

# Close Diversified Income Portfolio Fund

Fund Factsheet as at 30 September 2018



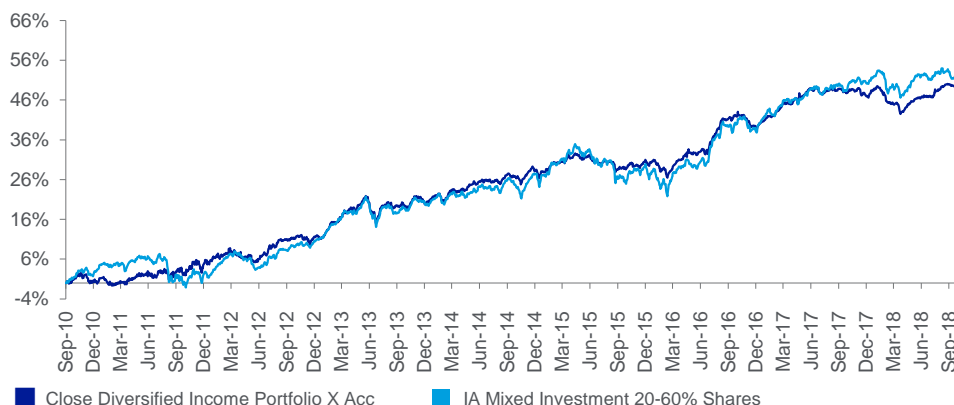
## Fund objective

The investment objective of the Fund is to provide income with capital growth by mainly investing in higher yielding equities and fixed interest securities. The Fund may also invest in money market instrument and deposits and may also gain exposure to alternative asset classes, such as commodities, infrastructure, property, and convertibles through transferable securities. The fund also aims to have a yield greater than the FTSE All-Share Index.

## Typical investor

Typical investors in the Fund are looking for a diversified solution to provide income and capital growth.

## Cumulative performance (%)



The Investment Association sector return shown tracks the performance of funds which have a range of investments, typically shares, bonds and cash. 20% to 60% is invested in shares and at least 30% in bonds and/or cash. It is shown for reference purposes only, as the Fund does not have a formal benchmark, which it is required to be measured against.

## Cumulative performance (%)

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since launch
Fund	-0.36%	1.63%	4.48%	0.54%	1.14%	16.18%	25.37%	49.45%
IA Sector	-0.31%	0.74%	3.58%	0.32%	2.60%	22.11%	28.75%	52.52%

## Discrete performance – Annual performance to the end of the quarter (%)

	Sep 2013 Sep 2014	Sep 2014 Sep 2015	Sep 2015 Sep 2016	Sep 2016 Sep 2017	Sep 2017 Sep 2018
Fund	6.27%	1.54%	10.24%	4.20%	1.14%
IA Sector	5.10%	0.32%	12.11%	6.15%	2.60%

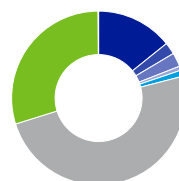
## Past performance is not a reliable indicator of future results.

The performance shown is the Fund's X (clean) unit class from 1 October 2012. Performance prior to this point is based on the Fund's A unit class and further information is available on our website [www.closebrothersam.com/funds](http://www.closebrothersam.com/funds). Data source: FE. Percentage growth on a single pricing basis in sterling with net income reinvested.

## Top ten holdings

	% within the fund
BALFOUR BEATTY 1.875% CNV GTD 03/12/18	3.05%
INTL PUBLIC PARTNERSHIPS LTD ORD GBP0.0001	2.93%
GCP INFRASTRUCTURE ORD GBP 0.01	2.93%
GCP ASSET BACKED INCOME FUND LTD ORD NPV	2.74%
STANDARD LIFE ABERDEEN 6.75% PERP GBP	2.54%
PENNON GROUP 2.875% FRN SUB PERP GBP	2.37%
BBGI SICAV S.A. ORD NPV	2.35%
GREENCOAT UK WIND PLC	2.07%
NATIONAL GRID 5.625% 18/06/2073 GBP	1.99%
PGH CAPITAL PLC 6.625% GTD SUB NTS 18/12/25	1.97%

## Asset allocation (%)



UK equity	14.23%
US equity	2.22%
Europe ex UK equity	2.59%
Asia/Emerging Markets	0.77%
Japan equity	1.15%
Fixed interest gilt/supranational	0.00%
Fixed interest corporate bond	49.22%
Alternatives	29.74%
Cash	0.08%

The numbers may not equal 100% due to rounding.

## Key facts

Fund Manager	Stephen Hayde
Fund Size	£690.73m
Fund Launch Date	03 September 2010
Minimum Investment	£1,000 lump sum or £250 monthly
Dealing	Daily
ISA eligible	Yes
Sector	IA Mixed Investment 20-60% Shares

## X Class Information

Launch Date	01 October 2012
X Income	<a href="#">ISIN</a> GB00B5N0YZ48
X Accumulation	GB00B708TJ43

	<a href="#">NAV price</a>
X Income	137.0p
X Accumulation	168.0p
	<a href="#">Yields</a>
X Income	3.68%
X Accumulation	3.60%

Maximum initial charge\* 0.00%

\*If you invest via a third party provider you are advised to contact them directly as charges, performance and terms and conditions may differ materially from those shown in this document.

For further information on the other share classes, please refer to the Prospectus available on our website.

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## Fund commentary

Diversified Income fell 0.36% in September. This compared to -0.31% for the IA 20-60% sector.

One word to describe September would be mixed. Equity markets gave divergent returns as did the renewable funds (despite an incredibly strong electricity price), infrastructure funds and property investment trusts. Whilst gold bullion was down 1.3%, Randgold Resources rose 8% on news it was to merge with Barrick Gold. The one asset class that was uniformly down was the bond market, driven by a rise in Gilt yields (the 10 year gilt yield rose to 1.57% from 1.42%) and a rise in corporate bond spreads (1.76% to 1.78%).

The John Laing Infrastructure takeover was voted through by shareholders and so the remaining 0.9% holding will turn into cash in October. The main purchase in the month was GCP Student Living, adding to the holding in the recent placing at 149.5p. GCP Asset Backed Income was also added to in their C share issue at 100p. These shares will start trading in October.

Almost half of Diversified Income's bonds will mature by the end of 2020 and in the month duration was maintained at just 3.3 years.

In the month the cash balance fell to 0.5% from 2%. With the NAV falling slightly too, this meant that the yield on the portfolio is back up to 4%. The yield on the Fund is the result of all the individually picked attractive risk:reward ideas. In this tough environment the hard work continues to find attractive risk:reward ideas across the whole spectrum of asset classes that the Fund is able to invest in.

## Market commentary

A mixed month for equities, with a strong pound weighing on GBP overseas returns. Japan was the best performing equity market, delivering 5.3% in local terms, but Yen weakness translated 2.5% in GBP terms. GBP returns also suffered in the US (+0.4%), Europe (-0.7%), and emerging markets (-1.1%), while UK equities delivered +0.9%.

Bond performance was negative across the board. UK gilts were the worst performer (-1.7%), while UK corporate bonds fell -1%. In the US and Europe local currency returns were -0.9% and -0.1%.

GBP strengthened broadly, gaining +2.9% versus JPY and +0.5% versus USD and EUR.

In USD terms oil gained 4.9%, while gold weakened a further -1.3%.

## 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.

## Distributions

The most recent quarterly distribution for the Fund went XD on 01 July 2018.

Unit Class : X Inc Net rate : 1.4639 pence

Unit Class : X Acc

Net rate : 1.7753 pence

Distribution XD Dates:	01 January	01 April	01 July	01 October
Distribution Pay Dates:	28/29 February	31 May	31 August	30 November

Fund Management Fee	+	Synthetic OCF	=	OCF 31 Mar 2018
X Inc 0.72%		0.03%		0.75%
X Acc 0.71%		0.03%		0.74%

Transaction Cost (PRIIP Calculation)
0.02%
0.02%

## Ratings



Rayner Spencer Mills Research (RSMR) is a fund rating agency that makes use of qualitative as well as statistical analysis to give its seal of approval to some 350 funds, in addition to fund ranges and investment trusts.



Close Brothers has received Defaqto 5 Diamond Ratings for its Diversified Income Portfolio Fund.

Defaqto is an independent financial research company focused on supporting better financial decision making. Defaqto's Diamond Ratings enable consumers and financial advisers to identify products which may be suitable for their needs based on the features and benefits they offer.

## Contact Us

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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 number: 245 5013 86. Source of all data is Close Brothers Asset Management as at 30 September 2018 unless otherwise specified.

CBAM52 Factsheet valid from 01.10.2018