0803	—	1.0803	1.1363
Group 2	0.2923	0.7880	1.0803	1.1363
A Accumulation				
Group 1	1.4747	—	1.4747	1.4894
Group 2	0.4348	1.0399	1.4747	1.4894
Y Accumulation				
Group 1	1.8203	—	1.8203	1.8324
Group 2	1.8203	0.0000	1.8203	1.8324
I Income*				
Group 1	0.9644	—	0.9644	n/a
Group 2	0.3414	0.6230	0.9644	n/a
X Income				
Group 1	1.3045	—	1.3045	1.3656
Group 2	0.4163	0.8882	1.3045	1.3656
X Accumulation				
Group 1	1.7151	—	1.7151	1.7236
Group 2	0.6338	1.0813	1.7151	1.7236

*I Income unit class launched 15 July 2019.

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 2021

Fund objective and policy

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

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

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

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

The Conservative Fund may also invest in money market instruments and deposits, cash and near cash.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed-ended funds and exchange-traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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

The Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

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

Fund Report

Market commentary

Fund performance

At the end of March 2020, global markets rebounded strongly following unprecedented central bank and government stimulus schemes to support the economy during the pandemic. Despite COVID-19 case spikes and continued mobility restrictions, in Q4 2020 positive vaccine readouts drove a risk on rally which continued into Q1, with commodity prices increasing and value and cyclical stocks outperforming. The prospect of a strong economic recovery led to increasing concern of inflationary pressure, driving bond yields higher. In this market, the Conservative Fund's top equity contributors to performance were UK miner Anglo American, US technology company Adobe and Swiss private equity firm Partners Group. Sterling broadly rallied against major currencies through the period as economic data improved, Brexit concluded and a successful UK vaccine rollout increased optimism. The Conservative Fund maintains a 50% hedging ratio on non-sterling investments with this contributing approximately 1.3% to performance.

In Equities, the Conservative Fund reduced exposure to companies structurally challenged by the economic environment. It divested a number of the 'Special Situations' basket where stock specific events had played out as well as LVMH which had reached its target price following strong performance. New positions were introduced in eBay, a cash generative business benefiting from increased online spending; Hoya, a global technology and medical devices company; Icon, a global Contract Research Organisation (CRO) supporting clinical development and added cyclical with Applied Materials which provides engineering solutions to semiconductor and advanced display industries. As real yields increased in 2021, the Conservative Fund reduced its exposure to gold, selling Canadian gold miner Kirkland Lake Gold and WisdomTree Gold ETC in Alternatives. The Conservative Fund purchased a new position in WisdomTree Copper ETC, a pure industrial metal benefiting from the improving macro backdrop and robust market fundamentals.

The net impact of the trading activity within the portfolio was an increase in the Equity weighting from 46% to 47%, and an increase in the Alternatives weighting from 4% to 6%. In Fixed Income duration remained short at 2.1 years, and the overall Fixed Income weighting decreased from 44% to 36%.

Outlook

Looking ahead, we believe that shares can outperform bonds with central banks remaining accommodative. There is some uncertainty relating to COVID-19 while cases globally remain high, however the economy is forecasted to rebound strongly. A withdrawal of the monetary and fiscal stimulus schemes supporting global markets presents a risk that may cause volatility, if not managed carefully. We remain focused on our positioning, favouring high quality companies that will benefit in the post-COVID-19 world.

Fund Report

continued

Fund Performance

Performance for the Conservative Fund over the last five years.

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Conservative Fund X Accumulation	15.8%	(3.5)%	4.3%	2.3%	9.3%
IA Mixed Investments 20-60% sector	19.9%	(7.2)%	2.9%	0.8%	12.9%

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

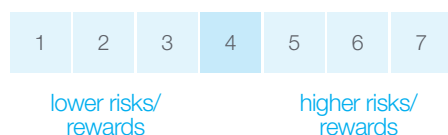
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Conservative Fund carries the following risks:

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

Currency risk: The Conservative Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Conservative Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

Derivatives risk: The Conservative Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

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

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

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Conservative Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.04% (31/3/2020 - 0.03%).

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

Comparative tables

For the year ended A Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	130.97	137.83	133.68
Return before operating charge	21.88	(4.18)	7.35
Operating charges	(2.33)	(2.29)	(2.19)
Return after operating charges	19.55	(6.47)	5.16
Distributions	(0.35)	(0.39)	(1.01)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	150.17	130.97	137.83
After direct transaction costs of*	(0.02)	(0.09)	(0.08)
Performance			
Return after charges	14.93%	(4.69)%	3.86%
Other information			
Closing net asset value £'000	407	389	505
Closing number of units	271,133	297,092	366,361
Operating charges	1.61%	1.60%	1.61%
Direct transaction costs*	0.02%	0.06%	0.06%
Prices**			
Highest unit price	152.80	149.60	139.70
Lowest unit price	128.70	124.80	131.10

For the year ended A Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	143.87	151.00	145.38
Return before operating charge	24.04	(4.62)	8.01
Operating charges	(2.56)	(2.51)	(2.39)
Return after operating charges	21.48	(7.13)	5.62
Distributions	(0.38)	(0.43)	(1.10)
Retained distributions on accumulation units	0.38	0.43	1.10
Closing net asset value per unit**	165.35	143.87	151.00
After direct transaction costs of*	(0.03)	(0.10)	(0.09)
Performance			
Return after charges	14.93%	(4.72)%	3.87%
Other information			
Closing net asset value £'000	15,733	14,104	16,439
Closing number of units	9,514,646	9,803,746	10,886,627
Operating charges	1.61%	1.60%	1.61%
Direct transaction costs*	0.02%	0.06%	0.06%
Prices**			
Highest unit price	168.20	164.30	152.00
Lowest unit price	141.40	137.10	143.40

*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.

**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.

Comparative tables

continued

For the year ended Y Income units***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	164.93	159.95
Return before operating charge	n/a	(5.03)	8.67
Operating charges	n/a	(1.95)	(1.88)
Return after operating charges	n/a	(6.98)	6.79
Distributions	n/a	(1.16)	(1.81)
Retained distributions on accumulation units	n/a	0.00	0.00
Closing net asset value per unit**	n/a	156.79	164.93
After direct transaction costs of*	n/a	(0.11)	(0.09)
Performance			
Return after charges	n/a	(4.23)%	4.25%
Other information			
Closing net asset value £'000	n/a	188	200
Closing number of units	n/a	119,761	121,475
Operating charges	n/a	1.14%	1.15%
Direct transaction costs*	n/a	0.06%	0.06%
Prices**			
Highest unit price	n/a	179.30	167.40
Lowest unit price	n/a	149.70	157.00

*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.

**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.

***Y Income unit class closed on 1 September 2020.

Comparative tables

continued

For the year ended X Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	146.64	154.26	149.60
Return before operating charge	24.52	(4.71)	8.05
Operating charges	(1.49)	(1.46)	(1.41)
Return after operating charges	23.03	(6.17)	6.64
Distributions	(1.44)	(1.45)	(1.98)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	168.23	146.64	154.26
After direct transaction costs of*	(0.03)	(0.10)	(0.09)
Performance			
Return after charges	15.45%	(4.00)%	4.44%
Other information			
Closing net asset value £'000	25,358	24,039	27,495
Closing number of units	15,073,715	16,392,890	17,823,457
Operating charges	0.92%	0.91%	0.92%
Direct transaction costs*	0.02%	0.06%	0.06%
Prices**			
Highest unit price	171.50	167.90	156.70
Lowest unit price	144.10	140.20	146.90

For the year ended X Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	163.95	170.84	163.54
Return before operating charge	27.47	(5.32)	8.79
Operating charges	(1.62)	(1.57)	(1.49)
Return after operating charges	25.85	(6.89)	7.30
Distributions	(1.67)	(1.67)	(2.21)
Retained distributions on accumulation units	1.67	1.67	2.21
Closing net asset value per unit**	189.80	163.95	170.84
After direct transaction costs of*	(0.03)	(0.11)	(0.10)
Performance			
Return after charges	15.77%	(4.03)%	4.46%
Other information			
Closing net asset value £'000	865,108	722,430	722,087
Closing number of units	455,812,029	440,635,620	422,671,287
Operating charges	0.89%	0.88%	0.89%
Direct transaction costs*	0.02%	0.06%	0.06%
Prices**			
Highest unit price	192.90	187.10	171.30
Lowest unit price	161.20	156.30	162.00

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 36.43% (31/3/2020 - 44.02%)			
Sterling Denominated Fixed Rate Corporate Bonds - 22.40% (31/3/2020 - 14.67%)			
£2,498,900	A2D Funding 4.75% 18/10/2022	2,624	0.29
£2,900,000	A2D Funding II 4.5% 30/9/2026	3,297	0.36
£7,000,000	Admiral 5.5% 25/7/2024	7,893	0.87
£7,000,000	Bank of Ireland 3.125% 19/9/2027	7,132	0.79
£19,650,000	British American Tobacco 1.75% 05/7/2021	19,688	2.17
£11,830,000	Bupa Finance 5% 25/4/2023	12,757	1.41
£4,300,000	Close Brothers 4.25% 24/1/2027*	4,405	0.49
£23,000,000	Coventry Building Society 1% 21/9/2025	22,817	2.52
£12,300,000	Daimler 1.5% 13/1/2022	12,386	1.37
£10,100,000	EDP Finance 8.625% 04/1/2024	12,194	1.34
£7,000,000	Hiscox 6.125% 24/11/2045	8,138	0.90
£4,900,000	Just 3.5% 07/2/2025	5,045	0.56
£7,000,000	Legal & General 5.375% 27/10/2045	8,027	0.88
£3,000,000	New York Life Global Funding 1% 15/12/2021	3,014	0.33
£7,000,000	Pension Insurance 6.5% 03/7/2024	8,044	0.89
£7,000,000	QBE Insurance 6.115% 24/5/2042	7,366	0.81
£8,000,000	Rothsay Life 3.375% 12/7/2026	8,430	0.93
£7,000,000	Scottish Widows 5.5% 16/6/2023	7,645	0.84
£7,000,000	Society of Lloyd's 4.75% 30/10/2024	7,755	0.85
£12,000,000	SSE 4.25% 14/9/2021	12,203	1.35
£4,115,000	Tesco 6.125% 24/2/2022	4,318	0.48
£9,200,000	Travis Perkins 4.5% 07/9/2023	9,807	1.08
£8,000,000	TSB Banking 5.75% 06/5/2026	8,031	0.89
		203,016	22.40
Sterling Denominated Fixed Rate Government Bonds - 11.39% (31/3/2020 - 19.62%)			
£18,500,000	Treasury 0.5% 22/7/2022	18,607	2.05
£14,300,000	Treasury 1.625% 22/10/2028	15,314	1.69
£12,349,201	Treasury 1.75% 07/9/2022	12,646	1.39
£12,629,728	Treasury 2.25% 07/9/2023	13,282	1.47
£12,200,000	Treasury 2.75% 07/9/2024	13,263	1.46
£11,500,000	Treasury 4% 07/3/2022	11,919	1.32
£18,000,000	Treasury 8% 07/6/2021	18,255	2.01
		103,286	11.39
Sterling Denominated Floating Rate Corporate Bonds - 2.64% (31/3/2020 - 9.73%)			
£4,000,000	Bank of Nova Scotia 0.45875% FRN 11/6/2021	4,002	0.44
£4,000,000	Commonwealth Bank of Australia 0.48138% FRN 12/7/2021	4,004	0.44
£2,441,000	Enel 6.625% FRN 15/9/2076	2,499	0.28
£13,430,000	Westpac Banking 0.26700% FRN 18/1/2023	13,441	1.48
		23,946	2.64

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 46.57% (31/3/2020 - 46.01%)			
UNITED KINGDOM - 7.93% (31/3/2020 - 10.15%)			
1,340,000	3i	15,457	1.70
526,826	Admiral	16,337	1.80
750,000	GlaxoSmithKline	9,659	1.07
230,000	London Stock Exchange	15,957	1.76
520,000	Schroders non-voting shares	12,948	1.43
200,000	Tate & Lyle	1,534	0.17
		71,892	7.93
Emerging Markets - 0.45% (31/3/2020 - 0.28%)			
500,000	Capital International Portfolios SICAV-Capital Emerging Markets Total	4,080	0.45
EUROPE - 9.19% (31/3/2020 - 11.05%)			
Austria - 0.00% (31/3/2020 - 0.08%)			
Belgium - 0.00% (31/3/2020 - 0.10%)			
France - 0.00% (31/3/2020 - 2.22%)			
Germany - 3.71% (31/3/2020 - 4.08%)			
114,279	Deutsche Boerse	13,785	1.52
95,000	LEG Immobilien	9,093	1.00
47,100	Uniper	1,243	0.14
200,000	Vonovia	9,497	1.05
		33,618	3.71
Italy - 0.18% (31/3/2020 - 0.53%)			
40,000	Moncler	1,665	0.18
Netherlands - 0.00% (31/3/2020 - 0.11%)			
Norway - 1.80% (31/3/2020 - 1.71%)			
800,000	Mowi	14,400	1.59
50,000	Yara International	1,886	0.21
		16,286	1.80
Spain - 0.00% (31/3/2020 - 0.20%)			
Sweden - 0.00% (31/3/2020 - 0.12%)			
Switzerland - 3.50% (31/3/2020 - 1.90%)			
18,956	Partners	17,613	1.94
1,250,000	UBS	14,088	1.56
		31,701	3.50

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
750,000	SOUTH AFRICA - 2.35% (31/3/2020 - 1.40%) Anglo American	21,319	2.35
280,000	AUSTRALIA - 1.71% (31/3/2020 - 0.68%) Rio Tinto (UK Regd.)	15,540	1.71
3,300,000	ASIA PACIFIC (ex Japan) - 1.87% (31/3/2020 - 1.45%) HSBC Index Tracker Investment Funds - Pacific Index Fund	16,916	1.87
470,000	JAPAN - 4.25% (31/3/2020 - 3.29%) Asahi Breweries	14,375	1.59
26,300	cocokara fine	1,465	0.16
130,000	Hoya	11,077	1.22
190,000	Secom	11,596	1.28
		38,513	4.25
	MIDDLE EAST - 1.19% (31/3/2020 - 1.42%)		
133,034	Israel - 1.19% (31/3/2020 - 1.42%) CheckPoint Software Technologies	10,789	1.19
	NORTH AMERICA - 17.63% (31/3/2020 - 16.29%)		
	Canada - 0.39% (31/3/2020 - 1.47%)		
37,000	Open Text	1,279	0.14
110,600	Pretium Resources	826	0.09
76,400	Shaw Communications 'B'	1,439	0.16
		3,544	0.39
	United States - 17.24% (31/3/2020 - 14.82%)		
17,683	Accenture	3,541	0.39
37,239	Adobe Systems	12,829	1.42
65,000	Air Products & Chemicals	13,258	1.46
12,399	Alphabet class 'A' shares	18,533	2.04
137,985	Amdocs	7,009	0.77
210,000	Applied Materials	20,335	2.24
250,000	Cerner	13,023	1.44
300,000	eBay	13,314	1.47
30,000	ICON	4,269	0.47
18,700	Ingredion	1,219	0.13
135,000	Microsoft	23,068	2.55
127,786	Visa	19,657	2.17
55,000	Zoetis	6,279	0.69
		156,334	17.24

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	ALTERNATIVE - 5.64% (31/3/2020 - 4.29%)		
16,094,921	ASI Global Absolute Return Strategies Fund	14,287	1.58
7,303	Aviva Investors - Multi-Strategy Target Income Fund	6	0.00
200,000	WistomTree Copper ETF	5,163	0.57
210,000	WisdomTree Physical Platinum ETC	16,854	1.86
900,000	WisdomTree Physical Silver ETC	14,800	1.63
		51,110	5.64
	DERIVATIVES* - (0.04)% (31/3/2020 - (0.56)%)		
	Forward Currency Contracts (0.04)% (31/3/2020 - (0.56)%)		
£919,018	Bought GBP 919,018 : Sold CAD 1,615,276	(13)	0.00
£236,989	Bought GBP 236,989 : Sold CAD 410,067	1	0.00
£8,253,580	Bought GBP 8,253,580 : Sold NOK 97,280,499	(6)	0.00
£15,011,223	Bought GBP 15,011,223 : Sold CHF 19,396,250	71	0.01
£19,573,308	Bought GBP 19,573,308 : Sold JPY 2,956,737,500	178	0.02
£17,240,054	Bought GBP 17,240,054 : Sold EUR 20,135,968	84	0.01
£93,817,355	Bought GBP 93,817,355 : Sold USD 130,341,792	(651)	(0.08)
		(336)	(0.04)
	Portfolio of investments	803,219	88.60
	Net other assets	103,387	11.40
	Total net assets	906,606	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £66,554.

*Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		113,068		(41,217)
Revenue	3	15,580		14,786	
Expenses	4	(7,368)		(7,020)	
Interest payable and similar charges	6	—		(1)	
Net revenue before taxation for the year		8,212		7,765	
Taxation	5	(504)		(338)	
Net revenue after taxation for the year			7,708		7,427
Total return before distributions			120,776		(33,790)
Distributions	7		(7,715)		(7,437)
Change in net assets attributable to unitholders from investment activities			113,061		(41,227)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		761,150		766,728
Amounts received on creation of units	57,366		68,923	
Amounts paid on cancellation of units	(32,497)		(40,525)	
		24,869		28,398
Dilution Levy		(9)		—
Change in net assets attributable to unitholders from investment activities		113,061		(41,227)
Retained distribution on accumulation units		7,535		7,251
Closing net assets attributable to unitholders		906,606		761,150

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			803,889		718,696
Current assets					
Debtors	8	16,917		5,480	
Cash and bank balances	9	87,282		46,354	
Total other assets			104,199		51,834
Total assets			908,088		770,530
LIABILITIES					
Investment liabilities					
			(670)		(5,038)
Creditors					
Bank overdrafts		(3)		(2)	
Distribution payable		(76)		(76)	
Other creditors	10	(733)		(4,264)	
Total other liabilities			(812)		(4,342)
Total liabilities			(1,482)		(9,380)
Net assets attributable to unitholders			906,606		761,150

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	3,152	(3,660)
Gains/(losses) on forward currency contracts	8,261	(1,449)
Gains/(losses) on non-derivative securities	101,655	(36,108)
Net capital gains/(losses)	113,068	(41,217)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest from overseas fixed interest securities	1,223	1,007
Interest from UK fixed interest securities	5,119	5,047
Overseas dividends	4,456	4,340
Rebate of fees from holdings in third party collective investment schemes	—	(15)
UK dividends	4,143	3,617
UK franked dividends from collective investment schemes	449	646
UK unfranked dividends from collective investment schemes	190	144
Total revenue	15,580	14,786

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	7,368	7,020
Total expenses	7,368	7,020

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	504	338
Total taxation	504	338

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	8,212	7,765
Corporation tax at 20% (31/3/2020 - 20%)	1,642	1,553
Effects of:		
Movement in unrecognised tax losses	167	168
Overseas tax	504	338
Revenue not subject to tax	(1,809)	(1,721)
Total taxation (see note 5(a))	504	338

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £334,973 (31/3/2020 - £167,696) due to tax losses of £1,674,865 (31/3/20 - £838,480).

It is considered unlikely that the Conservative Portfolio Fund will generate sufficient taxable profit in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	—	1
	—	1

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	4,971	5,039
Final distribution	2,792	2,462
	7,763	7,501

Add: Revenue deducted on cancellation of units	64	79
Less: Revenue received on creation of units	(112)	(143)
Net distribution for the year	7,715	7,437

Reconciliation of distributions:

Net revenue after taxation	7,708	7,427
Shortfall of income taken to capital	7	10
Net distribution for the year	7,715	7,437

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	6,029	4,312
Income tax recoverable	67	29
Overseas tax recoverable	447	389
Receivable for creation of units	3,083	750
Sales awaiting settlement	7,291	—
Total debtors	16,917	5,480

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	87,282	46,354

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	659	565
Payable for cancellation of units	74	3
Purchases awaiting settlement	—	3,696
Total other creditors	733	4,264

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Conservative Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	4	4,727	4,731
Euro	—	28,032	28,032
Japanese Yen	106	12,502	12,608
Norwegian Krone	—	6,652	6,652
Swedish Krona	17	511	528
Swiss Franc	—	7,152	7,152
US Dollar	6	71,211	71,217
Total	133	130,787	130,920

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	74,095	261,059	383,542	718,696
Investment liabilities	—	—	(5,038)	(5,038)

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
31/3/2021		
Level 1: Quoted prices	541,304	—
Level 2: Observable market data	262,585	(670)
Level 3: Unobservable data	—	—
	803,889	(670)
31/3/2020		
Level 1: Quoted prices	508,209	—
Level 2: Observable market data	210,487	(5,038)
Level 3: Unobservable data	—	—
	718,696	(5,038)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	30.66	38.80
Below Investment Grade	1.87	2.07
Not Rated	3.90	3.15
	36.43	44.02

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	77,547	39	0.05	49	0.06
Debt instruments (direct)	152,374	—	—	—	—
Collective investment schemes	17,305	2	0.01	—	—
Total	247,226	41		49	
Total purchases including commission and taxes	247,316				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	90,900	46	0.05	1	0.00
Debt instruments (direct)	157,883	—	—	—	—
Collective investment schemes	10,494	2	0.03	—	—
Total	259,277	48		1	
Total sales net of commissions and taxes	259,228				
Total transaction costs		89		50	
Total transaction costs as a % of average net assets		0.01%		0.01%	

Notes to the Financial statements

continued

13. Portfolio transaction costs (continued)

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	180,250	91	0.05	330	0.18
Debt instruments (direct)	129,886	—	—	—	—
Collective investment schemes	41,413	9	0.02	—	—
Total	351,549	100		330	
Total purchases including commission and taxes	351,979				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	116,061	58	0.05	1	0.00
Debt instruments (direct)	104,020	—	—	—	—
Collective investment schemes	82,239	14	0.02	—	—
Total	302,320	72		1	
Total sales net of commissions and taxes	302,247				

Total transaction costs	172	331
Total transaction costs as a % of average net assets	0.02%	0.04%

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% (31/3/2020 - 0.24%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Conservative Fund at the year end in respect of fees paid to the Manager was £659,072 (31/3/2020 - £565,001).

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

	Unit holding %	Related party name
Conservative Fund	82.45%	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021	A Income units	A Accumulation units	Y Income units*	X Income units	X Accumulation units
Opening units	297,092	9,803,746	119,761	16,392,890	440,635,620
Units created	34,839	607,371	—	834,518	30,477,465
Units cancelled	(60,798)	(896,471)	(3,517)	(1,507,503)	(15,988,519)
Units converted	—	—	(116,244)	(646,190)	687,463
Closing units	271,133	9,514,646	—	15,073,715	455,812,029

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.

*Y Income unit class closed on 1 September 2020.

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Income				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
A Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Y Income*				
Group 1	n/a	n/a	n/a	0.2949
Group 2	n/a	n/a	n/a	0.2949
X Income				
Group 1	0.5044	—	0.5044	0.4610
Group 2	0.4128	0.0916	0.5044	0.4610
X Accumulation				
Group 1	0.5958	—	0.5958	0.5414
Group 2	0.4169	0.1789	0.5958	0.5414

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Income				
Group 1	0.3462	—	0.3462	0.3920
Group 2	0.1386	0.2076	0.3462	0.3920
A Accumulation				
Group 1	0.3808	—	0.3808	0.4300
Group 2	0.1721	0.2087	0.3808	0.4300
Y Income*				
Group 1	n/a	n/a	n/a	0.8641
Group 2	n/a	n/a	n/a	0.8641
X Income				
Group 1	0.9349	—	0.9349	0.9922
Group 2	0.5630	0.3719	0.9349	0.9922
X Accumulation				
Group 1	1.0720	—	1.0720	1.1258
Group 2	0.5424	0.5296	1.0720	1.1258

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.

*Y Income unit class closed on 1 September 2020.

Close Balanced Portfolio Fund

For the year ended 31 March 2021

Fund objective and policy

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

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

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

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

The Balanced Fund may also invest in money market instruments and deposits, cash and near cash.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed-ended funds and exchange-traded funds), and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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

The Balanced Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

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

Fund Report

Market commentary

At the end of March 2020, global markets rebounded strongly following unprecedented central bank and government stimulus schemes to support the economy during the pandemic. Despite COVID-19 case spikes and continued mobility restrictions, in Q4 2020 positive vaccine readouts drove a risk on rally which continued into Q1, with commodity prices increasing and value and cyclical stocks outperforming. The prospect of a strong economic recovery led to increasing concern of inflationary pressure, driving bond yields higher. In this market, the Balanced Fund's top equity contributors to performance were UK miner Anglo American, US technology company Alphabet and Swiss private equity firm Partners Group. Sterling broadly rallied against major currencies through the period as economic data improved, Brexit concluded and a successful UK vaccine rollout increased optimism. The Balanced Fund maintains a 50% hedging ratio on non-sterling investments with this contributing approximately 1.9% to performance.

In Equities, the Balanced Fund reduced exposure to companies structurally challenged by the economic environment. It divested a number of the 'Special Situations' basket where stock specific events had played out as well as LVMH which had reached its target price following strong performance. New positions were introduced in eBay, a cash generative business benefiting from increased online spending; Hoya, a global technology and medical devices company; Icon, a global Contract Research Organisation (CRO) supporting clinical development and added cyclical with Applied Materials which provides engineering solutions to semiconductor and advanced display industries. As real yields increased in 2021, the Balanced Fund reduced its exposure to gold, selling Canadian gold miner Kirkland Lake Gold and WisdomTree Gold ETC in Alternatives. The Balanced Fund purchased a new position in WisdomTree Copper ETC, a pure industrial metal benefiting from the improving macro backdrop and robust market fundamentals.

The net impact of the trading activity within the portfolio was a decrease in the Equity weighting from 66% to 65%, and an increase in the Alternatives weighting from 5% to 7%. In Fixed Income duration remains short at 2.6 years, and the overall Fixed Income weighting decreased from 25% to 19%.

Looking ahead, we believe that shares can outperform bonds with central banks remaining accommodative. There is some uncertainty relating to COVID-19 while cases globally remain high, however the economy is forecasted to rebound strongly. A withdrawal of the monetary and fiscal stimulus schemes supporting global markets presents a risk that may cause volatility, if not managed carefully. We remain focused on our positioning, favouring high quality companies that will benefit in the post-COVID-19 world.

Fund Report

continued

Fund Performance

Performance for the Balanced Fund over the last five years.

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Balanced Fund X Accumulation	21.5%	(5.5)%	6.6%	2.9%	12.1%
IA Mixed Investments 40-85% Sector	26.4%	(8.0)%	4.3%	1.5%	17.1%

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

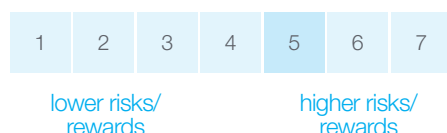
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The 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.

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.

Effective from 1 July 2020, the synthetic risk and reward indicator for the Balanced Fund changed from 4 to 5.

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 substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.06% (31/3/2020 - 0.06%).

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

Comparative tables

For the year ended A Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	161.80	174.05	164.30
Return before operating charge	36.32	(9.27)	12.54
Operating charges	(3.01)	(2.98)	(2.79)
Return after operating charges	33.31	(12.25)	9.75
Distributions	(0.58)	(0.72)	(1.13)
Retained distributions on accumulation units	0.58	0.72	1.13
Closing net asset value per unit**	195.11	161.80	174.05
After direct transaction costs of*	(0.04)	(0.15)	(0.12)
Performance			
Return after charges	20.59%	(7.04)%	5.93%
Other information			
Closing net asset value £'000	23,455	22,599	25,519
Closing number of units	12,021,130	13,966,950	14,661,678
Operating charges	1.63%	1.63%	1.64%
Direct transaction costs*	0.02%	0.08%	0.07%
Prices**			
Highest unit price	199.00	194.60	175.80
Lowest unit price	157.80	151.20	162.40

For the year ended Y Accumulation***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	209.42	196.61
Return before operating charge	n/a	(11.24)	15.20
Operating charges	n/a	(2.56)	(2.39)
Return after operating charges	n/a	(13.80)	12.81
Distributions	n/a	(1.83)	(2.46)
Retained distributions on accumulation units	n/a	1.83	2.46
Closing net asset value per unit**	n/a	195.62	209.42
After direct transaction costs of*	n/a	(0.18)	(0.15)
Performance			
Return after charges	n/a	(6.59)%	6.52%
Other information			
Closing net asset value £'000	n/a	12	13
Closing number of units	n/a	6,201	6,201
Operating charges	n/a	1.16%	1.17%
Direct transaction costs*	n/a	0.08%	0.07%
Prices**			
Highest unit price	n/a	235.10	211.10
Lowest unit price	n/a	182.70	195.10

*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.

**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.

***Y Accumulation unit class closed on 1 September 2020.

Comparative tables

continued

For the year ended I Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	154.21	163.61	152.38
Return before operating charge	34.64	(9.14)	11.48
Operating charges	(0.27)	(0.26)	(0.25)
Return after operating charges	34.37	(9.40)	11.23
Distributions	(2.94)	(3.02)	(2.05)
Retained distributions on accumulation units	2.94	3.02	2.05
Closing net asset value per unit**	188.58	154.21	163.61
After direct transaction costs of*	(0.04)	(0.14)	(0.12)
Performance			
Return after charges	22.29%	(5.75)%	7.37%
Other information			
Closing net asset value £'000	351	1	1
Closing number of units	186,026	640	640
Operating charges	0.15%	0.15%	0.16%
Direct transaction costs*	0.02%	0.08%	0.07%
Prices**			
Highest unit price	192.10	185.20	164.20
Lowest unit price	150.40	144.00	151.30

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	183.80	196.23	183.87
Return before operating charge	41.36	(10.59)	14.08
Operating charges	(1.88)	(1.84)	(1.72)
Return after operating charges	39.48	(12.43)	12.36
Distributions	(2.08)	(2.28)	(2.67)
Retained distributions on accumulation units	2.08	2.28	2.67
Closing net asset value per unit**	223.28	183.80	196.23
After direct transaction costs of*	(0.04)	(0.17)	(0.14)
Performance			
Return after charges	21.48%	(6.33)%	6.72%
Other information			
Closing net asset value £'000	1,381,477	1,128,716	1,161,639
Closing number of units	618,715,141	614,105,457	591,988,950
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs*	0.02%	0.08%	0.07%
Prices**			
Highest unit price	227.60	220.90	197.50
Lowest unit price	179.20	171.70	182.50

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 19.48% (31/3/2020 - 25.37%)			
Sterling Denominated Fixed Rate Corporate Bonds - 9.34% (31/3/2020 - 8.57%)			
£6,700,000	A2Dominion Housing 3.5% 15/11/2028	7,295	0.52
£7,000,000	Admiral 5.5% 25/7/2024	7,893	0.56
£8,500,000	British American Tobacco 1.75% 5/7/2021	8,516	0.61
£17,700,000	Bupa Finance 5% 25/4/2023	19,086	1.36
£7,000,000	Bupa Finance 5% 8/12/2026	8,098	0.58
£6,800,000	Close Brothers 4.25% 24/1/2027*	6,967	0.50
£3,000,000	Daily Mail & General Trust 6.375% 21/6/2027	3,431	0.24
£5,100,000	Just 3.5% 7/2/2025	5,251	0.37
£7,000,000	Pension Insurance 8% 23/11/2026	9,030	0.64
£11,800,000	PGH Capital 4.125% 20/7/2022	12,263	0.87
£7,000,000	PGH Capital 6.625% 18/12/2025	8,378	0.60
£7,000,000	Rothesay Life 3.375% 12/7/2026	7,376	0.52
£9,589,000	Tesco 6.125% 24/2/2022	10,062	0.72
£16,500,000	Travis Perkins 4.5% 7/9/2023	17,589	1.25
		131,235	9.34
Sterling Denominated Fixed Rate Government Bonds - 7.83% (31/3/2020 - 13.94%)			
£20,000,000	UK Treasury 1.625% 22/10/2028	21,419	1.52
£20,000,000	UK Treasury 1.75% 7/9/2022	20,481	1.46
£22,000,000	UK Treasury 2.25% 7/9/2023	23,136	1.64
£20,000,000	UK Treasury 2.75% 7/9/2024	21,743	1.55
£22,500,000	UK Treasury 4% 7/3/2022	23,321	1.66
		110,100	7.83
Sterling Denominated Floating Rate Corporate Bonds - 2.31% (31/3/2020 - 2.86%)			
£7,000,000	Bank of Nova Scotia 0.458752% FRN 11/6/2021	7,004	0.50
£7,000,000	Commonwealth Bank of Australia 0.481381% FRN 12/7/2021	7,007	0.50
£4,088,000	Enel SPA 6.625% FRN 15/9/2076	4,185	0.30
£14,200,000	Westpac Banking 0.266999% FRN 18/1/2023	14,212	1.01
		32,408	2.31
EQUITIES - 65.42% (31/3/2020 - 66.00%)			
UNITED KINGDOM - 15.52% (31/3/2020 - 17.76%)			
2,700,000	3i	31,144	2.22
1,128,983	Admiral	35,010	2.49
1,400,000	Anglo American	39,795	2.83
1,550,000	GlaxoSmithKline	19,961	1.42
490,000	London Stock Exchange	33,996	2.42
580,000	Rio Tinto (UK Regd.)	32,190	2.29

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM continued			
950,000	Schroders	23,655	1.68
300,000	Tate & Lyle	2,302	0.17
		218,053	15.52
EMERGING MARKETS - 2.03% (31/3/2020 - 1.82%)			
3,500,000	Capital International Portfolios SICAV-Capital Emerging Markets Total	28,560	2.03
EUROPE - 12.87% (31/3/2020 - 14.51%)			
Austria - 0.00% (31/3/2020 - 0.10%)			
Belgium - 0.00% (31/3/2020 - 0.29%)			
France - 0.00% (31/3/2020 - 2.93%)			
Germany - 4.57% (31/3/2020 - 5.18%)			
269,683	Deutsche Boerse	32,530	2.31
140,000	LEG Immobilien	13,400	0.95
99,000	Uniper	2,613	0.19
330,000	Vonovia	15,669	1.12
		64,212	4.57
Ireland - 1.01% (31/3/2020 - 0.00%)			
100,000	ICON	14,231	1.01
Italy - 0.27% (31/3/2020 - 0.48%)			
90,000	Moncler	3,747	0.27
Netherlands - 0.00% (31/3/2020 - 0.14%)			
Norway - 2.44% (31/3/2020 - 2.27%)			
1,650,000	Mowi	29,700	2.12
120,000	Yara International	4,526	0.32
		34,226	2.44
Spain - 0.00% (31/3/2020 - 0.31%)			
Sweden - 0.00% (31/3/2020 - 0.17%)			
Switzerland - 4.58% (31/3/2020 - 2.64%)			
37,800	Partners	35,122	2.50
2,600,000	UBS	29,304	2.08
		64,426	4.58

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
7,000,000	ASIA PACIFIC (ex JAPAN) - 2.55% (31/3/2020 - 2.04%) HSBC Index Tracker Investment Funds - Pacific Index Fund	35,882	2.55
940,000	JAPAN - 5.64% (31/3/2020 - 4.43%) Asahi Breweries	28,751	2.05
55,200	Cocokara Fine	3,074	0.22
270,000	Hoya	23,005	1.63
400,000	Secom	24,413	1.74
		79,243	5.64
	MIDDLE EAST - 1.55% (31/3/2020 - 1.89%)		
268,965	Israel - 1.55% (31/3/2020 - 1.89%) CheckPoint Software Technologies	21,812	1.55
	NORTH AMERICA - 25.26% (31/3/2020 - 23.55%)		
77,700	Canada - 0.53% (31/3/2020 - 1.98%) Open Text	2,685	0.19
232,400	Pretium Resources	1,736	0.12
160,500	Shaw Communications class 'B'	3,024	0.22
		7,445	0.53
191,600	United States - 24.73% (31/3/2020 - 21.57%) Accenture	38,364	2.73
75,000	Adobe Systems	25,838	1.84
135,000	Air Products & Chemicals	27,535	1.96
27,000	Alphabet 'A'	40,357	2.87
280,800	Amdocs	14,263	1.01
450,000	Applied Materials	43,575	3.10
520,000	Cerner	27,087	1.93
640,000	eBay	28,403	2.02
39,300	Ingredion	2,561	0.18
270,000	Microsoft	46,137	3.28
254,126	Visa	39,093	2.79
125,000	Zoetis	14,269	1.02
		347,482	24.73
31,800,000	ALTERNATIVE - 6.55% (31/3/2020 - 4.94%) ASI Global Absolute Return Strategies Fund	28,229	2.01
400,000	WistomTree Copper ETF	10,327	0.74
410,000	WisdomTree Physical Platinum ETC	32,905	2.34
1,250,000	WisdomTree Physical Silver ETC	20,555	1.46
		92,016	6.55

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
DERIVATIVES* - (0.06)% (31/3/2020 - (0.81)%)			
Forward Currency Contracts - (0.06)% (31/3/2020 - (0.81)%)			
£2,428,722	Bought GBP 2,428,722 : Sold CAD 4,255,159	(25)	0.00
£30,534,107	Bought GBP 30,534,107 : Sold CHF 39,453,625	144	0.01
£33,112,020	Bought GBP 33,112,020 : Sold EUR 38,674,043	162	0.01
£40,231,386	Bought GBP 40,231,386 : Sold JPY 6,077,340,000	366	0.03
£17,329,721	Bought GBP 17,329,721 : Sold NOK 204,256,076	(13)	0.00
£210,030,372	Bought GBP 210,030,372 : Sold USD 291,798,196	(1,457)	(0.11)
		(823)	(0.06)
Portfolio of investments		1,284,255	91.39
Net other assets		121,028	8.61
Total net assets		1,405,283	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 £142,748.

*Related party investment.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		235,879		(95,772)
Revenue	3	25,144		25,260	
Expenses	4	(11,181)		(10,783)	
Interest payable and similar charges	6	(1)		(3)	
Net revenue before taxation for the year		13,962		14,474	
Taxation	5	(1,023)		(705)	
Net revenue after taxation for the year			12,939		13,769
Total return before distributions			248,818		(82,003)
Distributions	7		(12,958)		(13,778)
Change in net assets attributable to unitholders from investment activities			235,860		(95,781)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		1,151,328		1,187,172
Amounts received on creation of units	62,992		90,765	
Amounts paid on cancellation of units	(57,890)		(44,707)	
		5,102		46,058
Dilution adjustment		3		—
Change in net assets attributable to unitholders from investment activities		235,860		(95,781)
Retained distribution on accumulation units		12,990		13,879
Closing net assets attributable to unitholders		1,405,283		1,151,328

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			1,285,750		1,110,330
Current assets					
Debtors	8	25,449		7,800	
Cash and bank balances	9	96,756		45,083	
Total other assets			122,205		52,883
Total assets			1,407,955		1,163,213
LIABILITIES					
Investment liabilities					
			(1,495)		(10,818)
Creditors					
Bank overdrafts		(5)		(4)	
Other creditors	10	(1,172)		(1,063)	
Total other liabilities			(1,177)		(1,067)
Total liabilities			(2,672)		(11,885)
Net assets attributable to unitholders			1,405,283		1,151,328

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	6,983	(8,581)
Gains/(losses) on forward currency contracts	18,263	(2,352)
Gains/(losses) on non-derivative securities	210,633	(84,839)
Net capital gains/(losses)	235,879	(95,772)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest from overseas fixed interest securities	683	318
Interest from UK fixed interest securities	4,401	4,944
Overseas dividends	10,243	10,621
Rebate of fees from holdings in third party collective investment schemes	—	(31)
UK dividends	8,456	7,657
UK franked dividends from collective investment schemes	987	1,469
UK unfranked dividends from collective investment schemes	374	282
Total revenue	25,144	25,260

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	11,181	10,783
Total expenses	11,181	10,783

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	1,023	705
Total taxation	1,023	705

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	13,962	14,474
Corporation tax at 20% (31/3/2020 - 20%)	2,792	2,895
Effects of:		
Movement in unrecognised tax losses	1,145	1,055
Overseas tax	1,023	705
Revenue not subject to tax	(3,937)	(3,950)
Total taxation (see note 5(a))	1,023	705

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £5,923,559 (31/3/2020 - £4,778,729) due to tax losses of £29,617,795 (31/3/2020 - £23,893,643). It is unlikely that the Balanced Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	1	3
	1	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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	8,895	9,508
Final distribution	4,095	4,371
	12,990	13,879

Add: Revenue deducted on cancellation of units	126	119
Less: Revenue received on creation of units	(158)	(220)
Net distribution for the year	12,958	13,778
Reconciliation of distributions:		
Net revenue after taxation	12,939	13,769
Add: Equalisation on conversions	2	—
Shortfall of income taken to capital	17	9
Net distribution for the year	12,958	13,778

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	6,839	5,207
Income tax recoverable	131	93
Overseas tax recoverable	994	951
Receivable for creation of units	1,862	1,549
Sales awaiting settlement	15,623	—
Total debtors	25,449	7,800

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	96,756	45,083

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	998	840
Payable for cancellation of units	174	223
Total other creditors	1,172	1,063

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Balanced Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	—	9,573	9,573
Euro	—	54,937	54,937
Japanese Yen	(1)	25,502	25,501
Norwegian Krone	—	13,635	13,635
Swedish Krona	(3)	1,077	1,074
Swiss Franc	—	15,103	15,103
US Dollar	13	150,332	150,345
Total	9	270,159	270,168

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	32,906	259,230	818,194	1,110,330
Investment liabilities	—	—	(10,818)	(10,818)

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
31/3/2021		
Level 1: Quoted prices	1,028,764	—
Level 2: Observable market data	256,986	(1,495)
Level 3: Unobservable data	—	—
	1,285,750	(1,495)
31/3/2020		
Level 1: Quoted prices	911,546	—
Level 2: Observable market data	198,784	(10,818)
Level 3: Unobservable data	—	—
	1,110,330	(10,818)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	13.91	20.85
Below Investment Grade	1.49	2.16
Not Rated	4.08	2.36
	19.48	25.37

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	161,953	81	0.05	79	0.05
Debt instruments (direct)	106,674	—	—	—	—
Collective investment schemes	38,161	6	0.02	—	—
Total	306,788	87		79	
Total purchases including commission and taxes	306,954				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	180,795	91	0.05	1	0.00
Debt instruments (direct)	126,197	—	—	—	—
Collective investment schemes	32,455	6	0.02	—	—
Total	339,447	97		1	
Total sales net of commissions and taxes	339,349				
Total transaction costs		184		81	
Total transaction costs as a % of average net assets		0.01%		0.01%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	365,084	184	0.05	672	0.18
Debt instruments (direct)	105,437	—	—	—	—
Collective investment schemes	89,329	22	0.02	—	—
Total	559,850	206		672	
Total purchases including commission and taxes	560,728				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	261,516	131	0.05	1	0.00
Debt instruments (direct)	53,166	—	—	—	—
Collective investment schemes	166,634	28	0.02	—	—
Total	481,316	159		1	
Total sales net of commissions and taxes	481,156				
Total transaction costs		365		673	
Total transaction costs as a % of average net assets		0.03%		0.05%	

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.

Notes to the Financial statements

continued

13. Portfolio transaction costs (continued)

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 0.15% (31/3/2020 - 0.22%).

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 281.

The balance due from the Balanced Fund at the year end in respect of fees paid to the Manager was £997,565 (31/3/2020 - £839,896).

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

	Unit holding %	Related party name
Balanced Fund	81.09	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021	A Accumulation units	Y Accumulation units*	I Accumulation units	X Accumulation units
Opening units	13,966,950	6,201	640	614,105,457
Units created	850,614	5,058	24,161	29,882,282
Units cancelled	(2,766,754)	—	(73,667)	(25,112,993)
Units converted	(29,680)	(11,259)	234,892	(159,605)
Closing units	12,021,130	—	186,026	618,715,141

*Y Accumulation unit class closed on 1 September 2020.

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Y Accumulation*				
Group 1	n/a	n/a	n/a	0.4543
Group 2	n/a	n/a	n/a	0.4543
I Accumulation				
Group 1	1.1912	—	1.1912	1.1722
Group 2	1.1912	0.0000	1.1912	1.1722
X Accumulation				
Group 1	0.6615	—	0.6615	0.7117
Group 2	0.4824	0.1791	0.6615	0.7117

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Accumulation				
Group 1	0.5837	—	0.5837	0.7158
Group 2	0.2476	0.3361	0.5837	0.7158
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.3759
Group 2	n/a	n/a	n/a	1.3759
I Accumulation				
Group 1	1.7513	—	1.7513	1.8521
Group 2	0.7067	1.0446	1.7513	1.8521
X Accumulation				
Group 1	1.4180	—	1.4180	1.5689
Group 2	0.6964	0.7216	1.4180	1.5689

*Y Accumulation unit class closed on 1 September 2020.

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 2021

Fund objective and policy

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

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

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

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

The Growth Fund may also invest in money market instruments and deposits, cash and near cash.

Exposure to the above asset classes may be gained through investment in other transferable securities (including closed-ended funds and exchange-traded funds) and collective investment schemes which may include schemes managed by the Manager or an affiliate of the Manager.

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

The Growth Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

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

Fund Report

Market commentary

At the end of March 2020, global markets rebounded strongly following unprecedented central bank and government stimulus schemes to support the economy during the pandemic. Despite COVID-19 case spikes and continued mobility restrictions, in Q4 2020 positive vaccine readouts drove a risk on rally which continued into Q1, with commodity prices increasing and value and cyclical stock outperforming. The prospect of a strong economic recovery led to increasing concern of inflationary pressure, driving bond yields higher. In this market, the Growth Fund's top equity contributors to performance were US technology companies Alphabet and Adobe, and Swiss private equity firm Partners Group. Sterling broadly rallied against major currencies through the period as economic data improved, Brexit concluded and a successful UK vaccine rollout increased optimism. The Growth Fund maintains a 50% hedging ratio on non-sterling investments with this contributing approximate 2.6% to performance.

In Equities, the Growth Fund reduced exposure to companies structurally challenged by the economic environment. It divested a number of the 'Special Situations' basket where stock specific events had played out as well as LVMH which had reached its target price following strong performance. New positions were introduced in eBay, a cash generative business benefiting from increased online spending; Hoya, a global technology and medical devices company; Icon, a global Contract Research Organisation (CRO) supporting clinical development and added cyclical with Applied Materials which provides engineering solutions to semiconductor and advanced display industries. As real yields increased in 2021, the Growth Fund reduced its exposure to gold, selling Canadian gold miner Kirkland Lake Gold and WisdomTree Gold ETC in Alternatives. The Growth Fund purchased a new position in WisdomTree Copper ETC, a pure industrial metal benefiting from the improving macro backdrop and robust market fundamentals.

The net impact of the trading activity within the portfolio left the Equity weighting decreased from 84% to 83%, and the alternatives weighting remained at 6%. In Fixed Income duration remains short at 3.4 years, and the overall Fixed Income weighting decreased from 8% to 4%.

Outlook

Looking ahead, we believe that shares can outperform bonds with central banks remaining accommodative. There is some uncertainty relating to COVID-19 while cases globally remain high, however the economy is forecasted to rebound strongly. A withdrawal of the monetary and fiscal stimulus schemes supporting global markets presents a risk that may cause volatility, if not managed carefully. We remain focused on our positioning, favouring high quality companies that will benefit in the post-COVID-19 world.

Fund Report

continued

Fund Performance

Performance for the Growth Fund over the last five years.

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Growth Fund X Accumulation	26.3%	(4.0)%	8.0%	2.2%	14.3%
IA Flexible Investment Sector	29.1%	(8.1)%	3.3%	2.4%	19.1%

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

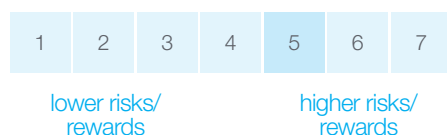
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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 substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the 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 0.06% (31/3/2020 - 0.06%).

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

Comparative tables

For the year ended A Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	173.79	184.16	171.86
Return before operating charge	47.86	(7.14)	15.26
Operating charges	(3.36)	(3.23)	(2.96)
Return after operating charges	44.50	(10.37)	12.30
Distributions	(0.73)	(0.81)	(0.91)
Retained distributions on accumulation units	0.73	0.81	0.91
Closing net asset value per unit**	218.29	173.79	184.16
After direct transaction costs of*	(0.08)	(0.14)	(0.17)
Performance			
Return after charges	25.61%	(5.63)%	7.16%
Other information			
Closing net asset value £'000	7,453	6,559	8,012
Closing number of units	3,413,994	3,773,817	4,350,489
Operating charges	1.64%	1.64%	1.65%
Direct transaction costs*	0.04%	0.07%	0.10%
Prices**			
Highest unit price	223.50	214.10	186.50
Lowest unit price	168.30	159.50	169.00

For the year ended X Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	192.33	202.34	187.47
Return before operating charge	53.08	(8.01)	16.70
Operating charges	(2.09)	(2.00)	(1.83)
Return after operating charges	50.99	(10.01)	14.87
Distributions	(2.26)	(2.18)	(2.40)
Retained distributions on accumulation units	2.26	2.18	2.40
Closing net asset value per unit**	243.32	192.33	202.34
After direct transaction costs of*	(0.08)	(0.15)	(0.19)
Performance			
Return after charges	26.51%	(4.95)%	7.93%
Other information			
Closing net asset value £'000	396,408	311,591	331,543
Closing number of units	162,915,141	162,010,173	163,855,302
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs*	0.04%	0.07%	0.10%
Prices**			
Highest unit price	248.90	236.80	204.20
Lowest unit price	186.30	176.50	185.30

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 4.01% (31/3/2020 - 7.60%)			
Sterling Denominated Fixed Rate Corporate Bonds - 1.46% (31/3/2020 - 2.68%)			
£1,500,000	Enel 6.625% Subordinated Floating Rate Notes 15/9/2076	1,536	0.38
£3,000,000	PGH Capital 4.125% 20/7/2022	3,118	0.77
£1,200,000	Tesco 6.125% 24/2/2022	1,259	0.31
		5,913	1.46
Sterling Denominated Fixed Rate Government Bonds - 2.55% (31/3/2020 - 4.92%)			
£5,000,000	UK Treasury 1.625% 22/10/2028	5,354	1.33
£4,700,000	UK Treasury 2.25% 7/9/2023	4,943	1.22
		10,297	2.55
EQUITIES - 83.03% (31/3/2020 - 84.09%)			
UNITED KINGDOM - 12.52% (31/3/2020 - 17.44%)			
950,000	3i	10,958	2.71
461,628	Admiral	14,315	3.54
560,000	GlaxoSmithKline	7,212	1.79
161,000	London Stock Exchange	11,170	2.77
240,000	Schroders	5,976	1.48
120,000	Tate & Lyle	921	0.23
		50,552	12.52
EMERGING MARKETS - 2.02% (31/3/2020 - 2.20%)			
1,000,000	Capital International Portfolios SICAV-Capital Emerging Markets Total	8,160	2.02
EUROPE - 15.76% (31/3/2020 - 20.05%)			
Austria - 0.00% (31/3/2020 - 0.07%)			
Belgium - 0.00% (31/3/2020 - 0.12%)			
France - 0.00% (31/3/2020 - 4.81%)			
Germany - 6.87% (31/3/2020 - 8.21%)			
89,883	Deutsche Boerse	10,842	2.68
80,000	LEG Immobilien	7,657	1.90
35,200	Uniper	929	0.23
175,000	Vonovia	8,310	2.06
		27,738	6.87
Italy - 0.31% (31/3/2020 - 0.58%)			
30,000	Moncler	1,249	0.31

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Netherlands - 0.00% (31/3/2020 - 0.26%)		
528,000	Norway - 2.72% (31/3/2020 - 2.53%) MOWI	9,504	2.35
40,000	Yara International	1,509	0.37
		11,013	2.72
	Spain - 0.00% (31/3/2020 - 0.20%)		
	Sweden - 0.00% (31/3/2020 - 0.22%)		
	Switzerland - 5.86% (31/3/2020 - 3.05%)		
13,939	Partners	12,951	3.21
950,000	UBS	10,707	2.65
		23,658	5.86
	AFRICA- 3.45% (31/3/2020 - 0.44%)		
	South Africa - 3.45% (31/3/2020 - 0.44%)		
490,000	Anglo American	13,928	3.45
	AUSTRALIA- 2.75% (31/3/2020 - 0.82%)		
200,000	Rio Tinto (UK Regd.)	11,100	2.75
	ASIA PACIFIC (ex JAPAN) - 3.24% (31/3/2020 - 2.69%)		
2,555,000	HSBC Index Tracker Investment Funds - Pacific Index Fund	13,097	3.24
	JAPAN - 7.08% (31/3/2020 - 5.34%)		
335,000	Asahi Breweries	10,246	2.54
19,600	cocokara fine	1,092	0.27
95,000	Hoya	8,094	2.00
150,000	Secom	9,155	2.27
		28,587	7.08
	MIDDLE EAST - 2.38% (31/3/2020 - 3.07%)		
	Israel - 2.38% (31/3/2020 - 3.07%)		
118,476	CheckPoint Software Technologies	9,608	2.38
	NORTH AMERICA - 33.83% (31/3/2020 - 32.04%)		
	Canada - 0.66% (31/3/2020 - 2.46%)		
27,600	Open Text	954	0.24
82,700	Pretium Resources	617	0.15
57,100	Shaw Communications 'B'	1,076	0.27
		2,647	0.66

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United States - 33.17% (31/3/2020 - 29.58%)			
67,563	Accenture	13,528	3.35
26,776	Adobe Systems	9,225	2.28
49,000	Air Products & Chemicals	9,994	2.47
9,869	Alphabet 'A'	14,751	3.65
73,951	Amdocs	3,756	0.93
160,000	Applied Materials	15,493	3.84
170,000	Cerner	8,856	2.19
220,000	eBay	9,764	2.42
50,000	ICON	7,115	1.76
14,000	Ingredion	913	0.23
95,000	Microsoft	16,233	4.02
82,587	Visa	12,704	3.15
102,000	Zoetis	11,644	2.88
		133,976	33.17
ALTERNATIVE - 6.19% (31/3/2020 - 5.50%)			
5,594,754	ASI Global Absolute Return Strategies Fund	4,966	1.23
5,927	Aviva Investors - Multi-Strategy Target Income Fund	5	0.00
115,000	WisdomTree Physical Platinum ETC	9,230	2.28
500,000	WisdomTree Physical Silver ETC	8,222	2.04
100,000	WistomTree Copper ETF	2,582	0.64
		25,005	6.19
DERIVATIVES* - (0.07)% (31/3/2020 - (1.13)%)			
Open Forward Exchange Contracts - (0.07)% (31/3/2020 - (1.13)%)			
£687,001	Bought GBP 687,001 : Sold CAD 1,207,480	(9)	0.00
£177,126	Bought GBP 177,126 : Sold CAD 306,485	—	0.00
£11,210,640	Bought GBP 11,210,640 : Sold CHF 14,485,453	53	0.01
£14,167,432	Bought GBP 14,167,432 : Sold EUR 16,547,220	69	0.02
£14,516,713	Bought GBP 14,516,713 : Sold JPY 2,192,890,000	132	0.03
£5,574,592	Bought GBP 5,574,592 : Sold NOK 65,704,704	(4)	0.00
£75,902,031	Bought GBP 75,902,031 : Sold USD 105,451,777	(527)	(0.13)
		(286)	(0.07)
Portfolio of investments		376,242	93.16
Net other assets		27,619	6.84
Total net assets		403,861	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 £52,992.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		81,288		(20,352)
Revenue	3	7,365		6,948	
Expenses	4	(3,301)		(3,147)	
Interest payable and similar charges	6	—		(4)	
Net revenue before taxation for the year		4,064		3,797	
Taxation	5	(361)		(235)	
Net revenue after taxation for the year			3,703		3,562
Total return before distributions			84,991		(16,790)
Distributions	7		(3,709)		(3,572)
Change in net assets attributable to unitholders from investment activities			81,282		(20,362)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	Note	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders			318,150		339,555
Amounts received on creation of units		21,635		22,685	
Amounts paid on cancellation of units		(20,911)		(27,267)	
			724		(4,582)
Dilution adjustment			—		2
Change in net assets attributable to unitholders from investment activities			81,282		(20,362)
Retained distribution on accumulation units	7		3,705		3,537
Closing net assets attributable to unitholders			403,861		318,150

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			376,782		309,713
Current assets					
Debtors	8	7,678		1,637	
Cash and bank balances	9	20,239		11,211	
Total other assets			27,917		12,848
Total assets			404,699		322,561
LIABILITIES					
Investment liabilities					
			(540)		(4,094)
Creditors					
Other creditors	10	(298)		(316)	
Bank overdrafts		—		(1)	
Total other liabilities			(298)		(317)
Total liabilities			(838)		(4,411)
Net assets attributable to unitholders			403,861		318,150

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	2,850	(3,139)
Gains/(losses) on forward currency contracts	6,984	(1,274)
Gains/(losses) on non-derivative securities	71,454	(15,910)
Rebate of fees from holdings in third part collective investment schemes	—	(29)
Net capital gains/(losses)	81,288	(20,352)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Bank interest	—	4
Interest from overseas fixed interest securities	59	29
Interest from UK fixed interest securities	307	376
Overseas dividends	3,729	3,789
Rebate of fees from holdings in third party collective investment schemes	—	(32)
UK dividends	2,844	2,225
UK franked dividends from collective investment schemes	345	496
UK unfranked dividends from collective investment schemes	81	61
Total revenue	7,365	6,948

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	3,301	3,147
Total expenses	3,301	3,147

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	361	237
Prior year adjustment	—	(2)
Total taxation	361	235

b) Factors affecting taxation charge for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	4,064	3,797
Corporation tax at 20% (31/3/2020 - 20%)	813	759
Effects of:		
Capitalised income subject to tax	—	(5)
Movement in unrecognised tax losses	571	548
Overseas tax	361	237
Prior year adjustment	—	(2)
Revenue not subject to tax	(1,384)	(1,302)
Total taxation (see note 5(a))	361	235

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £5,582,562 (31/3/2020 - £5,011,604) due to tax losses of £27,912,808 (31/3/2020 - £25,058,020). It is unlikely that the Growth Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	2,618	2,700
Final distribution	1,087	837
	3,705	3,537
Add: Revenue deducted on cancellation of units	47	79
Less: Revenue received on creation of units	(43)	(44)
Net distribution for the year	3,709	3,572
Reconciliation of distributions:		
Net revenue after taxation	3,703	3,562
Shortfall of income class taken to capital	6	10
Net distribution for the year	3,709	3,572

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	1,543	935
Income tax recoverable	29	20
Overseas tax recoverable	343	304
Receivable for creation of units	556	378
Sales awaiting settlement	5,207	—
Total debtors	7,678	1,637

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	20,239	11,211

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	296	240
Payable for cancellation of units	2	76
Total other creditors	298	316

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Growth Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets/(liabilities) Non-monetary exposures GBP £'000	Total GBP £'000
Canadian Dollar	—	3,292	3,292
Euro	—	22,958	22,958
Japanese Yen	—	8,541	8,541
Norwegian Krone	—	4,467	4,467
Swedish Krona	(1)	383	382
Swiss Franc	3	4,790	4,793
US Dollar	5	56,095	56,100
Total	7	100,526	100,533

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	24,167	285,546	309,713
Investment liabilities	—	—	(4,094)	(4,094)

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
31/3/2021		
Level 1: Quoted prices	344,387	—
Level 2: Observable market data	32,395	(540)
Level 3: Unobservable data	—	—
	376,782	(540)
31/3/2020		
Level 1: Quoted prices	280,540	—
Level 2: Observable market data	29,173	(4,094)
Level 3: Unobservable data	—	—
	309,713	(4,094)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	3.24	6.26
Below Investment Grade	—	0.20
Not Rated	0.77	1.14
	4.01	7.60

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	70,072	35	0.05	69	0.10
Debt instruments (direct)	1,577	—	—	—	—
Collective investment schemes	8,100	2	0.02	—	—
Total	79,749	37		69	
Total purchases including commission and taxes	79,855				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	66,485	33	0.05	1	0.00
Debt instruments (direct)	9,320	—	—	—	—
Collective investment schemes	8,489	1	0.01	—	—
Total	84,294	34		1	
Total sales net of commissions and taxes	84,259				
Total transaction costs		71		70	
Total transaction costs as a % of average net assets		0.02%		0.02%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	100,261	51	0.05	149	0.15
Debt instruments (direct)	50	—	—	—	—
Collective investment schemes	25,195	6	0.02	—	—
Total	125,506	57		149	
Total purchases including commission and taxes	125,712				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	69,814	35	0.05	—	—
Debt instruments (direct)	1,398	—	—	—	—
Collective investment schemes	54,084	9	0.02	—	—
Total	125,296	44		—	
Total sales net of commissions and taxes	125,252				
Total transaction costs		101		149	
Total transaction costs as a % of average net assets		0.03%		0.04%	

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 0.10% (31/3/2020 - 0.21%).

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Growth Fund at the year end in respect of fees paid to the Manager was £296,124 (31/3/2020 - £239,899).

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

	Unit holding %	Related party name
Growth Fund	75.85	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	A Accumulation units	X Accumulation units
Opening units	3,773,817	162,010,173
Units created	118,749	9,668,458
Units cancelled	(478,572)	(8,763,490)
Units converted	—	—
Closing units	3,413,994	162,915,141

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Accumulation				
Group 1	0.6675	—	0.6675	0.5167
Group 2	0.5214	0.1461	0.6675	0.5167

Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Accumulation				
Group 1	0.7259	—	0.7259	0.8093
Group 2	0.3420	0.3839	0.7259	0.8093
X Accumulation				
Group 1	1.5889	—	1.5889	1.6636
Group 2	0.8447	0.7442	1.5889	1.6636

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 2021

Fund objective and policy

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Managed Income Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

In the 12 months to the 31 March 2021 the Close Managed Income Fund (X Acc) rose 19.5%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 19.8%.

It seems likely that 2020 will be remembered as a year where much changed, and so much of what we know and take for granted was shaken, for that the year will be long remembered. Yet, in many respects, we saw an acceleration of trends that were already in place, meaning that there were areas of the market where calendar year returns were very strong. It should also be remembered that the reporting period covered here starts from what is almost the low point for markets, at the height of the first wave of the coronavirus in Europe and North America; consequently the double digit return numbers for the 12 months are above what can reasonably be expected for a similar timeframe over the long term. While the first 3 months of 2021 have seen a rotation of sorts within stock markets, they have nonetheless been positive also on the back of vaccine rollouts. So when looking at the returns during the reporting period, it is important to remember that performance is significantly impacted by market reaction to the pandemic with a more traditional 'forward looking' assessment only really coming through in the last 4-5 months, since the first news of workable vaccines was announced in the autumn of 2020.

On a regional basis, over the year, emerging markets were the best equity market performer with a return of 45.0%, followed by the US 39.6%, Europe 35.9%, and Japan on 24.9%. The UK market managed 24.1% for the year. Within fixed interest UK government bonds faded towards the end of the reporting period and finished -2.9%.

The strategy of delivering an income from a diversified portfolio of yielding assets remains unchanged, despite the twin difficulties of a low yield environment for bonds and dividend cuts within equities during the pandemic. We have also seen income investing more broadly come under pressure in recent years as the wider market has favoured growth investing. That said, despite a difficult 2020 we have begun to see some better returns from our underlying managers in 2021. In the equity space, our managers generally lagged the returns from the broader index, the exception being in the UK where we had strong 1 year performance from the Chelverton UK Equity Income Fund, which returned 52.6% from a portfolio of small and mid-cap income stocks, and the Schroder Income Fund, which delivered 39.3%. Within bonds there were generally solid numbers as credit rebounded from the pandemic liquidity squeeze, and the Royal London Sterling Extra Yield managed a total return of 22.2% for the reporting period. Our gold position was a net negative for the 12 months to the end of March 2021, however, we got some healthy returns from our other alternative positions, and INPP and BBGI (two of our infrastructure positions) posted 12.9% and 11.7% respectively for the year.

We made a number of changes to the portfolio during the 12 months to end of March 2021. Generally speaking we added to equities and diversifiers cautiously, having cut risk towards the end of the last reporting period. New names into the portfolio included music royalties, which is a relatively new asset class but with what we believe are attractive characteristics for both income and capital appreciation. We added the Hipgnosis Song and Roundhill Music Royalty funds to the portfolio. Elsewhere we added a global equity income fund in the form of the Trojan Global Income, and a global listed infrastructure position in the Legg Mason Clearbridge Global Infrastructure Income. Both the latter were to add a reliable and hopefully growing income from a portfolio of defensive assets. Later in the reporting period we also bought back the Miton UK Multi-Cap Income Fund, which we had previously sold on the back of Brexit concerns and investment style issues. Purchasing it back was evidence of a renewed faith in UK equities and small and mid-cap in particular, in addition to a sense that the style headwind the fund faced might now have changed. Finally, in the last few weeks of the reporting period we sold Schroder Asian Income and bought the Matthews Asia ex-Japan Dividend in order to add more mid-cap exposure and dividend growth; whilst we also sold the ASI European Equity Income Fund following the manager departing, and replaced it with the Montanaro European Income Fund, which again adds more mid and small-cap exposure.

Outlook

Over the course of the last 12 months we have steadily increased risk, leaning into the recovery in asset prices following the pandemic induced sell-off. We now have a moderately overweight position in equities, which we hold at the expense of cash and fixed interest. Exposure to diversifiers has increased where we have added to areas like infrastructure and UK property, while also including new asset classes like music royalties. From an equity standpoint we are now more exposed to mid and small caps both in the UK and internationally, believing that if we are in a recovery phase then these areas should benefit in the short term; and within fixed income we favour credit over government bonds. The path of markets looks like being dictated partly in the near term by the outlook for unlocking societies that are still locked down because of coronavirus. We are cautious, but ultimately optimistic that risk assets can be positive for the next 12 months from here and are positioned accordingly.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Managed Income Fund X Accumulation	19.5%	(9.8)%	3.5%	(0.8)%	12.1%
IA Mixed Investments 20-60% Sector	19.8%	(7.2)%	2.9%	0.8%	12.9%

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

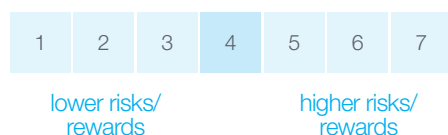
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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.

Fund Report

continued

Risk and Reward Profile continued

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.

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

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

Collective Investment Schemes

Collective Investment Schemes

The Managed Income Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Income Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.62% (31/3/2020 - 0.47%).

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

Comparative tables

For the year ended X Income	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	153.73	176.39	177.12
Return before operating charge	29.97	(13.44)	7.86
Operating charges	(1.99)	(1.82)	(2.01)
Return after operating charges	27.98	(15.26)	5.85
Distributions	(5.08)	(7.40)	(6.58)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	176.63	153.73	176.39
After direct transaction costs of*	(0.01)	0.00	0.00
Performance			
Return after charges	18.20%	(8.65)%	3.30%
Other information			
Closing net asset value £'000	34,545	35,329	43,946
Closing number of units	19,557,272	22,980,386	24,914,393
Operating charges	1.17%	1.02%	1.12%
Direct transaction costs*	0.00%	0.00%	0.00%
Prices**			
Highest unit price	178.90	184.20	184.80
Lowest unit price	152.30	147.60	171.60

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	198.86	218.68	211.63
Return before operating charge	39.02	(17.55)	9.46
Operating charges	(2.58)	(2.27)	(2.41)
Return after operating charges	36.44	(19.82)	7.05
Distributions	(6.64)	(9.31)	(7.97)
Retained distributions on accumulation units	6.64	9.31	7.97
Closing net asset value per unit**	235.30	198.86	218.68
After direct transaction costs of*	(0.01)	(0.01)	0.00
Performance			
Return after charges	18.32%	(9.06)%	3.33%
Other information			
Closing net asset value £'000	88,244	85,693	104,777
Closing number of units	37,502,450	43,093,463	47,913,335
Operating charges	1.16%	1.01%	1.11%
Direct transaction costs*	0.00%	0.00%	0.00%
Prices**			
Highest unit price	236.20	234.30	222.80
Lowest unit price	197.00	188.80	209.80

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 46.83% (31/3/2020 - 38.73%)			
United Kingdom - 18.10% (31/3/2020 - 14.92%)			
675,824	iShares Core FTSE 100 UCITS ETF	4,466	3.64
4,900,016	MI Chelverton UK Equity Income Fund	5,704	4.65
1,100,000	Premier Miton UK Multi Cap Income Fund	2,397	1.95
5,650,000	Schroder Income Fund	3,813	3.10
4,242,932	Threadneedle Specialist UK Equity Alpha Income Fund	5,846	4.76
		22,226	18.10
Europe - 5.25% (31/3/2020 - 5.04%)			
2,310,704	BlackRock Continental European Income Fund	4,025	3.28
2,210,000	LF Montanaro European Income Fund	2,423	1.97
		6,448	5.25
Asia Pacific (Ex Japan) - 3.54% (31/3/2020 - 2.65%)			
301,000	Matthews Asia Funds - Asia Ex Japan Dividend Fund	4,346	3.54
Japan - 1.95% (31/3/2020 - 1.47%)			
1,675,481	CC Japan Income & Growth Fund	2,371	1.93
335,096	CC Japan Income & Growth Trust rights 3/3/2023	20	0.02
		2,391	1.95
United States - 9.95% (31/3/2020 - 8.33%)			
1,695,104	JP Morgan US Equity Income Fund	6,365	5.19
9,589,615	Schroder US Equity Income Maximiser Fund	5,849	4.76
		12,214	9.95
Emerging Markets - 2.94% (31/3/2020 - 2.39%)			
259,681	Capital International Portfolios SICAV-Capital Emerging Markets Total	2,119	1.73
29,111	Vanguard FTSE Emerging Markets UCITS ETF	1,489	1.21
		3,608	2.94
Global - 5.10% (31/3/2020 - 3.93%)			
2,970,703	Fidelity Investment Funds ICVC - Global Enhanced Income Fund	4,340	3.53
1,613,000	Link Fund Solutions Trojan Global Income Fund	1,924	1.57
		6,264	5.10
FIXED INTEREST - 35.59% (31/3/2020 - 39.51%)			
United Kingdom Gilts & Corporate Bonds - 19.96% (31/3/2020 - 20.54%)			
965,000	Allianz Global Investors Strategic Bond Fund	1,250	1.02
3,485,000	Artemis Corporate Bond Fund	3,760	3.06
3,309,051	BlackRock Sterling Strategic Bond Fund	3,799	3.09
18,206	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	1,937	1.58

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United Kingdom Gilts & Corporate Bonds (continued)			
28,798	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	4,015	3.27
4,261,178	Royal London Asset Management Bond Funds - Sterling Extra Yield Bond Fund	4,405	3.59
16,800	SPDR Bloomberg Barclays 15+ year GILT UCITS ETF	1,169	0.95
3,562,146	SVS Church House Investment Grade Fixed Interest Fund	4,178	3.40
		24,513	19.96
Dynamic Bonds - 7.06% (31/3/2020 - 8.77%)			
3,380,553	Janus Henderson Strategic Bond Fund	4,834	3.93
3,986,472	Schroder Strategic Credit Fund	3,841	3.13
		8,675	7.06
Global - 2.22% (31/3/2020 - 2.07%)			
35,515	Active Funds ICAV - Global High Income Bond Fund	2,726	2.22
Non Equity Investment Instrument - 6.35% (31/3/2020 - 8.13%)			
3,410,421	MI TwentyFour - Monument Bond Fund	3,536	2.88
5,204,589	Royal London Short Duration Global High Yield Bond Fund	4,258	3.47
		7,794	6.35
ALTERNATIVE - 16.39% (31/3/2020 - 12.37%)			
1,797,874	AEW UK REIT	1,496	1.22
672,474	BBGI	1,158	0.94
1,832,560	GCP Asset Backed Income Fund	1,679	1.37
1,233,976	GCP Infrastructure Investments Fund	1,261	1.03
739,696	HICL Infrastructure	1,219	0.99
1,148,965	Hipgnosis Songs Fund	1,436	1.17
743,750	International Public Partnership	1,247	1.02
9,200	Invesco Physical Gold ETC	1,100	0.90
1,600,000	Legg Mason IF Clearbridge Global Infrastructure Fund	1,862	1.52
2,219,199	LXI REIT	2,792	2.27
1,685,000	Round Hill Music Royalty Fund	1,258	1.02
93,100	Royal Mint Physical Gold	1,148	0.93
968,021	The Renewables Infrastructure	1,179	0.96
25,000	UBS CMCI Composite SF UCITS ETF	1,290	1.05
		20,125	16.39
Portfolio of investments		121,330	98.81
Net other assets		1,459	1.19
Total net assets		122,789	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 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		18,007		(17,115)
Revenue	3	4,266		6,838	
Expenses	4	(693)		(800)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation for the year		3,573		6,038	
Taxation	5	(303)		(581)	
Net revenue after taxation for the year			3,270		5,457
Total return before distributions			21,277		(11,658)
Distributions	7		(3,824)		(6,097)
Change in net assets attributable to unitholders from investment activities			17,453		(17,755)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		121,022		148,723
Amounts received on creation of units	4,767		11,173	
Amounts paid on cancellation of units	(23,118)		(25,374)	
		(18,351)		(14,201)
Dilution adjustment		9		3
Change in net assets attributable to unitholders from investment activities		17,453		(17,755)
Retained distribution on accumulation units		2,656		4,252
Closing net assets attributable to unitholders		122,789		121,022

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			121,330		109,659
Current assets					
Debtors	8	369		508	
Cash and bank balances	9	2,276		11,793	
Total other assets			2,645		12,301
Total assets			123,975		121,960
LIABILITIES					
Creditors					
Bank overdraft		—		(2)	
Distribution payable		(308)		(384)	
Other creditors	10	(878)		(552)	
Total other liabilities			(1,186)		(938)
Total liabilities			(1,186)		(938)
Net assets attributable to unitholders			122,789		121,022

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency losses	(9)	(1)
Gains/(losses) on non-derivative securities	18,016	(17,113)
Rebate of fees from holdings in third party collective investment schemes	—	(1)
Net capital gains/(losses)	18,007	(17,115)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Non-taxable overseas dividends	687	—
Overseas dividends	830	2,954
Rebate of fees from holdings in third party collective investment schemes	—	(3)
UK dividends	18	82
UK REIT dividends	242	161
UK franked dividends from collective investment schemes	1,353	2,165
UK unfranked dividends from collective investment schemes	1,136	1,479
Total revenue	4,266	6,838

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	693	800
Total expenses	693	800

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	303	581
Total taxation	303	581

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	3,573	6,038
Corporation tax at 20% (31/3/2020 - 20%)	715	1,208

Effects of:

Revenue not subject to tax	(412)	(627)
Total taxation (see note 5(a))	303	581

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
1st Interim distribution	703	1,492
2nd Interim distribution	1,180	1,489
3rd Interim distribution	757	1,729
Final distribution	1,087	1,305
	3,727	6,015
Add: Revenue deducted on cancellation of units	118	142
Less: Revenue received on creation of units	(21)	(60)
Net distribution for the year	3,824	6,097
Reconciliation of distributions:		
Net revenue after taxation	3,270	5,457
Capitalised fees	693	800
Tax relief on capitalised fees	(139)	(160)
Net distribution for the year	3,824	6,097

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	345	416
Receivable for creation of units	24	92
Total debtors	369	508

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	2,276	11,793

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	57	58
Corporation tax payable	127	222
Payable for cancellation of units	694	272
Total other creditors	878	552

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Managed Income Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	(2)	—	(2)
US Dollar	2	3,584	3,586
Total	—	3,584	3,584

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	121,330	121,330
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	109,659	109,659
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
31/3/2021		
Level 1: Quoted prices	33,709	—
Level 2: Observable market data	87,621	—
Level 3: Unobservable data	—	—
	121,330	—
31/3/2020		
Level 1: Quoted prices	30,811	—
Level 2: Observable market data	78,848	—
Level 3: Unobservable data	—	—
	109,659	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	1,596	—	—	2	—
Collective investment schemes	25,047	2	0.01	2	0.01
Total	26,643	2		4	
Total purchases including commission and taxes	26,649				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	32,785	3	0.01	—	—
Total	32,785	3		—	
Total sales net of commissions and taxes	32,782				
Total transaction costs		5		4	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	1,137	—	—	—	—
Collective investment schemes	28,546	2	0.01	—	0.00
Total	29,683	2		—	
Total purchases including commission and taxes	29,685				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	305	—	—	—	—
Collective investment schemes	48,663	1	—	—	—
Total	48,968	1		—	
Total sales net of commissions and taxes	48,967				
Total transaction costs		3		—	
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 transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

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 0.30% (31/3/2020 - 0.65%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Managed Income Fund at the year end in respect of fees paid to the Manager was £57,177 (31/3/2020 - £58,428).

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

	Unit holding %	Related party name
Managed Income Fund	86.10	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	X Income units	X Accumulation units
Opening units	22,980,386	43,093,463
Units created	882,348	1,523,832
Units cancelled	(3,923,265)	(7,408,674)
Units converted	(382,197)	293,829
Closing units	19,557,272	37,502,450

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 January 2021

Group 2: units purchased between 1 January 2021 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/5/2021	Distribution Paid per Unit on 31/5/2020
X Income				
Group 1	1.5740	—	1.5740	1.6708
Group 2	0.4120	1.1620	1.5740	1.6708
X Accumulation				
Group 1	2.0783	—	2.0783	2.1379
Group 2	0.5388	1.5395	2.0783	2.1379

3rd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 December 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2021	Distribution Paid per Unit on 28/2/2019
X Income				
Group 1	1.0375	—	1.0375	2.1477
Group 2	0.2496	0.7879	1.0375	2.1477
X Accumulation				
Group 1	1.3614	—	1.3614	2.7160
Group 2	0.3547	1.0067	1.3614	2.7160

2nd Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 July 2020

Group 2: units purchased between 1 July 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
X Income				
Group 1	1.5563	—	1.5563	1.8011
Group 2	0.6613	0.8950	1.5563	1.8011
X Accumulation				
Group 1	2.0240	—	2.0240	2.2551
Group 2	0.8682	1.1558	2.0240	2.2551

Distribution tables

continued

1st Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 June 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2020	Distribution Paid per Unit on 31/8/2019
X Income				
Group 1	0.9090	—	0.9090	1.7781
Group 2	0.2720	0.6370	0.9090	1.7781
X Accumulation				
Group 1	1.1756	—	1.1756	2.2044
Group 2	0.3743	0.8013	1.1756	2.2004

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 2021

Fund objective and policy

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Managed Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

In the 12 months to the 31 March 2021 the Close Managed Conservative Fund (X Acc) rose 17.4%, whilst the IA Mixed Investment (20%-60% Shares) sector rose 19.8%.

It seems likely that 2020 will be remembered as a year where much changed, and so much of what we know and take for granted was shaken, for that the year will be long remembered. Yet, in many respects, we saw an acceleration of trends that were already in place, meaning that there were areas of the market where calendar year returns were very strong. It should also be remembered that the reporting period covered here starts from what is almost the low point for markets, at the height of the first wave of the coronavirus in Europe and North America; consequently the double digit return numbers for the 12 months are above what can reasonably be expected for a similar timeframe over the long term. While the first 3 months of 2021 have seen a rotation of sorts within stock markets, they have nonetheless been positive also on the back of vaccine rollouts. So when looking at the returns during the reporting period, it is important to remember that performance is significantly impacted by market reaction to the pandemic with a more traditional 'forward looking' assessment only really coming through in the last 4-5 months, since the first news of workable vaccines was announced in the autumn of 2020.

On a regional basis, over the year, emerging markets were the best equity market performer with a return of 45.0%, followed by the US 39.6%, Europe 35.9%, and Japan on 24.9%. The UK market managed 24.1% for the year. Within fixed interest UK government bonds faded towards the end of the reporting period and finished -2.9%.

The strategy is to produce steady capital growth from a diversified portfolio of investments, exposed to different geographies and asset classes. Volatility around the coronavirus pandemic, along with underwhelming returns from historically safer yield orientated assets have created challenges over the last 12 months. Despite this we witnessed a strong bounce back from the pandemic market lows and have seen returns from across the portfolio as sentiment has returned to growth and more latterly value areas of the market. In the equity space, we have seen pockets of strong returns, over and above the index. For example, in the US, the Brown Advisory US Flexible Fund managed 47.5% for the year, whilst the RWC Global Emerging Markets Fund posted an excellent 74.8% over the same period. Within bonds there were generally solid numbers as credit rebounded from the pandemic liquidity squeeze, and the Nomura Global Dynamic Bond delivered a total return of 19.0% for the reporting period. Our gold position was a net negative for the 12 months to the end of March 2021, however, we got some healthy returns from our other alternative positions, and INPP and BBGI (two of our infrastructure positions) posted 12.9% and 11.7% respectively for the year.

We made a number of changes to the portfolio during the 12 months to end of March 2021. Generally speaking we added to equities and diversifiers cautiously, having cut risk towards the end of the last reporting period. We also rotated out of some of the value positions within the Managed Conservative Fund to remove some of the potential for cyclical volatility. New names into the portfolio included music royalties, which is a relatively new asset class but with what we believe are attractive characteristics for both income and capital appreciation. We added the Hipgnosis Song and Roundhill Music Royalty Funds to the portfolio. In the UK we swapped cyclical value exposure for more benchmark allocation by selling Schroder Income and adding JPM UK Equity Plus, and later in the year we also removed Chelverton UK Equity Income in favour of Baillie Gifford UK Equity Alpha. Elsewhere we made some cosmetic changes to some of our passive positions to reduce the costs, while keeping the index exposure broadly the same. Finally, we added a short term trading strategy in the form of the Neiderhoffer Smart Alpha, which aims to be uncorrelated to equities and bonds, and towards the end of the reporting period we brought in UK property exposure through the LXi REIT.

Outlook

Over the course of the last 12 months we have steadily increased risk, leaning into the recovery in asset prices following the pandemic induced sell-off. We now have a moderately overweight position in equities, which we hold at the expense of cash and fixed interest. Exposure to diversifiers has increased where we have added to areas like absolute return strategies. From an equity standpoint we are well diversified across geographies, and within fixed income we favour credit over government bonds. The path of markets looks like being dictated partly in the near term by the outlook for unlocking societies that are still locked down because of coronavirus. We are cautious, but ultimately optimistic that risk assets can be positive for the next 12 months from here and are positioned accordingly.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Managed Conservative Fund X Accumulation	17.4%	(6.0)%	3.1%	0.4%	13.5%
IA Mixed Investments 20-60% Sector	19.8%	(7.2)%	2.9%	0.8%	12.9%

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

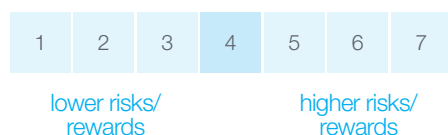
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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.

Fund Report

continued

Risk and Reward Profile continued

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.

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

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

Collective Investment Schemes

Collective Investment Schemes

The Managed Conservative Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.61% (31/3/2020 - 0.52%).

Following the recent changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge

Comparative tables

For the year ended A Income units***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	204.79	202.68
Return before operating charge	n/a	(8.74)	8.85
Operating charges	n/a	(3.83)	(3.90)
Return after operating charges	n/a	(12.57)	4.95
Distributions	n/a	(3.64)	(2.84)
Retained distributions on accumulation units	n/a	0.00	0.00
Closing net asset value per unit**	n/a	188.58	204.79
After direct transaction costs of*	n/a	0.00	(0.01)
Performance			
Return after charges	n/a	(6.14)%	2.44%
Other information			
Closing net asset value £'000	n/a	2	2
Closing number of units	n/a	893	893
Operating charges	n/a	1.82%	1.89%
Direct transaction costs*	n/a	0.00%	0.00%
Prices**			
Highest unit price	n/a	219.00	213.00
Lowest unit price	n/a	182.80	197.30

For the year ended A Accumulation units***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	222.98	217.66
Return before operating charge	n/a	(9.69)	9.50
Operating charges	n/a	(4.16)	(4.18)
Return after operating charges	n/a	(13.85)	5.32
Distributions	n/a	(3.97)	(3.08)
Retained distributions on accumulation units	n/a	3.97	3.08
Closing net asset value per unit**	n/a	209.13	222.98
After direct transaction costs of*	n/a	(0.01)	(0.01)
Performance			
Return after charges	n/a	(6.21)%	2.44%
Other information			
Closing net asset value £'000	n/a	21	38
Closing number of units	n/a	9,956	17,172
Operating charges	n/a	1.81%	1.88%
Direct transaction costs*	n/a	0.00%	0.00%
Prices**			
Highest unit price	n/a	239.90	228.70
Lowest unit price	n/a	200.20	213.20

*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.

**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.

***A Income and A Accumulation unit classes closed on 1 September 2020.

Comparative tables

continued

For the year ended X Income	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	176.80	192.05	190.06
Return before operating charge	31.54	(8.47)	8.09
Operating charges	(2.29)	(2.39)	(2.48)
Return after operating charges	29.25	(10.86)	5.61
Distributions	(2.91)	(4.39)	(3.62)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	203.14	176.80	192.05
After direct transaction costs of*	(0.01)	0.00	(0.01)
Performance			
Return after charges	16.54%	(5.66)%	2.95%
Other information			
Closing net asset value £'000	2,256	2,459	3,665
Closing number of units	1,110,381	1,390,672	1,908,463
Operating charges***	1.16%	1.21%	1.28%
Direct transaction costs*	0.01%	0.00%	0.00%
Prices**			
Highest unit price	207.30	205.70	200.10
Lowest unit price	174.90	171.80	185.20

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	203.54	215.67	209.25
Return before operating charge	36.42	(9.79)	8.82
Operating charges	(2.60)	(2.34)	(2.40)
Return after operating charges	33.82	(12.13)	6.42
Distributions	(3.41)	(5.25)	(4.28)
Retained distributions on accumulation units	3.41	5.25	4.28
Closing net asset value per unit**	237.36	203.54	215.67
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	16.62%	(5.63)%	3.07%
Other information			
Closing net asset value £'000	218,472	184,412	196,792
Closing number of units	92,043,743	90,601,296	91,247,354
Operating charges	1.14%	1.05%	1.12%
Direct transaction costs*	0.01%	0.00%	0.00%
Prices**			
Highest unit price	240.70	233.30	220.40
Lowest unit price	201.40	194.80	205.90

*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.

**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.

***Effective 1 June 2020 the Fund Management Fee was reduced from 0.69% to 0.53%.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 44.34% (31/3/2020 - 42.45%)			
United Kingdom - 18.18% (31/3/2020 - 17.29%)			
500,000	Baillie Gifford UK Equity Alpha Fund	4,154	1.88
1,529,564	iShares Core FTSE 100 UCITS ETF	10,107	4.58
5,920,000	JP Morgan UK Equity Plus Fund	6,672	3.02
7,657,127	Ninety One UK Alpha Fund	10,914	4.94
6,017,718	Threadneedle Specialist UK Equity Alpha Income Fund	8,291	3.76
		40,138	18.18
Europe - 5.39% (31/3/2020 - 4.82%)			
3,646,619	ASI Europe ex UK Income Equity Fund	3,752	1.70
1,583,668	FP Crux European Special Situations Fund	4,933	2.23
464,687	Jupiter European Opportunities Trust	3,220	1.46
		11,905	5.39
United States - 8.28% (31/3/2020 - 9.21%)			
635,762	Brown Advisory US Flexible Equity Fund	11,442	5.19
1,817,531	JP Morgan US Equity Income Fund	6,825	3.09
		18,267	8.28
Japan - 1.66% (31/3/2020 - 1.18%)			
168,091	Baillie Gifford Japanese Fund	3,513	1.59
100,000	HSBC Index Tracker Investment Funds - Japan Index Fund	146	0.07
		3,659	1.66
Asia Pacific (Ex Japan) - 3.49% (31/3/2020 - 2.71%)			
16,615	Schroder International Selection Asian Total Return Fund	7,694	3.49
Emerging Markets - 2.44% (31/3/2020 - 2.25%)			
21,001	RWC Funds - RWC Global Emerging Markets Fund	5,389	2.44
Global - 4.90% (31/3/2020 - 4.99%)			
2,381,302	Fidelity Investment Funds ICVC - Global Enhanced Income Fund	3,479	1.58
917,250	Lindsell Train Global Equity Fund	3,765	1.70
34,856	Lumyna – Sandbar Global Equity Market Neutral UCITS Fund	3,571	1.62
		10,815	4.90
FIXED INTEREST - 31.67% (31/3/2020 - 29.27%)			
United Kingdom Gilts & Corporate Bonds - 20.22% (31/3/2020 - 16.65%)			
3,015,000	Allianz Global Investors Strategic Bond Fund	3,905	1.77
5,851,000	Artemis Corporate Bond Fund	6,313	2.86

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
United Kingdom Gilts & Corporate Bonds continued			
5,909,388	BlackRock Sterling Strategic Bond Fund	6,784	3.07
22,771	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	2,422	1.10
61,054	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	8,512	3.85
179,070	Lyxor Nasdaq-100 UCITS ETF	6,741	3.05
31,000	SPDR Bloomberg Barclays 15+ year GILT UCITS ETF	2,158	0.98
6,656,832	SVS Church House Investment Grade Fixed Interest Fund	7,808	3.54
		44,643	20.22
Dynamic Bonds - 11.45% (31/3/2020 - 12.62%)			
5,950,000	Janus Henderson Strategic Bond Fund	8,509	3.85
76,838	Nomura Funds Ireland plc - Global Dynamic Bond Fund	8,731	3.96
8,332,441	Schroder Strategic Credit Fund	8,028	3.64
		25,268	11.45
NON EQUITY INVESTMENT INSTRUMENTS - 6.89% (31/3/2020 - 8.14%)			
7,081,002	MI TwentyFour - Monument Bond Fund	7,341	3.32
9,627,793	Royal London Short Duration Global High Yield Bond Fund	7,877	3.57
		15,218	6.89
ALTERNATIVE - 14.46% (31/3/2020 - 10.95%)			
974,253	BBGI	1,678	0.76
1,271,832	GCP Infrastructure Investments Fund	1,300	0.59
1,191,418	HICL Infrastructure	1,963	0.89
1,856,405	Hipgnosis Songs Fund	2,321	1.05
1,260,754	International Public Partnership	2,113	0.96
22,759	Invesco Physical Gold ETC	2,721	1.23
31,503	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS ETF	3,110	1.41
1,700,000	LXI REIT	2,139	0.97
390,477	Neuberger Berman Uncorrelated Strategies Fund	4,163	1.88
2,800,000	Round Hill Music Royalty Fund	2,090	0.95
215,300	Royal Mint Physical Gold	2,655	1.20
1,680,552	The Renewables Infrastructure	2,047	0.93
70,000	UBS CMCI Composite SF UCITS ETF	3,611	1.64
		31,911	14.46
	Portfolio of investments	214,907	97.36
	Net other assets	5,821	2.64
	Total net assets	220,728	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 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		27,822		(16,039)
Revenue	3	4,540		6,485	
Expenses	4	(1,108)		(1,102)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation for the year		3,432		5,383	
Taxation	5	(301)		(536)	
Net revenue after taxation for the year			3,131		4,847
Total return before distributions			30,953		(11,192)
Distributions	7		(3,131)		(4,847)
Change in net assets attributable to unitholders from investment activities			27,822		(16,039)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		186,894		200,497
Amounts received on creation of units	16,558		19,967	
Amounts paid on cancellation of units	(13,651)		(22,291)	
		2,907		(2,324)
Dilution adjustment		—		1
Change in net assets attributable to unitholders from investment activities		27,822		(16,039)
Retained distribution on accumulation units		3,105		4,759
Closing net assets attributable to unitholders		220,728		186,894

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			214,907		169,710
Current assets					
Debtors	8	610		555	
Cash and bank balances	9	5,739		17,034	
Total other assets			6,349		17,589
Total assets			221,256		187,299
LIABILITIES					
Creditors					
Distribution payable		(15)		(38)	
Other creditors	10	(513)		(367)	
Total other liabilities			(528)		(405)
Total liabilities			(528)		(405)
Net assets attributable to unitholders			220,728		186,894

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency (losses)/gains	(20)	47
Gains/(losses) on non-derivative securities	27,842	(16,085)
Management fee rebates	—	(1)
Net capital gains/(losses)	27,822	(16,039)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Non-taxable overseas dividends	880	990
Overseas dividends	1,170	2,477
Rebate of fees from holdings in third party collective investment schemes	8	(1)
UK dividends	—	22
UK franked dividends from collective investment schemes	1,048	1,692
UK unfranked dividends from collective investment schemes	1,434	1,305
Total revenue	4,540	6,485

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,108	1,102
Total expenses	1,108	1,102

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	301	536
Total taxation	301	536

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	3,432	5,383
Corporation tax at 20% (31/3/2020 - 20%)	686	1,077

Effects of:

Revenue not subject to tax	(385)	(541)
Total taxation (see note 5(a))	301	536

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	1,711	1,872
Final distribution	1,430	2,953
	3,141	4,825

Add: Revenue deducted on cancellation of units	51	141
Less: Revenue received on creation of units	(61)	(119)
Net distribution for the year	3,131	4,847

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	293	483
Receivable for creation of units	317	72
Total debtors	610	555

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	5,739	17,034

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	99	87
Corporation tax	192	244
Payable for cancellation of units	222	36
Total other creditors	513	367

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Managed Conservative Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	17,217	17,217
Total	—	17,217	17,217

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	214,907	214,907
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	169,710	169,710
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
31/3/2021		
Level 1: Quoted prices	57,799	—
Level 2: Observable market data	157,108	—
Level 3: Unobservable data	—	—
	214,907	—
31/3/2020		
Level 1: Quoted prices	45,927	—
Level 2: Observable market data	123,783	—
Level 3: Unobservable data	—	—
	169,710	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	4,227	—	—	—	—
Collective investment scheme	50,088	5	0.01	2	0.00
Total	54,315	5		2	
Total purchases including commission and taxes	54,322				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment scheme	37,559	4	0.01	—	—
Total	37,559	4		—	
Total sales net of commissions and taxes	37,555				
Total transaction costs		9		2	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment scheme	30,527	3	0.01	—	—
Total	30,527	3		—	
Total purchases including commission and taxes	30,530				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment scheme	35,946	2	0.01	—	—
Total	35,946	2		—	
Total sales net of commissions and taxes	35,944				
Total transaction costs		5		—	
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.

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 0.31% (31/3/2020 - 0.50%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Managed Conservative Fund at the year end in respect of fees paid to the Manager was £98,610 (31/3/2020 - £86,952).

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

	Unit holding %	Related party name
Managed Conservative Fund	77.22	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	A Income units*	A Accumulation units*	X Income units	X Accumulation units
Opening units	893	9,956	1,390,672	90,601,296
Units created	—	—	141,608	7,169,151
Units cancelled	(893)	(9,956)	(421,899)	(5,726,704)
Units converted	—	—	—	—
Closing units	—	—	1,110,381	92,043,743

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.

*A Income and A Accumulation unit classes closed on 1 September 2020.

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Income*				
Group 1	n/a	n/a	n/a	2.3776
Group 2	n/a	n/a	n/a	2.3776
A Accumulation*				
Group 1	n/a	n/a	n/a	2.5763
Group 2	n/a	n/a	n/a	2.5763
X Income				
Group 1	1.3232	—	1.3232	2.7109
Group 2	0.1201	1.2031	1.3232	2.7109
X Accumulation				
Group 1	1.5372	—	1.5372	3.2183
Group 2	0.4848	1.0524	1.5372	3.2183

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Income*				
Group 1	n/a	n/a	n/a	1.2633
Group 2	n/a	n/a	n/a	1.2633
A Accumulation*				
Group 1	n/a	n/a	n/a	1.3947
Group 2	n/a	n/a	n/a	1.3947
X Income				
Group 1	1.5905	—	1.5905	1.6771
Group 2	1.1267	0.4638	1.5905	1.6771
X Accumulation				
Group 1	1.8773	—	1.8773	2.0270
Group 2	1.1757	0.7016	1.8773	2.0270

*A Income and A Accumulation unit classes closed on 1 September 2020.

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 2021

Fund objective and policy

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Managed Balanced Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

In the 12 months to the 31 March 2021 the Close Managed Balanced Fund (X Acc) rose 26.3%, whilst the IA Mixed Investment (40%-85% Shares) sector rose 26.4%.

It seems likely that 2020 will be remembered as a year where much changed, and so much of what we know and take for granted was shaken, for that the year will be long remembered. Yet, in many respects, we saw an acceleration of trends that were already in place, meaning that there were areas of the market where calendar year returns were very strong. It should also be remembered that the reporting period covered here starts from what is almost the low point for markets, at the height of the first wave of the coronavirus in Europe and North America; consequently the double digit return numbers for the 12 months are above what can reasonably be expected for a similar timeframe over the long term. While the first 3 months of 2021 have seen a rotation of sorts within stock markets, they have nonetheless been positive also on the back of vaccine rollouts. So when looking at the returns during the reporting period, it is important to remember that performance is significantly impacted by market reaction to the pandemic with a more traditional 'forward looking' assessment only really coming through in the last 4-5 months, since the first news of workable vaccines was announced in the autumn of 2020.

On a regional basis, over the year, emerging markets were the best equity market performer with a return of 45.0%, followed by the US 39.6%, Europe 35.9%, and Japan on 24.9%. The UK market managed 24.1% for the year. Within fixed interest UK government bonds faded towards the end of the reporting period and finished -2.9%.

The strategy is to produce capital growth from a balanced and diversified portfolio of investments, exposed to different geographies and asset classes. Volatility around the coronavirus pandemic, along with underwhelming returns from historically safer yield orientated assets have created challenges over the last 12 months. Despite this we witnessed a strong bounce back from the pandemic market lows and have seen returns from across the portfolio as sentiment has returned to growth and more latterly value areas of the market. In the equity space, we have seen pockets of strong returns, over and above the index. For example, in the US, the Baillie Gifford American Fund managed a very impressive 105.1% for the year, whilst the RWC Global Emerging Markets Fund posted an excellent 74.8% over the same period. Within bonds there were generally solid numbers as credit rebounded from the pandemic liquidity squeeze, and the Nomura Global Dynamic Bond delivered a total return of 19.0% for the reporting period. Our gold position was a net negative for the 12 months to the end of March 2021, however, we got some healthy returns from our other alternative positions, and INPP and BBGI (two of our infrastructure positions) posted 12.9% and 11.7% respectively for the year.

We made a number of changes to the portfolio during the 12 months to end of March 2021. Generally speaking we added to equities and diversifiers cautiously, having cut risk towards the end of the last reporting period. We also rotated out of some of the value positions within the Managed Balanced Fund to remove some of the potential for cyclical volatility, before adding back into some of these holdings later in the reporting period as clarity over the roadmap out of the pandemic became more clear. New names into the portfolio included music royalties, which is a relatively new asset class but with what we believe are attractive characteristics for both income and capital appreciation. We added the Roundhill Music Royalty Fund to the portfolio. New names included explicit Chinese equity exposure in the form of the Allianz China A Share, as well as core Asia exposure with the NinetyOne Asia Pacific Franchise. Elsewhere we made some cosmetic changes to some of our passive positions to reduce the costs, while keeping the index exposure broadly the same. Finally, we added a short term trading strategy in the form of the Neiderhoffer Smart Alpha, which aims to be uncorrelated to equities and bonds, and towards the end of the reporting period we swapped some of our gold allocation for broader commodity allocation, which includes agriculture, energy, and metals.

Outlook

Over the course of the last 12 months we have steadily increased risk, leaning into the recovery in asset prices following the pandemic induced sell-off. We now have a moderately overweight position in equities, which we hold at the expense of cash and fixed interest. Exposure to diversifiers has increased where we have added to areas like absolute return strategies. From an equity standpoint we are well diversified across geographies, and within fixed income we favour credit over government bonds. The path of markets looks like being dictated partly in the near term by the outlook for unlocking societies that are still locked down because of coronavirus. We are cautious, but ultimately optimistic that risk assets can be positive for the next 12 months from here and are positioned accordingly.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Managed Balanced Fund X Accumulation	26.3%	(6.2)%	4.4%	2.4%	18.6%
IA Mixed Investments 40-85% Sector	26.4%	(8.0)%	4.3%	1.5%	17.1%

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

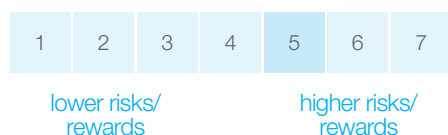
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Managed Balanced Fund currently has one types of unit class in issue; X Accumulation. The risk and reward profile is as follows:

Synthetic Risk and Reward Indicator ("SRRI")



The Managed Balanced is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

Effective from 1 January 2021, the synthetic risk and reward indicator for the Managed Balanced Fund changed from 4 to 5.

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.

Fund Report

continued

Risk and Reward Profile continued

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.

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

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

Collective Investment Schemes

Collective Investment Schemes

The Managed Balanced Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.60% (31/3/2020 - 0.53%).

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

Comparative tables

For the year ended Y Accumulation***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	254.64	244.46
Return before operating charge	n/a	(11.26)	13.83
Operating charges	n/a	(3.62)	(3.65)
Return after operating charges	n/a	(14.88)	10.18
Distributions	n/a	(2.98)	(2.70)
Retained distributions on accumulation units	n/a	2.98	2.70
Closing net asset value per unit**	n/a	239.76	254.64
After direct transaction costs of*	n/a	(0.01)	0.00
Performance			
Return after charges	n/a	(5.84)%	4.16%
Other information			
Closing net asset value £'000	n/a	36	38
Closing number of units	n/a	14,966	14,966
Operating charges	n/a	1.36%	1.44%
Direct transaction costs*	n/a	0.00%	0.00%
Prices**			
Highest unit price	n/a	282.70	264.70
Lowest unit price	n/a	226.70	238.20

*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.

**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.

***Y Accumulation unit class closed on 1 September 2020.

Comparative tables

continued

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	224.84	238.21	228.11
Return before operating charge	59.30	(10.75)	12.78
Operating charges	(2.97)	(2.62)	(2.68)
Return after operating charges	56.33	(13.37)	10.10
Distributions	(2.74)	(3.41)	(3.12)
Retained distributions on accumulation units	2.74	3.41	3.12
Closing net asset value per unit**	281.17	224.84	238.21
After direct transaction costs of*	(0.04)	(0.01)	0.00
Performance			
Return after charges	25.05%	(5.61)%	4.43%
Other information			
Closing net asset value £'000	345,657	260,785	263,918
Closing number of units	122,935,758	115,988,110	110,794,696
Operating charges	1.12%	1.05%	1.13%
Direct transaction costs*	0.01%	0.00%	0.00%
Prices**			
Highest unit price	290.70	265.00	247.20
Lowest unit price	221.30	212.60	222.70

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 66.15% (31/3/2020 - 61.27%)			
United Kingdom - 22.59% (31/3/2020 - 20.41%)			
773,000	Baillie Gifford UK Equity Alpha Fund	6,422	1.86
1,800,000	ES River and Mercantile Global Recovery Fund	5,143	1.49
2,305,851	iShares Core FTSE 100 UCITS ETF	15,237	4.41
6,400,000	JP Morgan UK Equity Plus Fund	7,213	2.09
3,433,967	Liontrust Special Situations Fund	16,009	4.63
10,871,480	Ninety One UK Alpha Fund	15,495	4.48
9,114,940	Threadneedle Specialist UK Equity Alpha Income Fund	12,559	3.63
		78,078	22.59
Europe - 7.98% (31/3/2020 - 6.81%)			
4,275,000	AllianceBernstein Europe (ex UK) Equity Fund	4,874	1.41
139,163	Baring Europe Select Trust	6,939	2.01
60,000	db x-trackers EURO STOXX 50 ETF	3,035	0.88
10,000	FP Carmignac European Leaders	14	0.00
2,089,394	FP Crux European Special Situations Fund	6,508	1.88
898,080	Jupiter European Opportunities Trust	6,224	1.80
		27,594	7.98
United States - 14.82% (31/3/2020 - 15.96%)			
930,919	Baillie Gifford American Fund	16,747	4.84
960,093	Brown Advisory US Flexible Equity Fund	17,278	5.00
30,000	Threadneedle (Lux) US Disciplined Core Equities Fund	349	0.10
308,171	Vanguard S&P 500 UCITS ETF	16,870	4.88
		51,244	14.82
Asia Pacific (Ex Japan) - 6.92% (31/3/2020 - 3.99%)			
2,850,000	Allianz China Fund	3,159	0.91
4,000,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	4,957	1.44
34,127	Schroder International Selection Asian Total Return Fund	15,803	4.57
		23,919	6.92
Japan - 2.29% (31/3/2020 - 1.70%)			
370,971	Baillie Gifford Japanese Fund	7,753	2.25
100,000	HSBC Index Tracker Investment Funds - Japan Index Fund	146	0.04
		7,899	2.29
Emerging Markets - 3.37% (31/3/2020 - 4.00%)			
45,401	RWC Funds - RWC Global Emerging Markets Fund	11,651	3.37
Global - 8.18% (31/3/2020 - 8.40%)			
834,468	Brown Advisory Global Leaders Fund	12,918	3.74

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Global continued			
1,587,909	Lindsell Train Global Equity Fund	6,517	1.89
49,454	Lumyna – Sandbar Global Equity Market Neutral UCITS Fund	5,067	1.47
330,000	Scottish Mortgage Investment Trust	3,749	1.08
		28,251	8.18
FIXED INTEREST - 19.99% (31/3/2020 - 18.41%)			
United Kingdom Gilts and Corporate Bonds - 15.87% (31/3/2020 - 14.10%)			
2,185,000	Allianz Global Investors Strategic Bond Fund	2,830	0.82
3,000,000	Artemis Corporate Bond Fund	3,237	0.94
6,563,737	Baillie Gifford Corporate Bond Fund	6,027	1.74
6,000,622	BlackRock Sterling Strategic Bond Fund	6,889	1.99
40,293	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	4,286	1.24
76,647	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	10,686	3.09
236,900	Lyxor Nasdaq-100 UCITS ETF	8,918	2.58
35,000	SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	2,436	0.71
8,142,050	SVS Church House Investment Grade Fixed Interest Fund	9,551	2.76
		54,860	15.87
Dynamic Bonds - 4.12% (31/3/2020 - 4.31%)			
6,563,737	Janus Henderson Strategic Bond Fund	5,148	1.49
80,012	Nomura Funds Ireland plc- Global Dynamic Bond Fund	9,092	2.63
		14,240	4.12
ALTERNATIVE - 12.17% (31/3/2020 - 11.36%)			
1,505,432	BBGI	2,592	0.75
2,038,779	GCP Infrastructure Investments Fund	2,084	0.60
1,436,237	HICL Infrastructure	2,367	0.68
1,577,995	International Public Partnership	2,645	0.77
41,007	Invesco Physical Gold ETC	4,903	1.42
47,716	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS ETF	4,711	1.36
576,786	Neuberger Berman Uncorrelated Strategies Fund	6,149	1.78
5,300,000	Round Hill Music Royalty Fund	3,957	1.14
391,500	Royal Mint Physical Gold	4,828	1.40
2,408,458	The Renewables Infrastructure	2,934	0.85
95,000	UBS CMCI Composite SF UCITS ETF	4,901	1.42
		42,071	12.17
	Portfolio of investments	339,807	98.31
	Net other assets	5,850	1.69
	Total net assets	345,657	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 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		62,632		(20,080)
Revenue	3	4,893		5,528	
Expenses	4	(1,621)		(1,504)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation for the year		3,272		4,024	
Taxation	5	(51)		(73)	
Net revenue after taxation for the year			3,221		3,951
Total return before distributions			65,853		(16,129)
Distributions	7		(3,221)		(3,951)
Change in net assets attributable to unitholders from investment activities			62,632		(20,080)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		260,821		264,050
Amounts received on creation of units	32,360		35,444	
Amounts paid on cancellation of units	(13,434)		(22,561)	
		18,926		12,883
Dilution Levy		(4)		—
Change in net assets attributable to unitholders from investment activities		62,632		(20,080)
Retained distribution on accumulation units		3,282		3,968
Closing net assets attributable to unitholders		345,657		260,821

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			339,807		237,452
Current assets					
Debtors	8	1,540		2,228	
Cash and bank balances	9	10,157		21,513	
Total other assets			11,697		23,741
Total assets			351,504		261,193
LIABILITIES					
Creditors					
Other creditors	10	(5,847)		(372)	
Total other liabilities			(5,847)		(372)
Total liabilities			(5,847)		(372)
Net assets attributable to unitholders			345,657		260,821

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency losses	(40)	(1)
Gains/(losses) on non-derivative securities	62,672	(20,077)
Rebate of fees from holding in third party collective investment schemes	—	(2)
Net capital gains/(losses)	62,632	(20,080)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	2,693	2,726
Rebate of fees from holdings in third party collective investment schemes	14	6
UK dividends	—	33
UK franked dividends from collective investment schemes	1,319	1,954
UK unfranked dividends from collective investment schemes	867	809
Total revenue	4,893	5,528

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	1,621	1,504
Total expenses	1,621	1,504

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	51	73
Total taxation	51	73

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	3,272	4,024
Corporation tax at 20% (31/3/2020 - 20%)	654	805

Effects of:

Revenue not subject to tax	(603)	(732)
Total taxation (see note 5(a))	51	73

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	1,880	1,789
Final distribution	1,402	2,179
	3,282	3,968

Add: Revenue deducted on cancellation of units	31	93
Less: Revenue received on creation of units	(92)	(110)
Net distribution for the year	3,221	3,951

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	237	607
Receivable for creation of units	1,303	944
Sales awaiting settlement	—	677
Total debtors	1,540	2,228

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	10,157	21,513

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	151	118
Amounts payable on cancellation of shares	544	—
Corporation tax	44	26
Purchases awaiting settlement	5,108	228
Total other creditors	5,847	372

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Managed Balanced Fund's net assets at 31 March 2020 was:

	Net foreign currency assets		
	Monetary exposures GBP £'000	Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	23,541	23,541
Total	—	23,541	23,541

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	339,807	339,807
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	237,452	237,452
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
31/3/2021		
Level 1: Quoted prices	102,652	—
Level 2: Observable market data	237,155	—
Level 3: Unobservable data	—	—
	339,807	—
31/3/2020		
Level 1: Quoted prices	67,721	—
Level 2: Observable market data	169,731	—
Level 3: Unobservable data	—	—
	237,452	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	3,986	—	—	—	—
Collective investment schemes	98,502	13	0.01	27	0.03
Total	102,488	13		27	
Total purchases including commission and taxes	102,528				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	64,121	4	0.01	—	—
Total	64,121	4		—	
Total sales net of commissions and taxes	64,117				
Total transaction costs		17		27	
Total transaction costs as a % of average net assets		0.00%		0.01%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	50,746	5	0.01	1	—
Total	50,746	5		1	
Total purchases including commission and taxes	50,752				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	45,883	2	—	—	—
Total	45,833	2		—	
Total sales net of commissions and taxes	45,881				
Total transaction costs		7		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 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 transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. 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 0.31% (31/3/2020 - 0.47%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Managed Balanced Fund at the year end in respect of fees paid to the Manager was £151,286 (31/3/2020 - £118,063).

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

	Unit holding %	Related party name
Managed Balanced Fund	71.92	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	Y Accumulation units*	X Accumulation units
Opening units	14,966	115,988,110
Units created	—	12,141,378
Units cancelled	—	(5,209,667)
Units converted	(14,966)	15,937
Closing units	—	122,935,758

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.

*Y Accumulation unit class closed on 1 September 2020.

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.6723
Group 2	n/a	n/a	n/a	1.6723
X Accumulation				
Group 1	1.1402	—	1.1402	1.8780
Group 2	0.2673	0.8729	1.1402	1.8780

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
Y Accumulation*				
Group 1	n/a	n/a	n/a	1.3066
Group 2	n/a	n/a	n/a	1.3066
X Accumulation				
Group 1	1.6008	—	1.6008	1.5307
Group 2	1.0195	0.5813	1.6008	1.5307

*Y Accumulation unit class closed on 1 September 2020.

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 2021

Fund objective and policy

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Managed Growth Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

In the 12 months to the 31 March 2021 the Managed Growth Fund (X Accumulation) rose 34.8%, whilst the IA Flexible Investment sector rose 29.1%.

It seems likely that 2020 will be remembered as a year where much changed, and so much of what we know and take for granted was shaken, for that the year will be long remembered. Yet, in many respects, we saw an acceleration of trends that were already in place, meaning that there were areas of the market where calendar year returns were very strong. It should also be remembered that the reporting period covered here starts from what is almost the low point for markets, at the height of the first wave of the coronavirus in Europe and North America; consequently the double digit return numbers for the 12 months are above what can reasonably be expected for a similar timeframe over the long term. While the first 3 months of 2021 have seen a rotation of sorts within stock markets, they have nonetheless been positive also on the back of vaccine rollouts. So when looking at the returns during the reporting period, it is important to remember that performance is significantly impacted by market reaction to the pandemic with a more traditional 'forward looking' assessment only really coming through in the last 4-5 months, since the first news of workable vaccines was announced in the autumn of 2020.

On a regional basis, over the year, emerging markets were the best equity market performer with a return of 45.0%, followed by the US 39.6%, Europe 35.9%, and Japan on 24.9%. The UK market managed 24.1% for the year. Within fixed interest UK government bonds faded towards the end of the reporting period and finished -2.9%.

The strategy is to produce capital growth from a growth orientated, diversified portfolio of investments, exposed to different geographies and asset classes. Volatility around the coronavirus pandemic, along with underwhelming returns from historically safer yield orientated assets have created challenges over the last 12 months. Despite this we witnessed a strong bounce back from the pandemic market lows and have seen returns from across the portfolio as sentiment has returned to growth and more latterly value areas of the market. In the equity space, we have seen pockets of strong returns, over and above the index. For example, in the US, the Baillie Gifford American Fund managed a very impressive 105.1% for the year, whilst the RWC Global Emerging Markets Fund posted an excellent 74.8% over the same period. Within bonds there were generally solid numbers as credit rebounded from the pandemic liquidity squeeze, and the Janus Henderson Strategic Bond Fund delivered a total return of 11.9% for the reporting period. Our gold position was a net negative for the 12 months to the end of March 2021, however, we got some healthy returns from our other alternative positions, and International Public Partnership and BBGI (two of our infrastructure positions) posted 12.9% and 11.7% respectively for the year.

We made a number of changes to the portfolio during the 12 months to end of March 2021. Generally speaking we added to equities and diversifiers cautiously, having cut risk towards the end of the last reporting period. We also rotated out of some of the value positions within the fund to remove some of the potential for cyclical volatility, before adding back into some of these holdings later in the reporting period as clarity over the roadmap out of the pandemic became more clear. New names into the portfolio included music royalties, which is a relatively new asset class but with what we believe are attractive characteristics for both income and capital appreciation. We added the Roundhill Music Royalty Fund to the portfolio. New names included explicit US small-cap exposure in the form of the Legg Mason Royce US Small Cap Opportunity Premier Fund, as well as core Asia exposure with the NinetyOne Asia Pacific Franchise Fund. Elsewhere we made some cosmetic changes to some of our passive positions to reduce the costs, while keeping the index exposure broadly the same. Finally, we added a short term trading strategy in the form of the Kepler Liquid Strategies Neiderhoffer Smart Alpha, which aims to be uncorrelated to equities and bonds, and towards the end of the reporting period we swapped some of our gold allocation for broader commodity allocation, which includes agriculture, energy, and metals. We added Chrysalis Investments, which invests in pre and post IPO businesses, predominantly in the UK and Europe.

Over the course of the last 12 months we have steadily increased risk, leaning into the recovery in asset prices following the pandemic induced sell-off. We now have a moderately overweight position in equities, adding to small cap where appropriate, which we hold at the expense of cash and fixed interest. Exposure to diversifiers has increased where we have added to areas like absolute return strategies. From an equity standpoint we are well diversified across geographies, and within fixed income we favour credit over government bonds. The path of markets looks like being dictated partly in the near term by the outlook for unlocking societies that are still locked down because of coronavirus. We are cautious, but ultimately optimistic that risk assets can be positive for the next 12 months from here and are positioned accordingly.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Managed Growth Fund X Accumulation	34.8%	(6.3)%	4.4%	4.1%	20.6%
IA Flexible Investment Sector	29.1%	(8.1)%	3.3%	2.4%	19.1%

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")

1	2	3	4	5	6	7
lower risks/ rewards				higher risks/ rewards		

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.

Fund Report

continued

Collective Investment Schemes

The Managed Growth Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Managed Growth Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.58% (31/3/2020 - 0.54%).

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

Comparative tables

For the year ended A Accumulation***	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	261.66	252.35
Return before operating charges	n/a	(11.63)	14.33
Operating charges	n/a	(5.06)	(5.02)
Return after operating charges	n/a	(16.69)	9.31
Distributions	n/a	(0.59)	0.00
Retained distributions on accumulation units	n/a	0.59	0.00
Closing net asset value per unit**	n/a	244.97	261.66
After direct transaction costs of*	n/a	(0.01)	(0.02)
Performance			
Return after charges	n/a	(6.38)%	3.69%
Other information			
Closing net asset value £'000	n/a	2	3
Closing number of units	n/a	979	979
Operating charges	n/a	1.84%	1.91%
Direct transaction costs*	n/a	0.00%	0.00%
Prices**			
Highest unit price	n/a	295.40	278.20
Lowest unit price	n/a	228.90	243.00

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	238.88	253.12	242.17
Return before operating charges	82.66	(11.46)	13.76
Operating charges	(3.18)	(2.78)	(2.81)
Return after operating charges	79.48	(14.24)	10.95
Distributions	(2.22)	(2.71)	(1.96)
Retained distributions on accumulation units	2.22	2.71	1.96
Closing net asset value per unit**	318.36	238.88	253.12
After direct transaction costs of*	(0.03)	(0.01)	(0.02)
Performance			
Return after charges	33.27%	(5.63)%	4.52%
Other information			
Closing net asset value £'000	84,211	50,903	55,441
Closing number of units	26,451,458	21,308,343	21,902,680
Operating charges	1.08%	1.04%	1.11%
Direct transaction costs*	0.01%	0.00%	0.00%
Prices**			
Highest unit price	330.80	287.80	267.90
Lowest unit price	233.80	223.20	234.50

*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.

**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.

***A Accumulation unit class closed 1 September 2020.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 77.20% (31/3/2020 - 76.19%)			
United Kingdom - 22.06% (31/3/2020 - 20.24%)			
250,500	Baillie Gifford UK Equity Alpha Fund	2,081	2.47
580,000	ES R&M Global Recovery Fund	1,657	1.97
503,189	iShares Core FTSE 100 UCITS ETF	3,325	3.95
1,309,000	Link Tellworth UK Smaller Companies Fund	1,936	2.30
696,852	Liontrust Special Situations Fund	3,249	3.86
2,253,678	Ninety One UK Alpha Fund	3,212	3.81
2,258,746	Threadneedle Specialist UK Equity Alpha Income Fund	3,112	3.70
		18,572	22.06
Europe - 11.96% (31/3/2020 - 10.44%)			
1,250,000	AllianceBernstein Europe (ex UK) Equity Fund	1,425	1.69
38,086	Baring Europe Select Trust	1,899	2.25
10,000	Carmignac European Leaders	15	0.02
440,000	Chrysalis Investments	858	1.02
88,000	Chrysalis Investments rights 24/4/2021	—	0.00
25,520	db x-trackers EURO STOXX 50 ETF	1,291	1.53
511,071	FP Crux European Special Situations Fund	1,592	1.89
304,635	Jupiter European Opportunities Trust	2,111	2.51
1,180,000	Round Hill Music Royalty Fund	881	1.05
		10,072	11.96
Asia Pacific (Ex Japan) - 9.37% (31/3/2020 - 6.44%)			
1,115,000	Allianz China Fund	1,236	1.47
354,767	Invesco Perpetual Asian Fund	2,001	2.38
1,250,000	Ninety One Asia Pacific Franchise Fund J Acc GBP	1,549	1.84
6,703	Schroder International Selection Asian Total Return Fund	3,104	3.68
		7,890	9.37
Japan - 3.37% (31/3/2020 - 1.66%)			
83,993	Baillie Gifford Japanese Fund	1,755	2.08
8,800	SPARX Japan Sustainable Equity Fund	1,085	1.29
		2,840	3.37
United States - 16.72% (31/3/2020 - 21.45%)			
216,794	Baillie Gifford American Fund	3,900	4.63
233,649	Brown Advisory US Flexible Equity Fund	4,205	4.99
4,300	Legg Mason Royce US Small Cap Opportunity Premier GBP Acc	1,358	1.61
50,000	Threadneedle (Lux) US Disciplined Core Equities Fund	582	0.69
73,758	Vanguard S&P 500 UCITS ETF	4,038	4.80
		14,083	16.72

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Global - 10.11% (31/3/2020 - 11.07%)		
199,842	Brown Advisory Global Leaders Fund	3,094	3.68
519,485	Lindsell Train Global Equity Fund	2,132	2.53
7,187	Lumyna – Sandbar Global Equity Market Neutral UCITS Fund	736	0.87
224,914	Scottish Mortgage Investment Trust	2,555	3.03
		8,517	10.11
	Emerging Markets - 3.61% (31/3/2020 - 4.89%)		
11,832	RWC Funds - RWC Global Emerging Markets Fund	3,036	3.61
	FIXED INTEREST - 9.46% (31/3/2020 - 8.09%)		
	United Kingdom Gilts and Corporate Bonds - 8.63% (31/3/2020 - 7.08%)		
563,522	BlackRock Sterling Strategic Bond Fund	647	0.77
5,704	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	607	0.72
10,731	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	1,496	1.78
83,310	Lyxor Nasdaq-100 UCITS ETF	3,136	3.72
6,500	SPDR Bloomberg Barclays 15+ year GILT UCITS ETF	452	0.54
793,319	SVS Church House Investment Grade Fixed Interest Fund	931	1.10
		7,269	8.63
	Dynamic Bonds - 0.83% (31/3/2020 - 1.01%)		
490,000	Janus Henderson Strategic Bond Fund	701	0.83
	ALTERNATIVE - 7.71% (31/3/2020 - 9.33%)		
204,348	BBGI	352	0.42
391,927	GCP Infrastructure Investments Fund	401	0.48
288,749	HICL Infrastructure	476	0.56
200,000	International Public Partnership	335	0.40
6,718	Invesco Physical Gold ETC	803	0.95
8,230	Kepler Liquid Strategies Niederhoffer Smart Alpha UCITS ETF	813	0.96
70,100	Neuberger Berman Uncorrelated Strategies Fund	747	0.89
65,500	Royal Mint Physical Gold	808	0.96
510,230	The Renewables Infrastructure	621	0.74
22,000	UBS CMCI Composite SF UCITS ETF	1,135	1.35
		6,491	7.71
	Portfolio of investments	79,471	94.37
	Net other assets	4,740	5.63
	Total net assets	84,211	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 2021

		Year to 31/3/2021	Year to 31/3/2020
	Notes	GBP £'000	GBP £'000
Income			
Net capital gains/(losses)	2	17,100	(3,643)
Revenue	3	832	861
Expenses	4	(334)	(285)
Interest payable and similar charges	6	—	—
Net revenue before taxation for the year		498	576
Taxation	5	—	—
Net revenue after taxation for the year		498	576
Total return before distributions		17,598	(3,067)
Distributions	7	(498)	(577)
Change in net assets attributable to unitholders from investment activities		17,100	(3,644)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	Year to 31/3/2021	Year to 31/3/2020
	GBP £'000	GBP £'000
Opening net assets attributable to unitholders	50,905	55,444
Amounts received on creation of units	19,740	6,928
Amounts paid on cancellation of units	(4,062)	(8,401)
	15,678	(1,473)
Dilution adjustment	(2)	1
Change in net assets attributable to unitholders from investment activities	17,100	(3,644)
Retained distribution on accumulation units	530	577
Closing net assets attributable to unitholders	84,211	50,905

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			79,471		47,654
Current assets					
Debtors	8	783		331	
Cash and bank balances	9	5,688		2,944	
Total other assets			6,471		3,275
Total assets			85,942		50,929
LIABILITIES					
Creditors					
Other creditors	10	(1,731)		(24)	
Total other liabilities			(1,731)		(24)
Total liabilities			(1,731)		(24)
Net assets attributable to unitholders			84,211		50,905

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency losses	(9)	—
Gains/(losses) on non-derivative securities	17,109	(3,647)
Rebate of fees from holdings in third party collective investment schemes	—	4
Net capital gains/(losses)	17,100	(3,643)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	467	400
Rebate of fees from holdings in third party collective investment schemes	3	1
UK dividends	—	10
UK franked dividends from collective investment schemes	306	380
UK unfranked dividends from collective investment schemes	56	70
Total revenue	832	861

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	334	285
Total expenses	334	285

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in 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	498	576
Corporation tax at 20% (31/3/2020 - 20%)	100	115
Effects of:		
Movement in unrecognised tax losses	35	33
Revenue not subject to tax	(135)	(148)
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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £143,956 (31/3/2020 - £109,210) due to tax losses of £719,778 (31/3/2020 - £546,050). It is unlikely that the Managed Growth Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	306	259
Final distribution	224	318
	530	577
Add: Revenue deducted on cancellation of units	8	23
Less: Revenue received on creation of units	(40)	(23)
Net distribution for the year	498	577
Reconciliation of distributions:		
Net revenue after taxation	498	576
Tax relief on capitalised fee rebates	—	1
Net distribution for the year	498	577

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	44	38
Income tax recoverable	—	2
Receivable for creation of units	739	31
Sales awaiting settlement	—	260
Total debtors	783	331

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	5,688	2,944

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	35	22
Payable for cancellation of units	22	2
Purchases awaiting settlement	1,674	—
Total other creditors	1,731	24

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020 - £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 2021 was:

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

The currency profile for the Managed Growth Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	4,697	4,697
Total	—	4,697	4,697

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	79,471	79,471
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	47,654	47,654
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
31/3/2021		
Level 1: Quoted prices	25,681	—
Level 2: Observable market data	53,790	—
Level 3: Unobservable data	—	—
	79,471	—
31/3/2020		
Level 1: Quoted prices	15,023	—
Level 2: Observable market data	32,631	—
Level 3: Unobservable data	—	—
	47,654	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	1,538	—	—	—	—
Collective investment schemes	29,436	3	0.01	4	0.01
Total	30,974	3		4	
Total purchases including commission and taxes	30,981				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	16,577	1	0.01	—	—
Total	16,577	1		—	
Total sales net of commissions and taxes	16,576				
Total transaction costs		4		4	
Total transaction costs as a % of average net assets		0.00%		0.01%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	7,947	1	0.01	1	0.01
Total	7,947	1		1	
Total purchases including commission and taxes	7,949				

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	10,204	1	0.01	—	—
Total	10,204	1		—	
Total sales net of commissions and taxes	10,203				
Total transaction costs		2		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.

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

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

At the balance sheet date the average portfolio dealing spread was 0.21% (31/3/2020 - 0.31%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Managed Growth Fund at the year end in respect of fees paid to the Manager was £34,423 (31/3/2020 - £22,188).

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

	Unit holding %	Related party name
Managed Growth Fund	65.07	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	A Accumulation units*	X Accumulation units
Opening units	979	21,308,343
Units created	—	6,537,521
Units cancelled	—	(1,395,406)
Units converted	(979)	1,000
Closing units	—	26,451,458

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.

*A Accumulation unit class closed on 1 September 2020.

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Accumulation*				
Group 1	n/a	n/a	n/a	0.4302
Group 2	n/a	n/a	n/a	0.4302
X Accumulation				
Group 1	0.8480	—	0.8480	1.4900
Group 2	0.1977	0.6503	0.8480	1.4900

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Accumulation*				
Group 1	n/a	n/a	n/a	0.1604
Group 2	n/a	n/a	n/a	0.1604
X Accumulation				
Group 1	1.3689	—	1.3689	1.2223
Group 2	0.8733	0.4956	1.3689	1.2223

*A Accumulation unit class closed 1 September 2020.

Equalisation

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

Close Select Fixed Income Fund

For the year ended 31 March 2021

Fund objective and policy

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

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

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

The Select Fund may use derivatives for efficient portfolio management.

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

Fund Report

Market commentary

Fund Performance

The Select Fixed Income Fund (X Income share class) returned +15.2% in the 12 months to 31 March 2021. Over the same time period, the IA Strategic Bond sector returned +12.4%.

Macro Backdrop

Newsflow in 2021 was dominated by the ongoing COVID-19 vaccine rollout, and how quickly major economies can begin to re-open. As such, forward-looking macro data is balancing the negative short-term impact from ongoing lockdowns and social restrictions, against the 6 to 12-month positive outlook that the vaccine rollout has created. Despite near-term volatility, 2021 GDP growth forecasts in the UK, US and Eurozone are +5.0%, +6.2%, and +4.2%, respectively. This compares to 2020 GDP growth rates in the UK, US and Eurozone of -7.3%, -3.5%, and -6.6%, respectively.

In the UK, March 2021 composite PMI data materially improved to 56.4 (from 36.0 in March 2020), predominantly due to a strong rebound in services PMI (March 2021 = 56.3; March 2020 = 34.5). Q1 2021 GDP consensus forecast was further downgraded to -3.5% while Q2 2021 GDP forecast was maintained at +4.7%, reflecting a strong expected pick-up in activity as the UK economy progressively re-opens in Q2 2021. Inflation is expected to remain below 2% until 2023; and unemployment is expected to peak at c. 6.1% in Q4 2021.

In the Eurozone, March 2021 composite PMI data also improved to 53.2 (from 29.7 in March 2020) – materially exceeding expectations. Manufacturing PMI reached an all-time high of 62.5 – as a result of a strong recovery in global trade. Services PMI also increased to 49.6, but remained in contraction territory – as new waves of lockdowns impacted sentiment. Q2 2021 GDP consensus forecast was downgraded from 2.1% to 2.0% while Q3 2021 forecast was maintained at +2.0%. Inflation is expected to remain below 1.6% until 2023; and unemployment is expected to peak at c. 8.6% in Q4 2021.

Portfolio Activity

On the portfolio construction side, cash levels are at 9%; duration is 3.6 years; and yield to expected call is 2.5% (Yield to Maturity = 3.1%, but we believe the lower figure is a more accurate measure of yield). The average rating on the rated portion of the portfolio is BBB+, and the unrated portion of the Select Fund is 11%. The Select Fund is therefore well positioned to take advantage of attractive investment opportunities as and when they arise.

Outlook & Strategy

All Fixed Income sub-asset classes now appear rich:

- **Sovereign bond yields** remain near record lows across the US, UK, and Eurozone – despite gradually rising since the mini crisis in 2020.
- **Sterling Investment Grade** bonds are Rich versus all historical timeframes, with sterling 'BBB' credit spreads at 138bps, versus their 5yr average of 181bps; 10yr average of 216bps; and 20yr average of 217bps.
- **Sterling High Yield** spreads are Rich versus history, with 'BB' spreads at 269bps (5yr average = 331bps; 10yr average = 384bps; 0yr average = 438bps).

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

Fund Report

continued

Fund Performance

Performance for the Select Fund over the last five years.

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Select Fund X Income	15.2%	(2.8)%	3.1%	2.9%	8.4%
IA Sterling Strategic Bond Sector*	12.4%	(1.4)%	2.1%	2.3%	8.0%

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

*The Fund became a constituent of the sector on 16 November 2017.

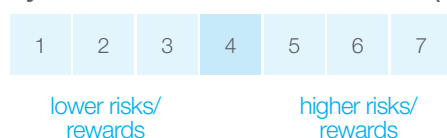
The percentage growth in prices is calculated using the published dealing price of units in the X Income unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Select Fund currently has three types of unit class in issue; I Income, X Income, and X Accumulation. Each type of unit class has the same risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")



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

Past performance is not a reliable guide to future performance.

Effective from 1 July 2020, the synthetic risk and reward indicator for the Select Fund changed from 3 to 4.

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 Select Fund carries the following risks:

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

Currency risk: The Select Fund invests in overseas assets, denominated in currencies other than Sterling. The Manager aims to remove some of the impact of changes in some exchange rates by hedging, a currency transaction which may protect against such movements. While the Select Fund operates portfolio hedging to reduce this risk, it may not always be fully effective.

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

Derivatives risk: The Select Fund uses derivatives for efficient portfolio management purposes only (currency hedging). Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in disproportionately large movements in the price of the derivative instrument.

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

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

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

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

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

Comparative tables

For the year ended I Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	93.95	101.40	103.91
Return before operating charge	15.00	(2.39)	2.78
Operating charges	(0.13)	(0.13)	(0.13)
Return after operating charges	14.87	(2.52)	2.65
Distributions	(4.27)	(4.93)	(5.16)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	104.55	93.95	101.40
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	15.83%	(2.49)%	2.55%
Other information			
Closing net asset value £'000	76,790	81,275	85,259
Closing number of units	73,446,738	86,510,011	84,082,860
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs*	0.01%	0.00%	0.01%
Prices**			
Highest unit price	105.20	106.40	105.60
Lowest unit price	94.35	92.72	99.30

For the year ended X Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	93.89	101.33	103.85
Return before operating charge	15.00	(2.39)	2.77
Operating charges	(0.49)	(0.49)	(0.49)
Return after operating charges	14.51	(2.88)	2.28
Distributions	(3.92)	(4.56)	(4.80)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	104.48	93.89	101.33
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	15.45%	(2.84)%	2.20%
Other information			
Closing net asset value £'000	70,317	78,063	53,601
Closing number of units	67,299,664	83,145,136	52,897,338
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs*	0.01%	0.00%	0.01%
Prices**			
Highest unit price	105.10	106.40	105.50
Lowest unit price	94.28	92.63	99.23

*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.

**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.

Comparative tables

continued

For the year ended X Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	98.39	101.57	100.00
Return before operating charge	15.92	(2.67)	2.05
Operating charges	(0.52)	(0.51)	(0.48)
Return after operating charges	15.40	(3.18)	1.57
Distributions	(4.18)	(4.67)	(4.69)
Retained distributions on accumulation units	4.18	4.67	4.69
Closing net asset value per unit**	113.79	98.39	101.57
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	15.65%	(3.13)%	1.57%
Other information			
Closing net asset value £'000	18,723	20,588	9,258
Closing number of units	16,454,027	20,925,838	9,114,990
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs*	0.01%	0.00%	0.01%
Prices**			
Highest unit price	114.20	110.60	102.30
Lowest unit price	98.79	96.68	98.43

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
BONDS - 90.74% (31/3/2020 - 76.43%)			
UNITED KINGDOM - 53.56% (31/3/2020 - 59.84%)			
Sterling Denominated Fixed Rate Corporate Bonds - 52.05% (31/3/2020 - 57.69%)			
£1,250,000	A2D Funding II 4.5% 30/9/2026	1,422	0.86
£3,900,000	A2Dominion Housing 3.5% 15/11/2028	4,246	2.56
£4,000,000	Bank of Ireland 3.125% 19/9/2027	4,075	2.46
£2,200,000	Bellis Acquisition 3.25% 16/2/2026	2,208	1.33
£2,700,000	BHP Billiton Finance 6.5% 22/10/2077	2,906	1.75
£3,118,300	Burford Capital 5% 1/12/2026	3,055	1.84
£1,800,000	Co-Operative 7.5% 8/7/2026	2,173	1.31
£3,470,750	Co-Operative 11% 18/12/2025	4,303	2.60
£5,000,000	ENW Finance 5.875% 21/6/2021	5,035	3.04
£4,579,000	Hiscox 6.125% 24/11/2045	5,323	3.21
£1,500,000	J Sainsbury 2.875% Perpetual	1,532	0.92
£370,000	Jupiter Fund Management 8.875% 27/7/2030	425	0.26
£4,984,000	Just 9% 26/10/2026	6,485	3.91
£2,400,000	Lloyds Bank Corporate Markets 1.5% 23/6/2023	2,443	1.47
£2,980,000	Paragon Banking 4.375% 25/9/2031	3,037	1.83
£2,375,000	Paragon Banking 6% 28/8/2024	2,575	1.55
£1,000,000	Paragon Banking 6.125% 30/1/2022	1,023	0.62
£1,800,000	Pension Insurance 4.625% 7/5/2031	2,004	1.21
£1,600,000	Pension Insurance 6.5% 3/7/2024	1,839	1.11
£3,000,000	QBE Insurance 6.115% 24/5/2042	3,157	1.90
£2,600,000	Reassure 5.867% 13/6/2029	3,091	1.86
£2,500,000	Rothesay Life 3.375% 12/7/2026	2,634	1.59
£350,000	Rothesay Life 6.875% Perpetual	398	0.24
£3,000,000	Rothesay Life 8% 30/10/2025	3,750	2.26
£1,800,000	Scottish Widows 5.5% 16/6/2023	1,966	1.19
£2,000,000	Shawbrook 9% 10/10/2030	2,018	1.22
£2,500,000	TP ICAP 5.25% 26/1/2024	2,736	1.65
£650,000	TP ICAP 5.25% 29/5/2026	736	0.44
£2,200,000	Travis Perkins 3.75% 17/2/2026	2,316	1.40
£2,517,000	Travis Perkins 4.5% 7/9/2023	2,683	1.62
£4,300,000	Virgin Money UK 5.125% 11/12/2030	4,717	2.84
		86,311	52.05

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
Sterling Denominated Floating Rate Corporate Bonds - 1.51% (31/3/2020 - 2.15%)			
£1,590,000	Enel 6.625% FRN 15/9/2076	1,628	0.98
£800,000	Nationwide Building Society 5.875% FRN Perpetual	875	0.53
		2,503	1.51
EUROPE - 8.95% (31/3/2020 - 4.48%)			
Euro Denominated Fixed Rate Corporate Bonds- 7.58% (31/3/2020 - 2.34%)			
€1,200,000	Commerzbank 6.5% Perpetual	1,153	0.70
€7,700,000	Glanbia Co-operative Society 1.375% 9/6/2021	6,513	3.93
€3,450,000	International Personal Finance 9.75% 12/11/2025	3,040	1.83
€2,000,000	Volkswagen International Finance 3.875% Perpetual	1,859	1.12
		12,565	7.58
Euro Denominated Floating Rate Corporate Bonds- 1.37% (31/3/2020 - 2.14%)			
€2,600,000	Barclays 2% FRN 7/2/2028	2,271	1.37
UNITED STATES - 28.23% (31/3/2020 - 12.11%)			
United States Dollar Denominated Fixed Rate Corporate Bonds - 27.67% (31/3/2020 - 12.11%)			
\$2,604,000	Barclays 7.625% 21/11/2022	2,071	1.25
\$6,400,000	Beazley 5.875% 4/11/2026	5,108	3.08
\$1,950,000	Beazley Insurance DAC 5.5% 10/9/2029	1,548	0.93
\$5,000,000	Burford Capital Finance 6.125% 12/8/2025	3,715	2.24
\$2,300,000	Dresdner Funding Trust 8.151% 30/6/2031	2,350	1.42
\$6,400,000	Hikma Finance USA 3.25% 9/7/2025	4,796	2.89
\$2,960,000	Lancashire 5.625% 18/9/2041	2,151	1.30
\$8,656,000	Louis Dreyfus 5.25% 13/6/2023	6,705	4.04
\$6,600,000	Perenti Finance 6.5% 7/10/2025	5,054	3.05
\$1,400,000	Pershing Square 3.25% 15/11/2030	981	0.59
\$2,500,000	Phoenix 4.75% 4/9/2031	1,922	1.16
\$4,900,000	Trafigura Funding 5.25% 19/3/2023	3,649	2.20
\$4,050,000	Trafigura Funding 6.875% Perpetual	2,944	1.78
\$1,200,000	UBS 7% Perpetual	992	0.60
\$2,700,000	Zurich Finance 3% 19/4/2051	1,892	1.14
		45,878	27.67
United States Dollar Denominated Floating Rate Corporate Bonds - 0.56% (31/3/2020 - 0.00%)			
\$1,200,000	Credit Suisse 6.25% Perpetual	925	0.56

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
	EQUITIES - 0.00% (31/3/2020 - 8.93%)		
	UNITED KINGDOM - 0.00% (31/3/2020 - 3.43%)		
	EUROPE - 0.00% (31/3/2020 - 5.50%)		
	Guernsey - 0.00% (31/3/2020 - 5.50%)		
	ALTERNATIVE - 0.00% (31/3/2020 - 1.68%)		
	DERIVATIVES* - (0.13)% (31/3/2020 - (0.64)%)		
	Open Forward Currency Contracts - (0.13)% (31/3/2020 - (0.64)%)		
£11,919,433	Bought GBP 11,919,433 : Sold EUR 13,921,611	58	0.03
£37,264,869	Bought GBP 37,264,869 : Sold USD 51,772,615	(258)	(0.16)
		(200)	(0.13)
	Portfolio of investments	150,253	90.61
	Net other assets	15,577	9.39
	Total net assets	165,830	100.00

All securities are approved securities which are listed on an official stock exchange and/or traded on regulated markets, unless otherwise stated.

*The costs associated with derivatives for the year were £19,367.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	2		20,647		(14,899)
Revenue	3	8,423		9,520	
Expenses	4	(607)		(645)	
Interest payable and similar charges	6	(5)		(1)	
Net revenue before taxation for the year		7,811		8,874	
Taxation	5	(15)		—	
Net revenue after taxation for the year			7,796		8,874
Total return before distributions			28,443		(6,025)
Distributions	7		(7,796)		(8,874)
Change in net assets attributable to unitholders from investment activities			20,647		(14,899)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		179,926		148,118
Amounts received on creation of units	35,716		130,580	
Amounts paid on cancellation of units	(71,531)		(85,630)	
		(35,815)		44,950
Dilution adjustment		314		650
Change in net assets attributable to unitholders from investment activities		20,647		(14,899)
Retained distribution on accumulation units		758		1,107
Closing net assets attributable to unitholders		165,830		179,926

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			150,511		156,640
Current assets					
Debtors	8	2,743		4,420	
Cash and bank balances	9	13,672		24,016	
Total other assets			16,415		28,436
Total assets			166,926		185,076
LIABILITIES					
Investment liabilities					
			(258)		(1,188)
Creditors					
Distribution payable		(488)		(671)	
Other creditors	10	(350)		(3,291)	
Total other liabilities			(838)		(3,962)
Total liabilities			(1,096)		(5,150)
Net assets attributable to unitholders			165,830		179,926

Notes to the Financial statements

1. Accounting policies

The accounting policies for the Select Fund are the same as those disclosed in the Notes applicable to the Financial statements of all the sub-funds on pages 5 to 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency gains/(losses)	597	(668)
Gains/(losses) on forward currency contracts	3,078	(328)
Gains/(losses) on non-derivative securities	16,972	(13,903)
Net capital gains/(losses)	20,647	(14,899)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest from overseas fixed interest securities	3,303	2,191
Interest from UK fixed interest securities	4,631	5,399
Overseas dividends	150	1,184
UK dividends	339	746
Total revenue	8,423	9,520

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	607	645
Total expenses	607	645

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	15	—
Total taxation	15	—

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	7,811	8,874
Corporation tax at 20% (31/3/2020 - 20%)	1,562	1,775
Effects of:		
Overseas tax	15	—
Revenue not subject to tax	(97)	(386)
Tax deductible interest distributions	(1,465)	(1,389)
Total taxation (see note 5(a))	15	—

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

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	5	1
	5	1

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
1st Interim distribution	748	476
2nd Interim distribution	1,066	1,099
3rd Interim distribution	681	595
4th Interim distribution	695	898
5th Interim distribution	614	926
6th Interim distribution	602	639
7th Interim distribution	593	835
8th Interim distribution	569	1,040
9th Interim distribution	590	688
10th Interim distribution	576	643
11th Interim distribution	452	520
Final distribution	547	753
	7,733	9,112
Add: Revenue deducted on cancellation of units	121	133
Less: Revenue received on creation of units	(58)	(371)
Net distribution for the year	7,796	8,874

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	2,556	2,820
Receivable for creation of units	187	1,355
Sales awaiting settlement	—	245
Total debtors	2,743	4,420

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	13,672	24,016

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	44	51
Payable for cancellation of units	306	156
Purchases awaiting settlement	—	3,084
Total other creditors	350	3,291

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £nil).

12. Financial instruments and derivatives

The main risks, and the Manager's policy for managing these risks, are stated in Note 4 in the Notes on pages 6 to 7.

a) Foreign currency risk

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

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	—	3,206	3,206
US Dollar	—	9,851	9,851
Total	—	13,057	13,057

The currency profile for the Select Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	—	1,587	1,587
US Dollar	—	4,206	4,206
Total	—	5,793	5,793

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 2021 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	7,714	129,784	19,142	156,640
Investment liabilities	—	—	(1,188)	(1,188)

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
31/3/2021		
Level 1: Quoted prices	—	—
Level 2: Observable market data	150,511	(258)
Level 3: Unobservable data	—	—
	150,511	(258)
31/3/2020		
Level 1: Quoted prices	12,922	—
Level 2: Observable market data	143,718	(1,188)
Level 3: Unobservable data	—	—
	156,640	(1,188)

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 31/3/2021	% of net assets as at 31/3/2020
Investment Grade	19.08	10.47
Below Investment Grade	30.45	22.30
Not Rated	41.21	43.66
	90.74	76.43

Notes to the Financial statements

continued

13. Portfolio transaction costs

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Debt instruments (direct)	172,791	—	—	—	—
Total	172,791	—	—	—	—
Total purchases including commission and taxes	172,791				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	6,300	—	—	—	—
Debt instruments (direct)	174,709	—	—	—	—
Collective investment schemes	14,230	11	0.08	—	—
Total	195,239	11		—	
Total sales net of commissions and taxes	195,228				
Total transaction costs		11		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	4,939	1	0.02	10	0.20
Debt instruments (direct)	152,885	—	—	—	—
Collective investment schemes	5,809	5	0.09	—	—
Total	163,633	6		10	
Total purchases including commission and taxes	163,649				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	3,005	1	0.03	—	—
Debt instruments (direct)	130,470	—	—	—	—
Collective investment schemes	2,726	2	0.07	—	—
Total	136,201	3		—	
Total sales net of commissions and taxes	136,198				
Total transaction costs		9		10	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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

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

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

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

At the balance sheet date the average portfolio dealing spread was 0.72% (31/3/2020 - 1.28%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Select Fund at the year end in respect of fees paid to the Manager was £44,495 (31/3/2020 - £51,372).

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

	Unit holding %	Related party name
Select Fund	48.01%	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	I Income units	X Income units	X Accumulation units
Opening units	86,510,011	83,145,136	20,925,838
Units created	13,085,000	14,186,722	8,143,400
Units cancelled	(26,972,168)	(29,781,553)	(12,075,933)
Units converted	823,895	(250,641)	(539,278)
Closing units	73,446,738	67,299,664	16,454,027

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 2021

Final interest distribution in pence per unit

Group 1: units purchased prior to 1 March 2021

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

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/4/2021	Distribution Paid per Unit on 30/4/2020
I Income				
Group 1	0.3612	—	0.3612	0.4099
Group 2	0.2122	0.1490	0.3612	0.4099
X Income				
Group 1	0.3307	—	0.3307	0.3801
Group 2	0.1455	0.1852	0.3307	0.3801
X Accumulation				
Group 1	0.3591	—	0.3591	0.3968
Group 2	0.1569	0.2022	0.3591	0.3968

11th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 February 2021

Group 2: units purchased between 1 February 2021 and 28 February 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/3/2021	Distribution Paid per Unit on 31/3/2020
I Income				
Group 1	0.2896	—	0.2896	0.2979
Group 2	0.2327	0.0569	0.2896	0.2979
X Income				
Group 1	0.2611	—	0.2611	0.2674
Group 2	0.1876	0.0735	0.2611	0.2674
X Accumulation				
Group 1	0.2829	—	0.2829	0.2781
Group 2	0.2125	0.0704	0.2829	0.2781

10th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 January 2021

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

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 28/2/2021	Distribution Paid per Unit on 28/2/2020
I Income				
Group 1	0.3364	—	0.3364	0.3696
Group 2	0.2231	0.1133	0.3364	0.3696
X Income				
Group 1	0.3051	—	0.3051	0.3391
Group 2	0.1297	0.1754	0.3051	0.3391
X Accumulation				
Group 1	0.3293	—	0.3293	0.3517
Group 2	0.1330	0.1963	0.3293	0.3517

Distribution tables

continued

9th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 December 2020

Group 2: units purchased between 1 December 2020 and 31 December 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/1/2021	Distribution Paid per Unit on 31/1/2020
I Income				
Group 1	0.3419	—	0.3419	0.4215
Group 2	0.1860	0.1559	0.3419	0.4215
X Income				
Group 1	0.3108	—	0.3108	0.3892
Group 2	0.1773	0.1335	0.3108	0.3892
X Accumulation				
Group 1	0.3346	—	0.3346	0.4026
Group 2	0.1867	0.1479	0.3346	0.4026

8th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 November 2020

Group 2: units purchased between 1 November 2020 and 30 November 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/12/2020	Distribution Paid per Unit on 31/12/2019
I Income				
Group 1	0.3146	—	0.3146	0.5338
Group 2	0.1937	0.1209	0.3146	0.5338
X Income				
Group 1	0.2849	—	0.2849	0.5036
Group 2	0.1985	0.0864	0.2849	0.5036
X Accumulation				
Group 1	0.3058	—	0.3058	0.5181
Group 2	0.1650	0.1408	0.3058	0.5181

7th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 October 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
I Income				
Group 1	0.3241	—	0.3241	0.4421
Group 2	0.1530	0.1711	0.3241	0.4421
X Income				
Group 1	0.2936	—	0.2936	0.4102
Group 2	0.1238	0.1698	0.2936	0.4102
X Accumulation				
Group 1	0.3142	—	0.3142	0.4203
Group 2	0.1836	0.1306	0.3142	0.4203

Distribution tables

continued

6th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 September 2020

Group 2: units purchased between 1 September 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/10/2020	Distribution Paid per Unit on 31/10/2019
I Income				
Group 1	0.3289	—	0.3289	0.3291
Group 2	0.1568	0.1721	0.3289	0.3291
X Income				
Group 1	0.2998	—	0.2998	0.2999
Group 2	0.1474	0.1524	0.2998	0.2999
X Accumulation				
Group 1	0.3199	—	0.3199	0.3065
Group 2	0.1614	0.1585	0.3199	0.3065

5th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 August 2020

Group 2: units purchased between 1 August 2020 and 31 August 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/9/2020	Distribution Paid per Unit on 30/9/2019
I Income				
Group 1	0.3344	—	0.3344	0.4703
Group 2	0.1551	0.1793	0.3344	0.4703
X Income				
Group 1	0.3035	—	0.3035	0.4394
Group 2	0.2265	0.0770	0.3035	0.4394
X Accumulation				
Group 1	0.3219	—	0.3219	0.4467
Group 2	0.2077	0.1142	0.3219	0.4467

4th Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 July 2020

Group 2: units purchased between 1 July 2020 and 31 July 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/8/2020	Distribution Paid per Unit on 31/8/2019
I Income				
Group 1	0.3635	—	0.3635	0.4487
Group 2	0.1019	0.2616	0.3635	0.4487
X Income				
Group 1	0.3332	—	0.3332	0.4178
Group 2	0.1422	0.1910	0.3332	0.4178
X Accumulation				
Group 1	0.3538	—	0.3538	0.4232
Group 2	0.1548	0.1990	0.3538	0.4232

Distribution tables

continued

3rd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 June 2020

Group 2: units purchased between 1 June 2020 and 30 June 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/7/2020	Distribution Paid per Unit on 31/7/2019
I Income				
Group 1	0.3521	—	0.3521	0.3107
Group 2	0.1940	0.1581	0.3521	0.3107
X Income				
Group 1	0.3241	—	0.3241	0.2810
Group 2	0.1411	0.1830	0.3241	0.2810
X Accumulation				
Group 1	0.3426	—	0.3426	0.2839
Group 2	0.2020	0.1406	0.3426	0.2839

2nd Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 May 2020

Group 2: units purchased between 1 May 2020 and 31 May 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/6/2020	Distribution Paid per Unit on 30/6/2019
I Income				
Group 1	0.5404	—	0.5404	0.5725
Group 2	0.2733	0.2671	0.5404	0.5725
X Income				
Group 1	0.5111	—	0.5111	0.5425
Group 2	0.3506	0.1605	0.5111	0.5425
X Accumulation				
Group 1	0.5376	—	0.5376	0.5458
Group 2	0.3445	0.1931	0.5376	0.5458

1st Interim interest distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 April 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 31/5/2020	Distribution Paid per Unit on 31/5/2019
I Income				
Group 1	0.3859	—	0.3859	0.3205
Group 2	0.2205	0.1654	0.3859	0.3205
X Income				
Group 1	0.3581	—	0.3581	0.2910
Group 2	0.1492	0.2089	0.3581	0.2910
X Accumulation				
Group 1	0.3753	—	0.3753	0.2921
Group 2	0.1368	0.2385	0.3753	0.2921

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 2021

Fund objective and policy

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

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Tactical Conservative Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

Since the Tactical Select Conservative Fund was launched on 17 October 2011, we have been implementing the asset allocation outlook set each quarter by the Asset Allocation Review meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

2020 has been a very interesting year, with clear winners and losers due to the Covid-19 induced lockdowns across the globe. Subsequently, many companies had to improve/enhance or think of new ways to enable their employees to work remotely, thus propping up Internet stocks. While most non-essential shops remained closed consumers continued to order things online, so E-commerce and logistics sectors have been booming. This trend reversed on news of the Covid-19 vaccine and hopes of a return to normality. The closer we are to returning to normality, the stronger has been the performance of non-tech/old economy stocks.

As the dispersion of stocks has been high this year, with clear winners and losers, active stock selection has been beneficial. Therefore, investing in market cap weighted broad market indices has been more challenging. As such, the Tactical Conservative Fund underperformed its IA 20-60 Peer group, which is largely made up of active managers, by -4.3%. In order to capture some of the benefits, the Tactical Conservative Fund has invested into theme based ETFs like cloud computing, cyber security and information technology, which have all outperformed their broad market benchmarks since then.

The twelve-month period to end of March 2021 was terrific for the broad equity markets, recovering strongly from the market crash in March 2020 due to Covid-19 related lockdowns and travel bans across the globe affecting economies worldwide. In contrast, defensive fixed income assets returns remained in single digits or even negative for the year. Overall, for the year, the Tactical Conservative Fund was up 15.6%. During the first 3 months of the period (Q2 2020) markets experienced their strongest rebound, led by digital and tech related stocks as people migrated to working from home and remote working become the norm. Over this quarter, the Tactical Conservative Fund performed well and was up +9.6%. However the Tactical Conservative Fund underperformed the IA 20-60 peer group slightly by -0.6%. Q3 2020, on the other hand, was relatively flat with the US Presidential election looming, China-US trade war seemingly back on and Brexit negotiations ongoing in the UK. The Tactical Conservative Fund ended the quarter up +0.7%, while underperforming the IA 20-60 peer group by -0.6%. Q4 2020 reversed the strong tech rally that had been the trend thus far, with non-tech related stocks seeing a much stronger rebound. This was mainly due to the news of Covid-19 vaccines coming out and giving hope of things returning to normality. As such, the Tactical Conservative Fund did quite well in the quarter and was up +5.6%, but underperformed the IA 20-60 peer group by -0.9%. The first quarter of 2021 saw tech stocks rally until end of February when 10-year government yields rose on higher inflation expectations. Subsequently, tech and digital economy related stocks fell back and have since been moving sideways, while non-tech/old economy stocks rallied strongly. In this challenging market environment, the Tactical Conservative Fund was only slightly negative for the quarter, being down -0.8%, underperforming the IA 20-60 peer group by -1.7% as active stock selection remained beneficial.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Tactical Conservative Fund X Accumulation	15.6%	(6.1)%	4.1%	0.1%	16.3%
IA Mixed Investments 20-60% Sector	19.8%	(7.2)%	2.9%	0.8%	12.9%

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

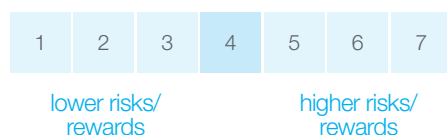
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



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

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Conservative Fund carries the following risks:

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

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

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

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

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

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Tactical Conservative Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Conservative Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.16% (31/3/2020 - 0.16%).

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

Comparative tables

For the year ended X Income units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	208.20	226.49	221.62
Return before operating charge	33.80	(13.16)	9.97
Operating charges	(1.11)	(1.12)	(1.06)
Return after operating charges	32.69	(14.28)	8.91
Distributions	(3.27)	(4.01)	(4.04)
Retained distributions on accumulation units	0.00	0.00	0.00
Closing net asset value per unit**	237.62	208.20	226.49
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	15.70%	(6.30)%	4.02%
Other information			
Closing net asset value £'000	6,703	10,540	8,864
Closing number of units	2,820,738	5,062,463	3,913,442
Operating charges	0.48%	0.48%	0.47%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices**			
Highest unit price	243.60	243.00	232.70
Lowest unit price	206.30	197.20	215.70

For the year ended X Accumulation units	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	239.89	256.37	246.45
Return before operating charge	39.04	(15.20)	11.11
Operating charges	(1.28)	(1.28)	(1.19)
Return after operating charges	37.76	(16.48)	9.92
Distributions	(3.78)	(4.56)	(4.52)
Retained distributions on accumulation units	3.78	4.56	4.52
Closing net asset value per unit**	277.65	239.89	256.37
After direct transaction costs of*	(0.02)	(0.03)	(0.02)
Performance			
Return after charges	15.74%	(6.43)%	4.03%
Other information			
Closing net asset value £'000	213,635	167,396	125,780
Closing number of units	76,942,904	69,780,663	49,062,311
Operating charges	0.48%	0.48%	0.47%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices**			
Highest unit price	283.10	277.80	258.70
Lowest unit price	237.70	225.40	242.20

*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.

**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.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 45.20% (31/3/2020 - 37.33%)			
United Kingdom - 16.86% (31/3/2020 - 17.19%)			
7,472,055	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	14,765	6.70
1,237,310	iShares Core FTSE 100 UCITS ETF	8,176	3.71
151,165	Vanguard FTSE 100 UCITS ETF	4,473	2.03
76,805	Vanguard FTSE 250 UCITS ETF	2,589	1.18
34,195	Vanguard FTSE UK All Share Index Unit Trust	7,137	3.24
		37,140	16.86
Europe - 5.57% (31/3/2020 - 4.12%)			
92,170	db x-trackers EURO STOXX 50	3,254	1.48
289,215	UBS ETF MSCI EMU UCITS ETF	3,226	1.46
200,435	Vanguard FTSE Developed Europe ex UK UCITS ETF	5,805	2.63
		12,285	5.57
Ireland - 1.88% (31/03/2020 - 0.00%)			
137,675	VanEck Vectors Video Gaming and eSports	4,134	1.88
Asia Pacific (Ex Japan) - 3.33% (31/3/2020 - 2.80%)			
2,212,435	HSBC Index Tracker Investment Funds - Pacific Index Fund	7,345	3.33
Japan - 0.95% (31/3/2020 - 0.93%)			
47,000	Amundi Prime Japan UCITS ETF DR (D)	1,010	0.46
934,310	HSBC Index Tracker Investment Funds - Japan Index Fund	1,088	0.49
		2,098	0.95
United States - 11.02% (31/3/2020 - 9.53%)			
9,550	Invesco Technology S&P US Sector UCITS ETF	2,282	1.04
59,790	Lyxor Nasdaq-100 UCITS ETF	2,251	1.02
82,555	SPDR S&P 500 Low Volatility ETF	3,651	1.66
109,810	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	2,473	1.12
154,880	Vanguard S&P 500 UCITS ETF	8,479	3.85
9,345	Vanguard US Equity Index Fund	5,133	2.33
		24,269	11.02
Emerging Markets - 3.18% (31/3/2020 - 2.76%)			
1,602,700	Amundi MSCI Emerging Markets UCITS ETF	7,016	3.18
Global - 2.41% (31/3/2020 - 0.00%)			
182,715	First Trust Global - Cloud Computing UCITS ETF	5,315	2.41

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 42.15% (31/3/2020 - 44.29%)			
United Kingdom Gilts and Corporate Bonds - 42.15% (31/3/2020 - 44.29%)			
3,845,430	Close Sustainable Bond Portfolio Fund ⁺	3,903	1.77
14,219,305	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	14,433	6.55
61,820	iShares Core Sterling Corporate Bond UCITS ETF	9,393	4.27
108,175	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	11,508	5.22
742,720	Lyxor FTSE Actuaries UK Gilts 0-5Y DR UCITS ETF	13,332	6.05
70,350	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	9,808	4.45
40,910	Lyxor FTSE Actuaries UK Inflation-Linked Gilts DR UCITS ETF	8,166	3.71
65,550	Lyxor iBoxx Sterling Liquid Corporates Long Dated UCITS ETF	9,951	4.52
403,600	SPDR Barclays 0-5 Year Sterling Corporate Bond UCITS ETF	12,362	5.61
		92,856	42.15
ALTERNATIVE - 7.78% (31/3/2020 - 11.57%)			
18,050	Invesco Physical Gold ETC	2,158	0.98
168,400	iShares Global Infrastructure UCITS ETF	3,794	1.72
293,800	Legal & General Cyber Security UCITS ETF	4,866	2.21
175,810	Royal Mint Physical Gold	2,168	0.98
80,660	UBS CMCI Composite SF UCITS ETF	4,161	1.89
		17,147	7.78
	Portfolio of investments	209,605	95.13
	Net other assets	10,733	4.87
	Total net assets	220,338	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 2021

		GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
	Notes				
Income					
Net capital gains/(losses)	2		25,788		(17,444)
Revenue	3	3,811		3,615	
Expenses	4	(662)		(542)	
Interest payable and similar charges	6	(2)		—	
Net revenue before taxation for the year		3,147		3,073	
Taxation	5	(235)		(224)	
Net revenue after taxation for the year			2,912		2,849
Total return before distributions			28,700		(14,595)
Distributions	7		(2,912)		(2,849)
Change in net assets attributable to unitholders from investment activities			25,788		(17,444)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		177,936		134,644
Amounts received on creation of units	29,626		65,414	
Amounts paid on cancellation of units	(15,855)		(7,590)	
		13,771		57,824
Dilution adjustment		2		4
Change in net assets attributable to unitholders from investment activities		25,788		(17,444)
Retained distribution on accumulation units		2,841		2,908
Closing net assets attributable to unitholders		220,338		177,936

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			209,605		165,821
Current assets					
Debtors	8	727		869	
Cash and bank balances	9	11,939		11,470	
Total other assets			12,666		12,339
Total assets			222,271		178,160
LIABILITIES					
Investment liabilities					
			—		—
Creditors					
Distribution payable		(37)		(83)	
Other creditors	10	(1,896)		(141)	
Total other liabilities			(1,933)		(224)
Total liabilities			(1,933)		(224)
Net assets attributable to unitholders			220,338		177,936

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency losses	—	(23)
Gains/(losses) on non-derivative securities	25,788	(17,421)
Net capital gains/(losses)	25,788	(17,444)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	2,569	2,504
UK franked dividends from collective investment schemes	738	636
UK unfranked dividends from collective investment schemes	504	475
Total revenue	3,811	3,615

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	662	542
Total expenses	662	542

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	235	225
Corporation tax prior year adjustment	—	(1)
Total taxation	235	224

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	3,147	3,073
Corporation tax at 20% (31/3/2020 - 20%)	629	615
Effects of:		
Prior year adjustment	—	(1)
Revenue not subject to tax	(394)	(390)
Total taxation (see note 5(a))	235	224

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.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	1,753	1,692
Final distribution	1,218	1,398
	2,971	3,090

Add: Revenue deducted on cancellation of units	64	28
Less: Revenue received on creation of units	(123)	(269)
Net distribution for the year	2,912	2,849

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	102	242
Overseas tax recoverable	—	1
Receivable for creation of units	625	626
Total debtors	727	869

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	11,939	11,470

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	60	49
Corporation tax payable	105	92
Payable for cancellation of units	1,731	—
Total other creditors	1,896	141

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020 - £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 2021 was:

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

The currency profile for the Tactical Conservative Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	—	11	11
US Dollar	—	24,068	24,068
Total	—	24,079	24,079

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	209,605	209,605
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	165,821	165,821
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
31/3/2021		
Level 1: Quoted prices	155,801	—
Level 2: Observable market data	53,804	—
Level 3: Unobservable data	—	—
	209,605	—
31/3/2020		
Level 1: Quoted prices	123,793	—
Level 2: Observable market data	42,028	—
Level 3: Unobservable data	—	—
	165,821	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	48,950	9	0.02	—	—
Total	48,950	9		—	
Total purchases including commission and taxes	48,959				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	31,552	5	0.02	—	—
Total	31,552	5		—	
Total sales net of commissions and taxes	31,547				
Total transaction costs		14		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	80,884	14	0.02	—	—
Total	80,884	14		—	
Total purchases including commission and taxes	80,898				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	21,317	3	0.01	—	—
Total	21,317	3		—	
Total sales net of commissions and taxes	21,314				
Total transaction costs		17		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

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

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

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

At the balance sheet date the average portfolio dealing spread was 0.16% (31/3/2020 - 0.87%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Tactical Conservative Fund at the year end in respect of fees paid to the Manager was £59,825 (31/3/2020 - £49,193).

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

	Unit holding %	Related party name
Tactical Conservative Fund	72.42	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	X Income units	X Accumulation units
Opening units	5,062,463	69,780,663
Units created	254,256	10,933,531
Units cancelled	(2,470,039)	(3,793,810)
Units converted	(25,942)	22,520
Closing units	2,820,738	76,942,904

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
X Income				
Group 1	1.3194	—	1.3194	1.6469
Group 2	0.2732	1.0462	1.3194	1.6469
X Accumulation				
Group 1	1.5343	—	1.5343	1.8846
Group 2	0.6540	0.8803	1.5343	1.8846

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
X Income				
Group 1	1.9467	—	1.9467	2.3595
Group 2	0.7357	1.2110	1.9467	2.3595
X Accumulation				
Group 1	2.2433	—	2.2433	2.6731
Group 2	1.0506	1.1927	2.2433	2.6731

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 2021

Fund objective and policy

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

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Tactical Balanced Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

Since the Tactical Select Balanced Fund was launched on 17 October 2011, we have been implementing the asset allocation outlook set each quarter by the Asset Allocation Review meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

2020 has been a very interesting year, with clear winners and losers due to the Covid-19 induced lockdowns across the globe. Subsequently, many companies had to improve/enhance or think of new ways to enable their employees to work remotely, thus propping up Internet stocks. While most non-essential shops remained closed consumers continued to order things online, so E-commerce and logistics sectors have been booming. This trend reversed on news of the Covid-19 vaccine and hopes of a return to normality. The closer we are to returning to normality, the stronger has been the performance of non-tech/old economy stocks.

As the dispersion of stocks has been high this year, with clear winners and losers, active stock selection has been beneficial. Therefore, investing in market cap weighted broad market indices has been more challenging. As such, the Tactical Balanced Fund underperformed its IA 40-85 Peer group, which is largely made up of active managers, by -3.8%. In order to capture some of the benefits, the Tactical Balanced Fund has invested into theme based ETFs like cloud computing, cyber security and information technology, which have all outperformed their broad market benchmarks since then.

The twelve-month period to end of March 2021 was terrific for the broad equity markets, recovering strongly from the market crash in March 2020 due to Covid-19 related lockdowns and travel bans across the globe affecting economies worldwide. In contrast, defensive fixed income assets returns remained in single digits or even negative for the year. Overall, for the year the Tactical Balanced Fund was up 22.8%. During the first 3 months of the period (Q2 2020), markets experienced their strongest rebound after the short crash in March 2020 led by digital and tech related stocks as people migrated to working from home and remote working become the norm. Over this quarter, the Tactical Balanced Fund performed well and was up by +11.9%. However the Tactical Balanced Fund underperformed the IA 40-85 peer group by -1.2%. Q3 2020 on the other hand was relatively flat with the US Presidential election looming, China-US trade war seemingly back on and Brexit negotiations ongoing in the UK. The Tactical Balanced Fund ended the quarter up +1.2%, while underperforming the IA 40-85 peer group by -0.8%. Q4 2020 reversed the strong tech rally that had been the trend thus far, with non-tech related stocks seeing a much stronger rebound. This was mainly due to the news of Covid-19 vaccines coming out and giving hope of things returning to normality. As such, the Tactical Balanced Fund did quite well in the quarter and was up +7.6%, but underperformed the IA 40-85 peer group by -1.2%. The first quarter of 2021 saw tech stocks rally until end of February when 10-year government yields rose on higher inflation expectations. Subsequently, tech and digital economy related stocks fell back and have since been moving sideways, while non-tech/old economy stocks rallied strongly. In this challenging market environment, the Tactical Balanced Fund still delivered positive performance over the quarter of +0.8%, but underperformed the IA 40-85 peer group by -0.8% as active stock selection remained beneficial.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Tactical Balanced Fund X Accumulation	22.8%	(8.5)%	4.9%	0.6%	21.5%
IA Mixed Investments 40-85% Sector	26.4%	(8.0)%	4.3%	1.5%	17.1%

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

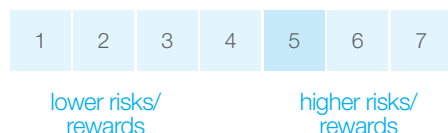
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Tactical Balanced Fund currently has two types of unit class in issue; I Accumulation and X Accumulation.

Synthetic Risk and Reward Indicator ("SRRI")



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.

Effective from 1 July 2020, the synthetic risk and reward indicator for the Tactical Balanced Fund changed from 4 to 5.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Balanced Fund carries the following risks:

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

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

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

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

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

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Tactical Balanced Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Balanced Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.17% (31/3/2020 - 0.17%).

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

Comparative tables

For the year ended I Accumulation***	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit		
Opening net asset value per unit**	86.58	100.00
Return before operating charge	20.02	(13.15)
Operating charges	(0.27)	(0.27)
Return after operating charges	19.75	(13.42)
Distributions	(1.64)	(1.21)
Retained distributions on accumulation units	1.64	1.21
Closing net asset value per unit**	106.33	86.58
After direct transaction costs of*	(0.01)	(0.01)
Performance		
Return after charges	22.81%	(13.42)%
Other information		
Closing net asset value £'000	1,803	1,384
Closing number of units	1,695,720	1,599,253
Operating charges	0.27%	0.27%
Direct transaction costs*	0.01%	0.01%
Prices**		
Highest unit price	108.10	104.80
Lowest unit price	84.77	81.21

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	256.96	281.49	268.38
Return before operating charge	59.55	(23.03)	14.50
Operating charges	(1.51)	(1.50)	(1.39)
Return after operating charges	58.04	(24.53)	13.11
Distributions	(4.31)	(5.29)	(5.10)
Retained distributions on accumulation units	4.31	5.29	5.10
Closing net asset value per unit**	315.00	256.96	281.49
After direct transaction costs of*	(0.02)	(0.03)	(0.03)
Performance			
Return after charges	22.59%	(8.71)%	4.88%
Other information			
Closing net asset value £'000	283,012	214,721	171,837
Closing number of units	89,845,748	83,562,057	61,044,790
Operating charges	0.51%	0.51%	0.50%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices**			
Highest unit price	320.50	311.10	287.60
Lowest unit price	251.50	240.90	262.10

*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.

**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.

***I Accumulation unit class launched 15 July 2019.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 64.24% (31/3/2020 - 59.10%)			
United Kingdom - 20.59% (31/3/2020 - 21.86%)			
5,709,063	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	17,852	6.27
1,550,410	iShares Core FTSE 100 UCITS ETF	10,245	3.60
317,295	Vanguard FTSE 100 UCITS ETF	9,389	3.30
314,025	Vanguard FTSE 250 UCITS ETF	10,584	3.71
50,600	Vanguard FTSE UK All Share Index Unit Trust	10,561	3.71
		58,631	20.59
Europe - 9.57% (31/3/2020 - 8.19%)			
181,340	db x-trackers EURO STOXX 50 ETF	9,174	3.22
706,425	UBS ETF MSCI EMU UCITS ETF	7,881	2.77
351,980	Vanguard FTSE Developed Europe ex UK UCITS ETF	10,193	3.58
		27,248	9.57
Ireland - 1.76% (31/03/20 - 0.00%)			
166,590	Vaneck Vectors Video Gaming & eSports UCITS ETF	5,002	1.76
United States - 17.23% (31/3/2020 - 17.89%)			
20,900	Invesco Technology S&P US Sector UCITS ETF	4,995	1.75
145,005	Lyxor Nasdaq-100 UCITS ETF	5,459	1.92
1,479,170	Schroder US Equity Income Maximiser Fund	1,094	0.38
131,690	SPDR S&P 500 Low Volatility ETF	5,823	2.04
240,325	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	5,413	1.90
270,510	Vanguard S&P 500 UCITS ETF	14,808	5.20
17,750	Vanguard US Equity Index Fund (Acc)	11,492	4.04
		49,084	17.23
Asia Pacific (Ex Japan) - 5.14% (31/3/2020 - 4.38%)			
2,853,205	HSBC Index Tracker Investment Funds - Pacific Index Fund	14,626	5.14
Japan - 1.98% (31/3/2020 - 2.04%)			
88,900	Amudi Prime Japan UCITS ETF DR (D)	1,911	0.67
2,547,860	HSBC Index Tracker Investment Funds - Japan Index Fund	3,725	1.31
		5,636	1.98
Emerging Markets - 5.13% (31/3/2020 - 4.74%)			
3,340,170	Amundi MSCI Emerging Markets UCITS ETF	14,622	5.13
Global - 2.84% (31/3/2020 - 0.00%)			
278,595	First Trust Global - Cloud Computing UCITS ETF	8,104	2.84

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 22.27% (31/3/2020 - 21.67%)			
United Kingdom Gilts and Corporate Bonds - 22.27% (31/3/2020 - 21.67%)			
2,704,580	Close Sustainable Bond Portfolio Fund*	2,745	0.96
16,948,200	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	17,203	6.04
78,365	iShares Markit iBoxx £ Corporate Bond 1-5 year UCITS ETF	8,337	2.93
356,950	Lyxor FTSE Actuaries UK Gilts 0-5Y DR UCITS ETF	6,407	2.25
53,790	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	7,499	2.63
19,530	Lyxor FTSE Actuaries UK Inflation-Linked Gilts DR UCITS ETF	3,899	1.37
55,760	Lyxor iBoxx Sterling Liquid Corporates Long Dated UCITS ETF	8,465	2.97
289,760	SPDR Barclays 0-5 Year Sterling Corporate Bond UCITS ETF	8,875	3.12
		63,430	22.27
ALTERNATIVE - 8.27% (31/3/2020 - 12.79%)			
23,125	Invesco Physical Gold ETC	2,765	0.97
216,750	iShares Global Infrastructure UCITS ETF	4,883	1.71
468,665	Legal & General Cyber Security UCITS ETF	7,762	2.73
224,480	Royal Mint Physical Gold ETC	2,769	0.97
104,170	UBS CMCI Composite SF UCITS ETF	5,374	1.89
		23,553	8.27
	Portfolio of investments	269,936	94.78
	Net other assets	14,879	5.22
	Total net assets	284,815	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 2021

		GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
	Notes				
Income					
Net capital gains/(losses)	2		46,454		(27,920)
Revenue	3	4,678		4,676	
Expenses	4	(870)		(740)	
Interest payable and similar charges	6	(3)		—	
Net revenue before taxation for the year		3,805		3,936	
Taxation	5	(65)		(65)	
Net revenue after taxation for the year			3,740		3,871
Total return before distributions			50,194		(24,049)
Distributions	7		(3,740)		(3,863)
Change in net assets attributable to unitholders from investment activities			46,454		(27,912)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		216,105		171,837
Amounts received on creation of units	37,475		77,564	
Amounts paid on cancellation of units	(19,000)		(9,529)	
		18,475		68,035
Dilution Levy		(4)		—
Change in net assets attributable to unitholders from investment activities		46,454		(27,912)
Retained distribution on accumulation units		3,785		4,145
Closing net assets attributable to unitholders		284,815		216,105

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			269,936		202,181
Current assets					
Debtors	8	1,026		1,587	
Cash and bank balances	9	14,204		12,603	
Total other assets			15,230		14,190
Total assets			285,166		216,371
LIABILITIES					
Creditors					
Bank overdraft		—		(1)	
Other creditors	10	(351)		(265)	
Total other liabilities			(351)		(266)
Total liabilities			(351)		(266)
Net assets attributable to unitholders			284,815		216,105

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Currency losses	(20)	(31)
Gains/(losses) on non-derivative securities	46,474	(27,889)
Net capital gains/(losses)	46,454	(27,920)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	702	629
Non-taxable overseas dividends	2,270	2,547
UK franked dividends from collective investment schemes	1,207	1,063
UK unfranked dividends from collective investment schemes	499	437
Total revenue	4,678	4,676

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	870	740
Total expenses	870	740

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Corporation tax	65	65
Total taxation	65	65

b) Factors affecting taxation charge for the year

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

	GBP £'000	GBP £'000
Net revenue before taxation	3,805	3,936
Corporation tax at 20% (31/3/2020 - 20%)	761	787

Effects of:

Revenue not subject to tax	(696)	(722)
Total taxation (see note 5(a))	65	65

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

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £nil (31/3/2020 - £nil) due to tax losses of £nil (31/3/2020 - £nil).

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 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 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	2,337	2,338
Final distribution	1,449	1,807
	3,786	4,145

Add: Revenue deducted on cancellation of units	83	40
Less: Revenue received on creation of units	(129)	(322)
Net distribution for the year	3,740	3,863
Reconciliation of distributions:		
Net revenue after taxation	3,740	3,871
Equalisation on conversions	—	(8)
Net distribution for the year	3,740	3,863

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	103	399
Overseas tax recoverable	—	2
Receivable for creation of units	923	1,186
Total debtors	1,026	1,587

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	14,204	12,603

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	81	64
Amounts payable for cancellation of units	251	185
Corporation tax payable	19	16
Total other creditors	351	265

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Tactical Balanced Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	1	24	25
US Dollar	(1)	41,391	41,390
Total	—	41,415	41,415

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	269,936	269,936
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	202,181	202,181
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
31/3/2021		
Level 1: Quoted prices	190,638	—
Level 2: Observable market data	79,298	—
Level 3: Unobservable data	—	—
	269,936	—
31/3/2020		
Level 1: Quoted prices	143,217	—
Level 2: Observable market data	58,964	—
Level 3: Unobservable data	—	—
	202,181	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	67,261	12	0.02	—	—
Total	67,261	12		—	
Total purchases including commission and taxes	67,273				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	48,211	8	0.02	—	—
Total	48,211	8		—	
Total sales net of commissions and taxes	48,203				
Total transaction costs		20		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investments schemes	97,909	17	0.02	—	—
Total	97,909	17		—	
Total purchases including commission and taxes	97,926				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	27,559	5	0.02	—	—
Total	27,559	5		—	
Total sales net of commissions and taxes	27,554				
Total transaction costs		22		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

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

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

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

At the balance sheet date the average portfolio dealing spread was 0.17% (31/3/2020 - 0.60%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Tactical Balanced Fund at the year end in respect of fees paid to the Manager was £81,004 (31/3/2020 - £63,742).

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

	Unit holding %	Related party name
Tactical Balanced Fund	76.50%	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	I Accumulation units	X Accumulation units
Opening units	1,599,253	83,562,057
Units created	925,061	12,552,051
Units cancelled	(948,114)	(6,228,044)
Units converted	119,520	(40,316)
Closing units	1,695,720	89,845,748

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
I Accumulation				
Group 1	0.6390	—	0.6390	0.8204
Group 2	0.2134	0.4256	0.6390	0.8204
X Accumulation				
Group 1	1.6005	—	1.6005	2.1463
Group 2	0.6345	0.9660	1.6005	2.1463

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
I Accumulation				
Group 1	1.0035	—	1.0035	0.3890
Group 2	0.6638	0.3397	1.0035	0.3890
X Accumulation				
Group 1	2.7053	—	2.7053	3.1469
Group 2	1.6363	1.0690	2.7053	3.1469

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 2021

Fund objective and policy

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

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

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

The underlying equity component may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component may include government and corporate bonds (which may include emerging market and high yield bonds), money market instruments and deposits.

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

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

The Tactical Growth Fund may use derivatives, including exchange-traded and over the counter derivatives, forward transactions and currency hedges for investment purposes as well as for efficient portfolio management.

Fund Report

Market commentary

Since the Tactical Select Growth Fund was launched on 17 October 2011, we have been implementing the asset allocation outlook set each quarter by the Asset Allocation Review meetings using both index funds and exchange traded products, including exchange traded funds (ETFs).

2020 has been a very interesting year, with clear winners and losers due to the Covid-19 induced lockdowns across the globe. Subsequently, many companies had to improve/enhance or think of new ways to enable their employees to work remotely, thus propping up Internet stocks. While most non-essential shops remained closed consumers continued to order things online, so E-commerce and logistics sectors have been booming. This trend reversed on news of the Covid-19 vaccine and hopes of a return to normality. The closer we are to returning to normality, the stronger has been the performance of non-tech/old economy stocks.

As the dispersion of stocks has been high this year, with clear winners and losers, active stock selection has been beneficial. Therefore, investing in market cap weighted broad market indices has been more challenging. As such, the Tactical Growth Fund marginally underperformed its IA flexible Peer group, which is largely made up of active managers by -0.1%. In order to capture some of the benefits, the Tactical Growth Fund has invested into theme based ETFs like cloud computing, cyber security and information technology, which have all outperformed their broad market benchmarks since then. The twelve-month period to end of March 2021 was terrific for the broad equity markets, recovering strongly from market crash in March 2020 due to Covid-19 related lockdowns and travel bans across the globe affecting economies worldwide. In contrast, defensive fixed income assets returns remained in single digits or even negative for the year. Overall for the year, the Tactical Growth Fund was up 29.1%. During the first 3 months of the period (Q2 2020), markets experienced their strongest rebound after the short crash in March 2020 led by digital and tech related stocks as people migrated to working from home and remote working become the norm. Over this quarter, the Tactical Growth Fund performed well and was up by +14.2%, also outperforming the IA flexible peer group by +0.6%. Q3 2020 on the other hand was relatively flat with the US Presidential election looming, China-US trade war seemingly back on and Brexit negotiations ongoing in the UK. The Tactical Growth Fund ended the quarter up +1.8%, while underperforming the IA flexible peer group by -0.6%. Q4 2020 reversed the strong tech rally that had been the trend thus far with non-tech related stocks seeing a much stronger rebound. This was mainly due to the news of Covid-19 vaccines coming out and giving hope of things going back to normality. As such, the Tactical Growth Fund did very well in the quarter and was up +9.1%, also outperforming the IA flexible peer group by +0.3%. The first quarter of 2021 saw tech stocks rally until end of February when 10-year government yields rose on higher inflation expectations. Subsequently, tech and digital economy related stocks fell back and have since been moving sideways, while non-tech/old economy stocks rallied strongly. In this challenging market environment, the Tactical Growth Fund still had positive performance for the quarter up +1.8%, but underperformed the IA flexible peer group by -0.4% as active stock selection remained beneficial.

Fund Report

continued

Fund Performance

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

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
The Tactical Growth Fund X Accumulation	29.1%	(10.2)%	6.4%	0.9%	23.5%
IA Flexible Investment Sector	29.1%	(8.1)%	3.3%	2.4%	19.1%

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

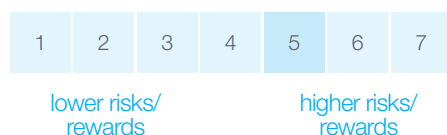
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

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")



The Tactical Growth Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

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

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

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

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Tactical Growth Fund carries the following risks:

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

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

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

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

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

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

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

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

Collective Investment Schemes

Collective Investment Schemes

The Tactical Growth Fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Tactical Growth Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.18% (31/3/2020 - 0.19%).

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

Comparative table

For the year ended I Accumulation unit***	31/3/2021 pence per unit	31/3/2020 pence per unit
Change in net assets per unit		
Opening net asset value per unit**	84.59	100.00
Return before operating charge	24.76	(15.20)
Operating charges	(0.28)	(0.21)
Return after operating charges	24.48	(15.41)
Distributions	(1.63)	(1.14)
Retained distributions on accumulation units	1.63	1.14
Closing net asset value per unit**	109.07	84.59
After direct transaction costs of*	(0.01)	(0.01)
Performance		
Return after charges	28.94%	(15.41)%
Other information		
Closing net asset value £'000	2,608	1,705
Closing number of units	2,391,189	2,015,427
Operating charges	0.28%	0.29%
Direct transaction costs*	0.01%	0.01%
Prices**		
Highest unit price	111.10	105.50
Lowest unit price	82.06	79.06

For the year ended X Accumulation unit	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	264.30	293.95	277.04
Return before operating charge	77.34	(28.07)	18.30
Operating charges	(1.56)	(1.58)	(1.39)
Return after operating charges	75.78	(29.65)	16.91
Distributions	(4.46)	(5.37)	(5.35)
Retained distributions on accumulation units	4.46	5.37	5.35
Closing net asset value per unit**	340.08	264.30	293.95
After direct transaction costs of*	(0.02)	(0.04)	(0.03)
Performance			
Return after charges	28.67%	(10.09)%	6.10%
Other information			
Closing net asset value £'000	63,734	46,480	33,021
Closing number of units	18,740,822	17,586,357	11,233,606
Operating charges	0.50%	0.51%	0.48%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices**			
Highest unit price	346.60	329.90	302.40
Lowest unit price	256.30	247.00	270.30

*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.

**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.

***I Accumulation unit class launched 15 July 2019.

Portfolio statement

as at 31 March 2021

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
EQUITIES - 77.85% (31/3/2020 - 75.25%)			
United Kingdom - 19.23% (31/3/2020 - 21.90%)			
1,326,805	HSBC Index Tracker Investment Funds - FTSE 250 Index Fund	4,149	6.25
385,370	iShares Core FTSE 100 UCITS ETF	2,547	3.84
48,025	Vanguard FTSE 100 UCITS ETF	1,421	2.14
59,545	Vanguard FTSE 250 UCITS ETF	2,007	3.03
12,610	Vanguard FTSE UK All Share Index Unit Trust	2,632	3.97
		12,756	19.23
Ireland - 1.76% (31/03/2020 - 0.00%)			
38,885	Vaneck Vectors Video Gaming & eSports UCITS ETF	1,168	1.76
Europe - 12.97% (31/3/2020 - 11.96%)			
55,550	db x-trackers EURO STOXX 50 ETF	2,810	4.23
237,185	UBS ETF MSCI EMU UCITS ETF	2,646	3.99
108,735	Vanguard FTSE Developed Europe ex UK UCITS ETF	3,149	4.75
		8,605	12.97
United States - 24.56% (31/3/2020 - 26.05%)			
6,870	Invesco Technology S&P US Sector UCITS ETF	1,642	2.48
75,540	Lyxor Nasdaq-100 UCITS ETF	2,844	4.29
1,489,213	Schroder US Equity Income Maximiser Fund	1,101	1.66
36,890	SPDR S&P 500 Low Volatility ETF	1,631	2.46
79,020	SPDR S&P U.S. Communication Services Select Sector UCITS ETF	1,780	2.68
75,800	Vanguard S&P 500 UCITS ETF	4,149	6.25
4,860	Vanguard US Equity Index Fund (Acc)	3,147	4.74
		16,294	24.56
Asia Pacific (Ex Japan) - 6.67% (31/3/2020 - 6.01%)			
863,390	HSBC Index Tracker Investment Funds - Pacific Index Fund	4,426	6.67
Japan - 3.03% (31/3/2020 - 3.25%)			
34,800	Amundi Prime Japan UCITS ETF DR (D)	748	1.13
863,342	HSBC Index Tracker Investment Funds - Japan Index Fund	1,262	1.90
		2,010	3.03
Emerging Markets - 6.30% (31/3/2020 - 6.08%)			
954,700	Amundi MSCI Emerging Markets UCITS ETF	4,179	6.30
Global - 3.33% (31/3/2020 - 0.00%)			
76,020	First Trust Global - Cloud Computing UCITS ETF	2,211	3.33

Portfolio statement

continued

Holding/ Nominal Value	Investment	Market Value GBP £'000	Percentage of Net Assets %
FIXED INTEREST - 7.04% (31/3/2020 - 4.57%)			
United Kingdom Gilts and Corporate Bonds - 7.04% (31/3/2020 - 4.57%)			
522,260	Close Sustainable Bond Portfolio Fund*	530	0.80
3,605,440	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	3,660	5.52
3,410	Lyxor FTSE Actuaries UK GILTS DR UCITS ETF	475	0.72
		4,665	7.04
ALTERNATIVE - 8.78% (31/3/2020 - 14.00%)			
5,405	Invesco Physical Gold ETC	646	0.97
50,440	iShares Global Infrastructure UCITS ETF	1,136	1.71
131,245	Legal & General Cyber Security UCITS ETF	2,174	3.28
52,545	Royal Mint Physical Gold	648	0.98
23,700	UBS CMCi Composite SF UCITS ETF	1,223	1.84
		5,827	8.78
	Portfolio of investments	62,141	93.67
	Net other assets	4,201	6.33
	Total net assets	66,342	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 2021

		Year to 31/3/2021	Year to 31/3/2020
	Notes	GBP £'000	GBP £'000
Income			
Net capital gains/(losses)	2	13,440	(7,352)
Revenue	3	1,031	996
Expenses	4	(184)	(157)
Interest payable and similar charges	6	(1)	—
Net revenue before taxation for the year		846	839
Taxation	5	—	—
Net revenue after taxation for the year		846	839
Total return before distributions		14,286	(6,513)
Distributions	7	(846)	(838)
Change in net assets attributable to unitholders from investment activities		13,440	(7,351)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

		Year to 31/3/2021	Year to 31/3/2020
	Note	GBP £'000	GBP £'000
Opening net assets attributable to unitholders		48,185	33,021
Amounts received on creation of units		11,401	24,915
Amounts paid on cancellation of units		(7,541)	(3,320)
		3,860	21,595
Dilution adjustment		—	6
Change in net assets attributable to unitholders from investment activities		13,440	(7,351)
Retained distribution on accumulation units	7	857	914
Closing net assets attributable to unitholders		66,342	48,185

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			62,141		45,208
Current assets					
Debtors	8	355		114	
Cash and bank balances	9	3,884		2,903	
Total other assets			4,239		3,017
Total assets			66,380		48,225
LIABILITIES					
Creditors					
Distribution payable		—		—	
Other creditors	10	(38)		(40)	
Total other liabilities			(38)		(40)
Total liabilities			(38)		(40)
Net assets attributable to unitholders			66,342		48,185

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 9.

2. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Foreign currency	(7)	(14)
Gains/(losses) on non-derivative securities	13,447	(7,338)
Net capital gains/(losses)	13,440	(7,352)

3. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	605	661
UK franked dividends from collective investment schemes	328	260
UK unfranked dividends from collective investment schemes	98	75
Total revenue	1,031	996

4. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee	184	157
Total expenses	184	157

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

5. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in 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	846	839
Corporation tax at 20% (31/3/2020 - 20%)	169	168
Effects of:		
Movement in unrecognised tax losses	15	13
Revenue not subject to tax	(184)	(181)
Total taxation (see note 5(a))	—	—

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

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £34,267 (31/3/2020 - £19,288) due to tax losses of £171,333 (31/3/2020 - £96,438). It is unlikely that the Tactical Growth Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

Notes to the Financial statements

continued

6. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	1	—
	1	—

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	549	544
Final distribution	308	370
	857	914
Add: Revenue deducted on cancellation of units	31	17
Less: Revenue received on creation of units	(42)	(93)
Net distribution for the year	846	838
Reconciliation of distributions:		
Net revenue after taxation	846	839
Equalisation on conversions	—	(1)
Net distribution for the year	846	838

8. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	22	79
Income tax recoverable	11	7
Receivable for creation of units	322	28
Total debtors	355	114

9. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	3,884	2,903

Notes to the Financial statements

continued

10. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	17	13
Payable for cancellation of units	21	27
Total other creditors	38	40

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020- £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 2021 was:

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

The currency profile for the Tactical Growth Fund's net assets at 31 March 2020 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
Euro	—	8	8
US Dollar	—	11,536	11,536
Total	—	11,544	11,544

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 2021 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	62,141	62,141
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	45,208	45,208
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
31/3/2021		
Level 1: Quoted prices	41,235	—
Level 2: Observable market data	20,906	—
Level 3: Unobservable data	—	—
	62,141	—
31/3/2020		
Level 1: Quoted prices	31,235	—
Level 2: Observable market data	13,973	—
Level 3: Unobservable data	—	—
	45,208	—

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 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	15,775	3	0.02	—	—
Total	15,775	3		—	
Total purchases including commission and taxes	15,778				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	12,910	2	0.02	—	—
Total	12,910	2		—	
Total sales net of commissions and taxes	12,908				
Total transaction costs		5		—	
Total transaction costs as a % of average net assets		0.01%		0.00%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	30,057	5	0.02	—	—
Total	30,057	5		—	
Total purchases including commission and taxes	30,062				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Collective investment schemes	7,011	1	0.02	—	—
Total	7,011	1		—	
Total sales net of commissions and taxes	7,010				
Total transaction costs		6		—	
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 0.18% (31/3/2020 - 0.47%).

Notes to the Financial statements

continued

14. Related parties

Management fees paid to the Manager are shown in Note 4 and details of units created and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholders and Note 7. Details of related party investments are disclosed within the portfolio statement and within the General information on page 281.

The balance due from the Tactical Growth Fund at the year end in respect of fees paid to the Manager was £17,026 (31/3/2020 - £13,236).

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

	Unit holding %	Related party name
Tactical Growth Fund	64.20	Lion Nominees Limited

15. Unit movement

Year to 31 March 2021

	I Accumulation units	X Accumulation units
Opening units	2,015,427	17,586,357
Units created	1,179,553	3,332,059
Units cancelled	(780,879)	(2,184,938)
Units converted	(22,912)	7,344
Closing units	2,391,189	18,740,822

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 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
I Accumulation				
Group 1	0.6092	—	0.6092	0.7475
Group 2	0.2658	0.3434	0.6092	0.7475
X Accumulation				
Group 1	1.5654	—	1.5654	2.0167
Group 2	0.4769	1.0885	1.5654	2.1067

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
I Accumulation				
Group 1	1.0227	—	1.0227	0.3965
Group 2	0.6201	0.4026	1.0227	0.3965
X Accumulation				
Group 1	2.8925	—	2.8925	3.3487
Group 2	1.7433	1.1492	2.8925	3.3487

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 23 July 2021.



I.P. Wallace (Director)
23 July 2021

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 2021.

The Trustee in its capacity as Trustee of Close Discretionary Funds must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

For and on behalf of
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL
23 July 2021

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at One Canada Square, London E14 5AL. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent Auditor's Report

Independent auditor's report to the unitholders of Close Discretionary Funds

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Close Discretionary Funds (the "fund"):

- give a true and fair view of the financial position of the fund and the sub-funds as at 31 March 2021 and of the net revenue and the net capital losses on the property of the sub-funds for the year ended 31 March 2021; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements which comprise the Notes applicable to the Financial Statements of all sub-funds and for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related notes; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

continued

Responsibilities of Trustee and Manager

As explained more fully in the trustee's responsibilities statement and the manager's responsibilities statement, the trustee is responsible for the safeguarding the property of the fund and the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Collective Investment Scheme Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the fund's ability to operate or to avoid a material penalty. These include The Open-Ended Investment Companies Regulation 2001.

We discussed among the audit engagement team, including relevant internal specialists such as Information Technology specialist, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments, and our specific procedures performed to address them are described below:

- obtained an understanding of the relevant controls at the administrator, The Bank of New York Mellon (International) Limited over the valuation and existence of investments;
- revaluing the sub-fund's investment portfolio as at 31 March 2021, through independently obtaining prices for each investment held at the period end date; and
- agreed the sub-fund's investment portfolio at the year end to the confirmation received directly from the depository, The Bank of New York Mellon (International) Limited.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report

continued

Extent to which the audit was considered capable of detecting irregularities, including fraud continued

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the fund and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 March 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the fund's unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
27 July 2021

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 2021 ("the sub-funds"):

- Close Sustainable Bond Portfolio Fund*
- Close Sustainable Balanced Portfolio Fund****
- Close Diversified Income Portfolio Fund*
- Close Conservative Portfolio Fund*
- Close Balanced Portfolio Fund*
- Close Growth Portfolio Fund*
- Close Managed Income Fund**
- Close Managed Conservative Fund**
- Close Managed Balanced Fund**
- Close Managed Growth Fund**
- Close Select Fixed Income Fund***
- Close Tactical Select Passive Conservative Fund**
- Close Tactical Select Passive Balanced Fund**
- Close Tactical Select Passive Growth Fund**

* Launched 3 September 2010

** Launched 17 October 2011

*** Launched 15 October 2012

**** Launched 2 November 2020

Accounting year end date

31 March

Objectives and Manager's Report

Individual investment objectives and a review of investment activities of each sub-fund during the year under review are included within the Fund Manager's Reviews.

As at 31 March 2021 the following sub-funds invested in the Close Sustainable Bond Portfolio Fund:

	Number of units held	Market value £'000
Close Tactical Select Passive Balanced Fund	2,704,580	2,745
Close Tactical Select Passive Conservative Fund	3,845,430	3,903
Close Tactical Select Passive Growth Fund	522,260	530

No transactions occurred during the year to 31 March 2021.

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

General Information

continued

Objectives and Manager's Report continued

As at 31 March 2021 the following sub-funds invested in the Close Brothers 4.25% Bonds 24/1/2027:

	Number of units held	Market value £'000
Close Balanced Portfolio Fund	6,800,000	6,967
Close Sustainable Bond Portfolio Fund	4,500,000	4,610
Close Conservative Portfolio Fund	4,300,000	4,405

During the year Close Diversified Income Fund sold 9,450,000 units in Close Brothers 4.25% Bonds 24/1/2027

Changes to the sub-funds

Effective 1 June 2020 the Close Managed Conservative Fund X Income unit class FMF was reduced from 0.69% to 0.53%.

Effective 1 September 2020 it was mandatory for the following unit classes to be converted to X classes:

- Close Sustainable Bond Portfolio Fund A Income
- Close Sustainable Bond Portfolio Fund A Accumulation
- Close Diversified Income Portfolio Fund Y Accumulation
- Close Conservative Portfolio Fund Y Income
- Close Balanced Portfolio Fund Y Accumulation
- Close Managed Conservative Fund A Income
- Close Managed Conservative Fund A Accumulation
- Close Managed Balanced Fund Y Accumulation
- Close Managed Growth Fund A Accumulation

Effective 2 November 2020 the Close Bond Income Portfolio Fund was renamed the Close Sustainable Bond Portfolio Fund in line with the move to Sustainable Investing.

Effective 2 November 2020 the Sustainable Balanced Portfolio Fund was launched as a sub-fund of the Close Discretionary Funds.

Effective 1 March 2021 the following Fund is now managed by Eran Hasson:

- Close Sustainable Bond Portfolio Fund

Effective 1 March 2021 the following Fund is now managed by Eran Hasson and Stephen Hayde:

- Close Select Fixed Income Fund

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

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

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

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

General Information

continued

Remuneration Policy (Unaudited)

In line with the requirements of the UCITS Directive, Close Asset Management UK Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed Remuneration £	Variable Remuneration £	Total Remuneration £	Headcount
Senior Managers	387,860	291,424	679,284	11
Other Risk Takers	627,150	496,276	1,123,426	6
Total	1,015,010	787,700	1,802,710	17

The variable remuneration disclosed in the table above is for the year ended 31 July 2020, 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 2021 cannot be known until after 31 July 2021 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 2021/22 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.

General Information

continued

Cancellation

If you invest in the sub-funds through a financial advisor, or after taking advice from an authorised intermediary, you have the right to cancel the agreement under the Financial Conduct Authority Conduct of Business Sourcebook Chapter 15.2 and you will be sent a cancellation notice. You may exercise your right to cancel by returning it to the Manager within 14 days. If you exercise this right, you will not get a full refund of the money you paid if the value of the investment falls before the cancellation notice is received by the Manager, because an amount equal to that fall in value will be deducted from any refund you would otherwise receive. Such a deduction will not be made from the first instalment paid into a regular savings scheme.

Customers dealing directly with the Manager are deemed to be Execution-only customers and will have no rights of cancellation, as outlined above.

Dilution levy/price swing

The actual cost to the Scheme of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the sub-fund. Under certain circumstances (where the net movement of purchases and redemptions by unitholders is greater than 1% of assets under management) this may have an adverse effect on the interests of unitholders generally. In order to prevent this effect, called 'dilution' the Manager has the power to charge a dilution levy/price swing on the sale and/or redemption of the units. The dilution levy/price swing will be applied at the outset and will be paid into and will become part of the sub-fund. The dilution levy for the sub-fund will be calculated by reference to the costs of dealing in the underlying investments of the sub-fund, including any dealing spreads, commission and transfers. Further details can be found in section 6.4 of the prospectus of the Trust.

Risk Warnings

Unitholders should remember that past performance is not a reliable indicator of future results as the price and value of units, and the income from them, can fall as well as rise. Unitholders may not get back the amount originally invested. This information relating to Close Discretionary Funds is issued by Close Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority.

Registration Fees

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

Brexit risk

The UK left the European Union (EU) on 31 January 2020 and entered a transition period which lasted until 31 December 2020. Shortly before the end of the transition period, UK and EU negotiators succeeded in agreeing the terms of the future relationship, removing the risk of disruption that would have been associated with a no deal Brexit. This agreement is called the Trade and Cooperation Agreement. More recently, the UK Treasury and the EU Commission have agreed a Memorandum of Understanding (MoU) on financial services. The MoU is not a substitute for the passporting regime under EU regulation, however, it does provide a foundation for close collaboration, creating a forum for communication on future regulatory initiatives.

Whilst the UK's exit from the EU has resulted in regulatory changes for the UK fund industry, the activities of the Manager and the Investment Advisor are conducted from the UK with a focus on UK resident investors. The Fund has not been registered for sale in any other jurisdiction outside of the UK. There are no plans to change this business model. Any investor resident outside of the UK may wish to seek financial advice in respect of their investment in a fund.

Covid-19

From early in 2020, global financial markets experienced, and may continue to experience, significant volatility resulting from the spread of coronavirus, also known as COVID-19. The outbreak of this contagious disease has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. This has adversely affected the global economy, the economies of many nations and stock market performance generally, all of which has impacted Close Asset Management's Fund range.

The Manager has considered the COVID-19 impact on the financial resources and operations of these Funds, including their investment management and key service providers. The Manager remains of the opinion that all of the Funds have sufficient financial resources and robust business continuity plans in place to continue as a going concern.

General Information

continued

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 2021 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

Manager

Close Asset Management (UK) Limited*

(Authorised and regulated by the Financial Conduct Authority)

Registered office: 10 Crown Place, London EC2A 4FT

Business address: 10 Crown Place, London EC2A 4FT

Correspondence address: PO Box 367, Darlington DL1 9RG

Telephone: Dealing only 0370 606 6402**

Directors

M. Andrew

S.H. Forrest

C.J. Parry

A.J. Sippetts

R.C.S. Smith

I.P. Wallace

Investment Advisor

Close Asset Management Limited*

(Authorised and regulated by the Financial Conduct Authority)

10 Crown Place, London EC2A 4FT

Trustee

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

One Canada Square, London E14 5AL

Administrator & Registrar

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Capital House, 2 Festival Square, Edinburgh EH3 9SU

Independent Auditor

Deloitte LLP

Statutory Auditor

Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB

Useful information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Trust during the year and the results of those activities at the year end.

For more information about the activities and performance of the Trust during this and previous years, please contact the Manager at the address above.

Copies of the report and financial statements are available free of charge on request at www.closebrothersam.com or by calling 0370 606 6452**.

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

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

Close Brothers Asset Management

10 Crown Place

London

EC2A 4FT

www.closebrothersam.com

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of Close Brothers Group plc, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT.

VAT Registration No 245 5013 86.

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