

Close Tactical Select Passive Balanced Fund

31 May 2014

Key Facts

Fund Strategy Size

£12.9m

Sector

IMA Mixed Investment 40-85%
Shares

Fund Manager

Aleem Siddiqui

Fund Launch Date

17 October 2011

X Share Class

Launch Date

01 October 2012

Initial Charge

0%

Annual Management Charge

0.30%

Ongoing Charge (as at 30.09.13)

0.52%

Minimum Investment

£1,000 lump sum or £250 monthly

ISIN

GB00B8HS8W08 (Acc)

Y Share Class

Launch Date

17 October 2011

Initial Charge

0%

Annual Management Charge

0.40%

Ongoing Charge (as at 30.09.13)

0.64%

Minimum Investment

£100,000 lump sum

ISIN

GB00B6473C15 (Acc)

A Share Class

Launch Date

17 October 2011

Initial Charge

Up to 5%

Annual Management Charge

0.60%

Administration Charge

0.15%

Ongoing Charge (as at 30.09.13)

0.98%

Minimum Investment

£1,000 lump sum or £250 monthly

ISIN

GB00B62S7S02 (Acc)

Fund objective

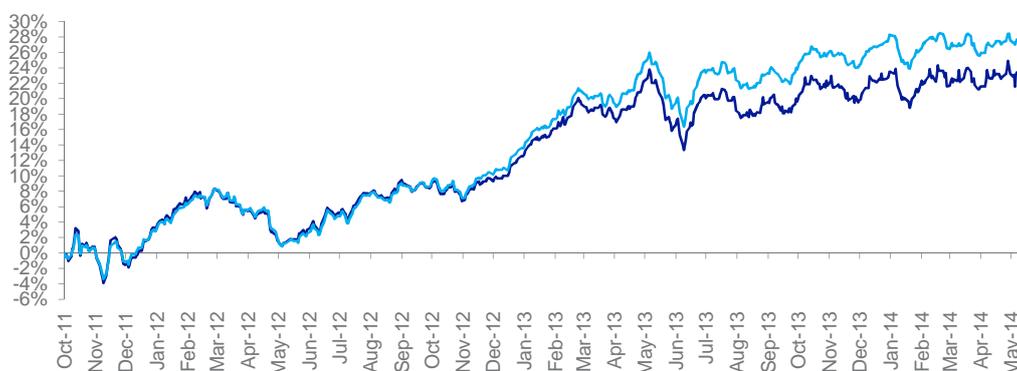
The investment objective of the fund is to provide capital growth together with some income by mainly investing in exchange traded funds and third party passively managed collective investment schemes.

Typical investor

Typical investors in the fund are looking for an investment that provides capital growth with some income.

A proportion of the charges for this fund are currently being subsidised. When this subsidy ends it may have an adverse impact on the ongoing charges figure.

Cumulative performance (%)



■ Close Tactical Select Passive Balanced A Acc
■ IMA Mixed Investment 40%-85% Shrs

Performance (%)

	1 month	3 months	6 months	YTD	1 year	2 years	5 years	Since launch
Fund	1.15%	1.77%	2.91%	2.29%	3.55%	22.96%	N/A	25.14%
IMA Sector	1.71%	0.96%	2.64%	1.94%	4.62%	27.02%	60.04%	29.23%

Annual performance to the end of the last month (%)

	Apr 2009 Apr 2010	Apr 2010 Apr 2011	Apr 2011 Apr 2012	Apr 2012 Apr 2013	Apr 2013 Apr 2014
Fund	N/A	N/A	N/A	18.75%	3.55%
IMA Sector	18.50%	12.26%	-5.28%	21.41%	4.62%

Data source: FE. Percentage growth on a mid pricing basis in sterling with net income reinvested. The performance shown is the Fund's A share class. The X share class for this Fund was launched on 1 October 2012, and further information about the X share class is available on our website and this factsheet. Past performance is not a reliable indicator of future results.

Market commentary

Both equities and bonds benefitted from a rise last month. Whilst this goes against accepted logic, as strengthening bonds reflect a cautious outlook, it has occurred on many occasions since quantitative easing started in 2010.

Midcap equities have underperformed large caps in the UK and US this year, reversing the trend of 2013. The UK has seen short periods of sharp volatility, and at times performance has been led by a concentrated number of blue-chip companies. Optimism about the strength of the US economy has taken the S&P 500 to an all-time high and it is 179% above the lows touched in early 2008. We are now starting to see positive economic data across Europe and, as valuations are attractive compared with the US and UK, their markets are likely to attract more inflows.

The rally in bonds anticipated monetary easing in Europe but in general terms, year to date, government bond yields have moved within a very tight range and the gap between government and corporate bond yields has narrowed.

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Important Notice

For Professional Advisers and existing investors only.

Risks

Past performance is not a reliable indicator of future results.

The value of investments and the income from them can go down as well as up. Investors may get back less than the full amount originally invested. If you are unsure about any information contained within this document, or the suitability of this investment to meet your needs, you should take professional financial advice.

This document should be read in conjunction with the Fund's Key Investor Information Document and Prospectus which will exclusively form the basis of any application and will contain further information on specific risks that apply to your investment.

Fund commentary

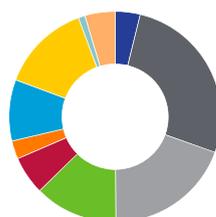
The fund saw strong gains in May on the back of equity and bond market rallies. Improvement in consumer sentiment, positive economic data and strong expectation of further accommodative monetary policies from Central Banks led to a sharp increase in investor optimism. The sentiment improvement helped drive both equity and bond markets higher which the fund captured successfully while maintaining its high level of diversification. Equities, Fixed income and Alternative instruments in the portfolio all made positive contributions to overall return with gains split comfortably across asset classes and geographies.

Strong net inflows continued during the month and were allocated towards more cyclical instruments with a marginal increase in broad equity exposures. In-line with the change in sentiment and indicators pointing towards a further uptick in markets, the previous month's near-term tactical defensive tilt was allowed to gradually drift down during the month. Nonetheless, alongside shifting the portfolio towards a more cyclical stance, diversification was maintained with the overall portfolio's volatility profile substantially below broad market indices. Looking ahead, the current pro-cyclical move in markets is expected to persist albeit with periods of sudden market dislocations. Accordingly, the portfolio's tactical defensive tilt is being pared back carefully with a more gradual shift towards pro-cyclical positioning over the medium term.

Top ten holdings

	% within the fund
HSBC FTSE 250 INDEX FUND C ACC	6.64%
HSBC FTSE 100 INDEX FUND C ACC	6.06%
HSBC S&P 500 ETF	5.55%
VANGUARD FTSE 100 ETF	5.44%
ISHARES MARKIT IBOXX GBP CORPORATE BOND	5.37%
ISHARES MARKIT IBOXX STG CORP BD 1-5	5.33%
ISHARES III PLC S&P SMALLCAP 600 USD(GBP)	5.05%
VANGUARD INV SER S&P 500 ETF INC NAV	4.89%
LOOMIS SAYLES STRATEGIC INCOME	4.44%
SPDR S&P UK DIVIDEND ARISTOCRATS ETF	4.42%

Asset class allocation



Alternatives	4.00%
UK equity	28.40%
American equity	19.40%
Europe ex UK equity	12.70%
Japan equity	5.90%
Asia ex Japan equity	2.80%
Cash	9.40%
Fixed interest corporate bond	13.70%
Fixed interest gilt/supranational	1.00%
Fixed interest global/dynamic	4.60%

The numbers may not equal 100% due to rounding

Helpline: 0800 269 824*

Valuations: 0870 606 6452*

Dealings: 0870 606 6402*

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*Calls to this number are recorded for monitoring purposes. Calls to 0800 numbers from UK landlines are usually free; calls from mobile networks will vary.

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