

# Close OLIM UK Equity Income Fund

Annual Report & Financial Statements  
for the year ended 30 November 2016 (audited)

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Close OLIM UK Equity Income Fund is a Unit Trust that aims to achieve a return based on a combination of income and capital over the long-term.

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# Investment objective and other information

for the year ended 30 November 2016

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## Investment objective and policy

The objective of the Close OLIM UK Equity Income Fund ("The Fund") is to achieve a return based on a combination of income and capital over the long-term through investment primarily in UK equities. OLIM Limited ("Manager") may also from time to time invest in other transferable securities, including UK government securities and other fixed interest securities.

## Manager's Remuneration

Under the requirements of UCITS V and the UCITS Remuneration Code, Close Asset Management (UK) Limited, as a UCITS Manager, must establish and apply remuneration policies and practices for its staff that have a material impact on the risk profile of Close Asset Management (UK) Limited or the Fund. These practices must be consistent with, and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the instrument of the Fund or the prospectus and does not impair its duty to act in the best interest of the fund it manages. Under the UCITS Remuneration Code, Close Asset Management (UK) Limited is required to disclose how those individuals whose actions have a material impact on the Fund are remunerated.

The Financial Conduct Authority recognises that the remuneration related disclosures may be required to be made available to unitholders before the completion of the manager's first annual performance period in which it has to comply with the UCITS Remuneration Code. Therefore Close Asset Management (UK) Limited is able to omit to disclose information relating to remuneration where the information is not available or would not provide materially relevant, reliable, comparable and clear information to unit holders about the remuneration policy. Due to the UCITS Remuneration Code becoming effective in January 2017, Close Asset Management (UK) Limited do not believe the figures available are materially relevant in the context of the twelve month disclosure period and have therefore decided to omit these figures from this report.

Details on UCITS Remuneration Policy statement can be found at [www.closebrothersam.com](http://www.closebrothersam.com).

# Manager's report

for the year ended 30 November 2016

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## Market Background

In the first half of our year, the UK equity market was particularly volatile. Global concerns dominated market sentiment, with particular anxiety about the falling oil price; the price of Brent crude briefly fell to \$27 in January. Rumours circulated that some European banks were suffering severe losses on their oil and commodity related loans, but denials that they were in difficulty as a result of the losses restored investors' confidence. The oil price recovered steadily from mid-February to the end of our half year, and was steady for the rest of our year, closing at \$51, compared with \$45 at the end of November 2015. Downgrades in forecasts for global economic growth, particularly in China, had a knock on effect on UK Gross Domestic Product (GDP) growth, which was also affected by slower growth in consumption. Dividends in the resource sectors came under pressure and several mining companies announced reductions in their distributions to shareholders. The impending vote on the EU Referendum caused nervousness in some parts of our economy. The overall movement in the FTSE All Share Index in the first half of our year was a fall of just under 2%.

In the second half of our year, the outcome of the EU Referendum on 23rd June dominated market movements. Sterling fell sharply in the months following the Brexit vote and, after an initial fall, the UK equity market rose strongly, especially the areas of the market exposed to the US Dollar and Euro, either through exports or through the currency translation effects of their overseas subsidiaries. Some of our largest companies report their earnings and dividends in US Dollars and their shareholders had an immediate uplift in their dividends following the decline in Sterling. In August the Bank of England cut bank base rate from 0.5% to 0.25% and announced a new programme of quantitative easing, this time to include corporate bonds. Gilt yields fell even further, to 0.7% at the nadir on ten year dated stocks, and the comparison with equity yields further encouraged investors. Even the election of Donald Trump to the presidency of the USA was followed by rising markets worldwide.

Over the year as a whole, the UK equity market rose by 5.9%, but the range between the low point in early February and the high of early October was more than 26%. Including income, the FTSE All Share Index recorded a total return of 10.4%. For the reasons above, the FTSE 100 Index of the largest companies outperformed with a rise of 6.6% and the FTSE 250 Index of mid-sized companies underperformed with a rise of 2.5%. Sterling fell by 19% against the US Dollar and by 16% against the Euro. The FTSE Gilt All Stocks Index gave a total return of 8.0%. Gilt yields rose towards the end of our year, as the inflationary consequences of the fall in Sterling began to be realised.

## Performance

Against the overall market total return of +10.4%, the total return on the Fund's units was +4.59%, measured by the change in the bid price of the accumulation units, calculated at the close of business at the end of November each year. Since the Trust was formed in January 2002, the total return on the units has been +191.9% compared with the total return on the FTSE All Share Index of +141.3%.

In the first half of the year the performance continued to be ahead of the All Share Index, but, in common with other equity income funds, the period after the Referendum hit relative performance hard. This was a period when resource stocks, particularly mining, rose strongly, partly on the US Dollar related earnings and partly on the change in sentiment towards sectors highly geared to economic growth. The election of Donald Trump increased this enthusiasm towards the more cyclical parts of the market. Oil companies benefitted from initial indications of an agreement between the OPEC producers to curb production. The change in investors' preference for the more highly geared sectors had a reverse effect on the more defensive sectors of telecommunications and utilities, and also on sectors related to UK consumer spending. In stock selection, our holding in Go-Ahead (-19%) suffered from the staffing problems in Southern Rail, and Marston's (-12%) suffered from the weakness in its sector, despite delivering

# Manager's report

continued

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## Performance continued

results which were above expectations. In the support services sector, STthree (-16%) suffered adverse sentiment following the result of the Referendum.

Though well behind the All Share Index over the year as whole, the performance of the Fund was in line with the average performance of funds in the equity income sector.

## Portfolio

We sold the small holding in South32 following its demerger from BHP Billiton. Amlin was taken over by the Japanese Mitsui Sumitomo Insurance Company and we reinvested in Prudential. We sold Telford Homes, the London based house-builder, and increased our holding in the more widely spread Crest Nicholson. We sold our holding in Daily Mail and General Trust. In the second half of our year we bought shares in the recently listed Motorpoint, which is the largest independent retailer of cars, mainly in the nearly new category, where they retail at a significant discount to the original price.

## Distribution

We maintained the interim distribution at 2.1p and the final distribution for our year will be 5.2771p compared with 4.2313p last year, making a total for the year of 7.3771p compared with 6.3313p for the year to end November 2015, an increase over the year of 16.5%. The final will be paid on 31 January 2017.

## Outlook

The last year has produced two very shocking surprises, delivered by voters in this country and in America, and both will have major impacts on the global economy. Commentators have been surprised to see that both events have influenced equity markets in a positive way. In the UK, there was a mechanical boost to corporate earnings from the weakness of Sterling and, in addition, there has been significant upgrading of our GDP forecasts since the Brexit vote, both for 2016 and for 2017. The gloomy forecasts from the Remain camp have long since been abandoned,

though it is likely there will be further adjustments to expectations when the negotiations of the terms of Brexit begin. Inflation is expected to rise next year above the Bank of England's target of 2%. Recent statistics from China have reassured those who worried about slower growth in that region, and since the fear-filled weeks of January and February 2016, forecasts for global growth have been revised upwards. Inflation is rising in the UK due to the higher costs of imports, and in America the US Federal Reserve Funds interest rate was raised by 0.25% in December due to rising inflation there, with unemployment at the lowest rate since the banking crash. Janet Yellen, the Federal Reserve chairman, is forecasting further raises during 2017. The end of deflationary fears has been a major factor encouraging equity investors. Since the nadir in the autumn, bond yields have risen, also reflecting the change in view of inflationary pressures.

Although the UK equity market has risen strongly in the last six months, it is now only 5% above the level at the end of 2013 and the comparison with gilt yields of 1.5% and base rate at 0.25% still strongly favours equities on an average yield of 3.5%. After the underperformance of our portfolio of the last six months, we believe that it is attractively valued for the future.

## Significant change during the year

On 31 October 2016 the FCA approved the acquisition of OLIM Limited by AVL Group Limited, a subsidiary of Albion Venture LLP. OLIM Limited was formerly owned by Close Brothers Group plc.

# Manager's report

continued

## Fund performance

Performance for the Fund for the 12 months to 30 November over the last five years.

	Year to 30/11/2016	Year to 30/11/2015	Year to 30/11/2014	Year to 30/11/2013	Year to 30/11/2012
Close OLIM UK Equity Income Fund X Accumulation	4.59%	7.51%	0.59%	23.63%	21.95%
Close OLIM UK Equity Income Fund X Income	4.50%	7.56%	0.59%	23.65%	21.98%

Source: The figures were produced by Close Asset Management (UK) Limited using Financial Express.

The performance of the Fund prior to 30 June 2014 is calculated using the published bid price in Sterling with net revenue re-invested. From 30 June 2014 the performance of the Fund is calculated using the published dealing price (which may include a price swing to the mid-market value).

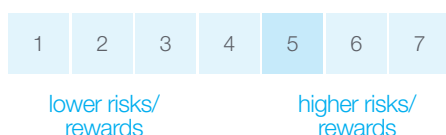
## Risk and Reward Profile

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

Investing in the Fund also carries the following risks:

**Focus risk:** The 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.

## Risk and Reward Indicator (SRRI)



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

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

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

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is 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 Fund.

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

Past performance is not a guide to future performance.

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

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

The lowest category does not mean risk free.

The SRRI conforms to the ESMA guidelines regarding its calculation.

OLIM Limited  
Investment Manager  
On behalf of the Manager

# Comparative tables

For the year ending X Income units	30/11/2016 pence per unit	30/11/2015 pence per unit	30/11/2014 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	162.25	157.49	162.19
Return before operating charges	8.35	12.94	3.87
Operating charges	(1.77)	(1.85)	(2.46)
Return after operating charges	6.58	11.09	1.41
Distributions	(7.38)	(6.33)	(6.11)
<b>Closing net asset value per unit</b>	<b>161.45</b>	<b>162.25</b>	<b>157.49</b>
After direct transaction costs of*	(0.15)	(0.04)	(0.01)
<b>Performance</b>			
Return after charges	4.06%	7.04%	0.87%
<b>Other information</b>			
Closing net asset value £'000	4,720	4,764	4,909
Closing number of units	2,923,550	2,936,106	3,117,190
Operating charges	1.09%	1.13%	1.51%
Direct transaction costs*	0.09%	0.02%	0.01%
<b>Prices</b>			
Highest unit price	176.40	175.10	172.00
Lowest unit price	145.50	150.60	147.00

\*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.



# Comparative tables

continued

For the year ending	30/11/2016	30/11/2015	30/11/2014
X Accumulation units	pence per unit	pence per unit	pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	278.63	260.37	258.23
Return before operating charges	14.51	21.34	6.06
Operating charges	(3.07)	(3.08)	(3.92)
Return after operating charges	11.44	18.26	2.14
Distributions	(12.75)	(10.53)	(9.78)
Retained distributions on accumulation units	12.75	10.53	9.78
<b>Closing net asset value per unit</b>	<b>290.07</b>	<b>278.63</b>	<b>260.37</b>
After direct transaction costs of*	(0.25)	(0.02)	(0.07)
<b>Performance</b>			
Return after charges	4.11%	7.01%	0.83%
<b>Other information</b>			
Closing net asset value £'000	8,292	9,100	8,417
Closing number of units	2,858,666	3,266,129	3,232,692
Operating charges	1.09%	1.13%	1.51%
Direct transaction costs*	0.09%	0.02%	0.01%
<b>Prices</b>			
Highest unit price	307.00	289.50	273.80
Lowest unit price	249.80	249.00	237.10

\*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.

# Portfolio statement

as at 30 November 2016

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	UNITED KINGDOM - 98.27% (2015 - 98.16%)		
	Banks - 3.41% (2015 - 2.67%)		
70,000	HSBC	444	3.41
	Beverages - 1.54% (2015 - 0.91%)		
35,000	Britvic	200	1.54
	Chemicals - 4.44% (2015 - 4.23%)		
8,206	Croda	268	2.06
9,916	Johnson Matthey	310	2.38
		<b>578</b>	<b>4.44</b>
	Electronic & Electrical Equipment - 8.02% (2015 - 8.12%)		
50,000	Halma	471	3.62
28,000	Spectris	572	4.40
		<b>1,043</b>	<b>8.02</b>
	Financials - 7.43% (2015 - 3.27%)		
200,000	Legal & General	471	3.62
32,000	Prudential	495	3.81
		<b>966</b>	<b>7.43</b>
	Fixed Line Telecommunications - 2.71% (2015 - 4.23%)		
99,000	BT	353	2.71
	Food & Drug Retailers - 3.31% (2015 - 3.79%)		
209,000	Conviviality Retail*	431	3.31
	Food Producers - 4.86% (2015 - 4.45%)		
19,800	Unilever	633	4.86
	Gas, Water & Multiutilities - 6.02% (2015 - 6.03%)		
114,700	Centrica	241	1.85
32,300	Pennon	264	2.03
31,500	United Utilities	278	2.14
		<b>783</b>	<b>6.02</b>

# Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	General Retailers - 2.25% (2015 - 2.43%)		
95,000	N Brown	189	1.45
82,500	Motorpoint	104	0.80
		<b>293</b>	<b>2.25</b>
	Household Goods & Home Construction - 2.08% (2015 - 2.07%)		
62,000	Crest Nicholson	<b>271</b>	<b>2.08</b>
	Industrial Engineering - 2.88% (2015 - 2.10%)		
160,000	Rotork	<b>375</b>	<b>2.88</b>
	Industrial Metals & Mining - 0.00% (2015 - 0.07%)		
	Media - 4.08% (2015 - 4.60%)		
81,875	Informa	<b>531</b>	<b>4.08</b>
	Mining - 2.21% (2015 - 1.80%)		
10,500	BHP Billiton	138	1.06
5,000	Rio Tinto	149	1.15
		<b>287</b>	<b>2.21</b>
	Mobile Telecommunications - 4.11% (2015 - 3.73%)		
275,818	Vodafone	<b>535</b>	<b>4.11</b>
	Non-life Insurance - 3.60% (2015 - 7.00%)		
123,000	Beazley	<b>468</b>	<b>3.60</b>
	Oil & Gas Producers - 9.25% (2015 - 7.41%)		
144,000	BP	662	5.09
25,571	Royal Dutch Shell class 'B' shares	542	4.16
		<b>1,204</b>	<b>9.25</b>
	Pharmaceuticals & Biotechnology - 10.88% (2015 - 9.06%)		
60,000	Dechra Pharmaceuticals	764	5.87
43,500	GlaxoSmithKline	651	5.01
		<b>1,415</b>	<b>10.88</b>

# Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
	Support Services - 6.60% (2015 - 8.23%)		
38,000	Babcock International	363	2.79
106,000	Carillion	262	2.01
85,000	SThree	234	1.80
		<b>859</b>	<b>6.60</b>
	Travel & Leisure - 8.59% (2015 - 11.96%)		
75,500	Cineworld	411	3.16
16,800	Go-Ahead	349	2.68
170,000	Marston's	228	1.75
40,000	The Restaurant Group	130	1.00
		<b>1,118</b>	<b>8.59</b>
	<b>Portfolio of investments</b>	<b>12,787</b>	<b>98.27</b>
	<b>Net other assets</b>	<b>225</b>	<b>1.73</b>
	<b>Net assets</b>	<b>13,012</b>	<b>100.00</b>

\*Securities listed on the Alternative Investment Market.

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

Note: Comparative figures in brackets relate to 30 November 2015.

# Financial statements

## Statement of total return

for the year ended 30 November 2016

	Notes	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Income			
Net capital gains	3	51	546
Revenue	4	591	526
Expenses	5	(141)	(153)
Interest payable and similar charges	7	—	—
Net revenue before taxation for the year		450	373
Taxation	6	—	—
Net revenue after taxation for the year		450	373
Total return before distributions		501	919
Distributions	8	(591)	(526)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(90)</b>	<b>393</b>

## Statement of change in net assets attributable to unitholders

for the year ended 30 November 2016

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Opening net assets attributable to unitholders	13,864	13,326
Amounts received on creation of units	751	317
Amounts paid on cancellation of units	(1,887)	(516)
	(1,136)	(199)
Dilution adjustment	15	2
Change in net assets attributable to unitholders from investment activities	(90)	393
Retained distribution on accumulation units	359	342
<b>Closing net assets attributable to unitholders</b>	<b>13,012</b>	<b>13,864</b>

# Financial statements

continued

## Balance sheet

as at 30 November 2016

	Notes	GBP £'000	As at 30/11/2016 GBP £'000	GBP £'000	As at 30/11/2015 GBP £'000
<b>ASSETS</b>					
Fixed assets					
Investments			12,787		13,609
Current assets					
Debtors	9	60		52	
Cash and bank balances	10	358		363	
Total other assets			418		415
<b>Total assets</b>			<b>13,205</b>		<b>14,024</b>
<b>LIABILITIES</b>					
Creditors					
Distribution payable	11	(154)		(124)	
Other creditors	11	(39)		(36)	
Total other liabilities			(193)		(160)
Total liabilities			(193)		(160)
<b>Net assets attributable to unitholders</b>			<b>13,012</b>		<b>13,864</b>

# Notes to the Financial statements

as at 30 November 2016

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## 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").

In applying UK GAAP, the audited financial statements have been prepared in compliance with FRS 102 as adopted for the first time.

The last audited financial statements under previous UK GAAP were for the year ended 30 November 2015 and the date of transition to FRS 102 was therefore 1 December 2014. There has not been a significant impact as a consequence of adopting FRS 102 for the first time.

Presentational changes to the narratives in the Statement of Total Return and Balance Sheet have been made as a result of the first time adoption of FRS 102. No comparative figures have been required to be restated.

### b Revenue

Interest on bank and short-term deposits and other revenue is accounted for on an accruals basis.

Dividends on quoted ordinary shares 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.

### c 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.

In the case of an investment which is not listed in a recognised market, the fair value of such an investment shall be estimated with care and in good faith by a competent professional person, body or firm and such fair value shall be determined on the basis of the probable realisation value of the investment.

The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset.

The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

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

### d Foreign currencies

Assets and liabilities in foreign currencies have been translated into Sterling at the exchange rates prevailing as at close of business on the last working day of the accounting year. Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the dates of the transactions.

# Notes to the Financial statements

continued

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## 1. Accounting policies continued

### e Expenses

The Fund charges all expenses to the capital of the Fund.

### 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 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.

## 2. Distribution policies

Revenue produced by the Fund's investments accumulates during each half yearly distribution period. If, at the end of the distribution period, revenue exceeds expenses, the net revenue of the Fund is available to be distributed to unitholders. Any net revenue deficit will be borne by the capital account.

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.



# Notes to the Financial statements

continued

## 3. Net capital gains

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	54	546
Foreign currency losses	(1)	—
Transaction expenses	(2)	—
<b>Net capital gains</b>	<b>51</b>	<b>546</b>

## 4. Revenue

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Bank Interest	1	—
Non-taxable dividends	590	526
<b>Total revenue</b>	<b>591</b>	<b>526</b>

# Notes to the Financial statements

continued

## 5. Expenses

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	98	102
Legal and professional fees	3	3
	<b>101</b>	<b>105</b>
Payable to the Trustees, associates of the Trustee, and agents of either of them:		
Trustees fees	3	3
Safe custody fees	—	1
Fund accounting fee	25	24
	<b>28</b>	<b>28</b>
Other expenses:		
Audit fees*	8	8
Distribution fees	1	1
Printing fees	1	1
Registration fees	1	1
Transfer Agency fees	1	9
	<b>12</b>	<b>20</b>
<b>Total expenses</b>	<b>141</b>	<b>153</b>

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services is paid by the Manager out of its remuneration.

\*The audit fee for the year, excluding VAT, was £6,747 (2015 - £6,615).

# Notes to the Financial statements

continued

## 6. Taxation

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
<b>a) Analysis of taxation charge in year</b>		
Corporation tax	—	—
<b>Total taxation</b>	<b>—</b>	<b>—</b>

### b) Factors affecting taxation charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (30/11/2015: 20%). The difference is explained below.

	GBP £'000	GBP £'000
Net revenue before taxation	450	373
Corporation tax at 20% (2015: 20%)	90	75
Effects of:		
Non-taxable dividends	(118)	(105)
Unutilised excess management expenses	28	30
<b>Total taxation (see note (6a))</b>	<b>—</b>	<b>—</b>

### c) Provision for deferred tax

At the 30 November 2016 there is a potential deferred tax asset of £315,845 (30/11/2015: £287,684) due to excess management expenses of £1,579,225 (30/11/2015: £1,438,419). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (30/11/2015: same).

# Notes to the Financial statements

continued

## 7. Interest payable and similar charges

	Year to 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Interest	—	—
	—	—

## 8. 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 30/11/2016 GBP £'000	Year to 30/11/2015 GBP £'000
Interim distribution	246	231
Final distribution	329	295
	<b>575</b>	<b>526</b>
Add: Revenue deducted on cancellation of units	20	3
Less: Revenue received on creation of units	(4)	(3)
Net distributions for the year	591	526
Reconciliation of distributions:		
Net revenue after taxation	450	373
Capitalised fees	141	153
<b>Net distributions for the year</b>	<b>591</b>	<b>526</b>

# Notes to the Financial statements

continued

## 9. Debtors

	As at 30/11/2016 GBP £'000	As at 30/11/2015 GBP £'000
Accrued revenue	58	49
Overseas tax recoverable	—	1
Receivable for creation of units	2	2
<b>Total debtors</b>	<b>60</b>	<b>52</b>

## 10. Cash and bank balances

	As at 30/11/2016 GBP £'000	As at 30/11/2015 GBP £'000
<b>Cash and bank balances</b>	<b>358</b>	<b>363</b>

## 11. Creditors

	As at 30/11/2016 GBP £'000	As at 30/11/2015 GBP £'000
<b>a) Distribution payable</b>		
Net distribution payable	154	124
<b>Total distribution payable</b>	<b>154</b>	<b>124</b>
<b>b) Other creditors</b>		
Accrued expenses	39	36
<b>Total creditors</b>	<b>39</b>	<b>36</b>

## 12. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30/11/2015: £Nil).

# Notes to the Financial statements

continued

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## 13. Financial instruments and derivatives

### Risk profile

The main risks from the Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

### Credit risk

The Fund may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit this risk.

### Market risk

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and avoidance of excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of stocks can mitigate market risk.

### Liquidity risk

The main liability of the Fund is the cancellation of units that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

The Fund holds cash and a majority of readily realisable securities. The cash position and the level of redemption requests is monitored so as to minimise the liquidity risk which may arise.

### Counterparty risk

Transactions in investments entered into by the Fund give rise to the risk that the counterparties may not be able to fulfil their responsibilities by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only reputable counterparties.

### Foreign currency risk

The income and capital value of the Fund's Investments are denominated predominately in Sterling and therefore, the Financial statements are not subject to the risk of currency movements.

### Fair value of financial assets and liabilities

There is no material difference between the value of assets and liabilities as shown in the balance sheet, and their fair value.

### Derivatives

No derivatives were held during the current or prior year covered by this report.

# Notes to the Financial statements

continued

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## 13. Financial instruments and derivatives continued

### Sensitivity Analysis

#### Market Risk

If market prices\* had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £1,278,700 (2015: £1,360,900). If market prices\* had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £1,278,700 (2015: £1,360,900).

These calculations have been applied to non-derivative securities only (see below for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

#### Currency Rate Risk

The income and capital value of the Fund's Investments are denominated predominately in Sterling and hence no sensitivity analysis has been presented.

#### 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.

#### Leverage

The Fund did not employ significant leverage during the year (2015: same).

\*For the Sensitivity Analysis we have assumed a market price movement rather than an index variation.

# Notes to the Financial statements

continued

## 13. Financial instruments and derivatives continued

### Currency rate risk

As the Fund's Investments are denominated predominately in Sterling, the Fund is therefore not subject to currency risk.

### Interest rate risk

This is the risk of changes (negative as well as positive) in the value of investments as a result of fluctuations in interest rates. For example, a reduction in interest rates will mean that the Fund receives less credit interest on cash placed on deposit. Alternatively, an increase in interest rates means that the Fund will be charged higher debit interest on any overdrawn accounts.

The interest rate risk profile at 30 November 2016 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non Interest Bearing Investments</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investment assets	—	—	12,787	12,787

The interest rate risk profile at 30 November 2015 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non Interest Bearing Investments</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investment assets	—	—	13,609	13,609



# Notes to the Financial statements

continued

## 13. Financial instruments and derivatives continued

### 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
<b>30/11/16</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities the entity can access at measurement date	12,787	—
Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly	—	—
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—
	<b>12,787</b>	<b>—</b>

	Assets £'000	Liabilities £'000
<b>30/11/15</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities the entity can access at measurement date	13,609	—
Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly	—	—
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—
	<b>13,609</b>	<b>—</b>

# Notes to the Financial statements

continued

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## 13. Financial instruments and derivatives continued

### 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 to 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.

#### 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 to the Financial statements

continued

## 14. Portfolio transaction costs

Year to 30 November 2016

<b>Purchases</b>	<b>Value £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
Equity transactions	1,263	2	0.16	6	0.48
<b>Total</b>	<b>1,263</b>	<b>2</b>		<b>6</b>	
<b>Total purchases including commissions and taxes</b>	<b>1,271</b>				

<b>Sales</b>	<b>Value £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
Equity transactions	2,145	3	0.14	—	—
<b>Total</b>	<b>2,145</b>	<b>3</b>		<b>-</b>	
<b>Total sales net of commissions and taxes</b>	<b>2,142</b>				

Commission as % of  
average net asset value 0.04%

Taxes as % of  
average net asset value 0.05%

# Notes to the Financial statements

continued

## 14. Portfolio transaction costs continued

Year to 30 November 2015

Purchases	Value	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity transactions	580	1	0.17	2	0.34
<b>Total</b>	<b>580</b>	<b>1</b>		<b>2</b>	
<b>Total purchases including commissions and taxes</b>	<b>583</b>				

Sales	Value	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity transactions	585	1	0.17	—	0.00
<b>Total</b>	<b>585</b>	<b>1</b>		<b>—</b>	
<b>Total sales net of commissions and taxes</b>	<b>584</b>				

Commission as % of average net asset value 0.01%

Taxes as % of average net asset value 0.01%

The above analysis covers any direct transaction costs suffered by the 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 & taxes etc) are attributable to the 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.

Dealing spread costs suffered by the 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 0.05% (2015 - 0.14%).

# Notes to the Financial statements

continued

## 15. Related party transactions

Management and Legal and professional fees paid to the Manager are shown in note 5 and details of units created and cancelled by the Manager are shown in note 8.

The balance due from the Fund at the year-end in respect of fees paid to the Manager is £8,103 (30/11/2015: £8,467) and for Legal and professional fees £7,172 (30/11/2015: £4,283). At the balance sheet date there were no material unitholders in the Fund.

## 16. Unit movement

Year to 30 November 2016

	X Accumulation units	X Income units
Opening units	3,266,129	2,936,106
Units created	202,282	127,504
Units cancelled	(609,745)	(140,060)
<b>Closing units</b>	<b>2,858,666</b>	<b>2,923,550</b>

## 17. Unitholders' funds

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 net asset value per unit, number of units in issue and distributions per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

## 18. Post balance sheet events

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

# Distribution tables

for the year ended 30 November 2016

## Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 December 2015

Group 2: units purchased between 1 December 2015 and 31 May 2016

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid on 31/7/2016	Distribution Paid on 31/7/2015
X Income				
Group 1	2.1000	—	2.1000	2.1000
Group 2	0.0000	2.1000	2.1000	2.1000
X Accumulation				
Group 1	6.6371	—	6.6371	5.3094
Group 2	5.5375	1.0996	6.6371	5.3094

## Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 June 2016

Group 2: units purchased 1 June 2016 and 30 November 2016

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable on 31/1/2017	Distribution Paid on 31/1/2016
X Income				
Group 1	5.2771	—	5.2771	4.2313
Group 2	3.4015	1.8756	5.2771	4.2313
X Accumulation				
Group 1	6.1102	—	6.1102	5.2237
Group 2	3.5917	2.5185	6.1102	5.2237

### 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

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## Statement of Authorised Fund Manager's Responsibilities

The Authorised Fund Manager (the "Manager") of Close OLIM UK Equity Income Fund (the "Fund") is responsible for preparing the Annual Report and the financial statements in accordance with the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Scheme's Trust Deed.

COLL requires the Manager to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Fund as at the end of that period and the net revenue and the net capital gains or losses on the property of the Fund for that period.

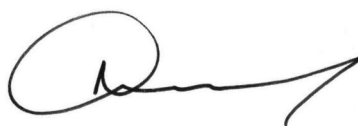
In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, 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 inappropriate to presume that the Scheme will continue in operation.

The Manager is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme and enable it to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The Manager is also responsible for the system of internal controls, for safeguarding the assets of the Scheme and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the Manager of the Scheme and authorised for issue on 20 January 2017.



R.I. Curry (Director)



E.B. Davis (Director)

Close Asset Management (UK) Limited  
Manager of Close OLIM UK Equity  
Income Fund  
20 January 2017

# Statement of Trustee's Responsibilities

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## Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Close OLIM UK Equity Income Fund ("the Trust") for the Year Ended 30 November 2016.

The Trustee in its capacity as Trustee of Close OLIM UK Equity Income Fund 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 of the Trust 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:

- (i) 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
- (ii) 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  
BNY Mellon Trust & Depositary (UK) Limited  
160 Queen Victoria Street  
London ECHV 4LA  
20 January 2017



# Independent Auditor's report

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## Independent Auditor's Report to the Unitholders of Close OLIM UK Equity Income Fund

We have audited the financial statements of Close OLIM UK Equity Income Fund ("the Fund") for the year ended 30 November 2016 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes 1 to 18 and the distribution tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the SORP: "Financial Statements of Authorised Funds" issued by the Investment Management Association (changed to The Investment Association in January 2015) in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

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.

## Respective Responsibilities of the Trustee, the Manager and the Auditor

As explained more fully in the Trustee's Responsibilities Statement and the Manager's Responsibilities Statement, the Trustee is responsible for safeguarding the property of the Fund and the Manager is responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# Independent Auditor's report

continued

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## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 November 2016 and of the net revenue and the net capital gains on the property of the Fund for the year ended 30 November 2016; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland" the Statement of Recommended Practice "Financial Statements of Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

## Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Fund 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 30 November 2016 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Deloitte LLP  
Chartered Accountants and  
Statutory Auditor  
Saltire Court,  
20 Castle Terrace,  
Edinburgh, EH1 2DB  
20 January 2017

# Authorised status

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## Authorised status

The Fund is an authorised unit trust under the Financial Services and Markets Act 2000 (“the Act”). The date of authorisation is 26 November 2001.

## Certification of financial statements by Directors of the Manager

This Manager’s report has been prepared in accordance with the Financial Conduct Authority’s Collective Investment Schemes (“COLL”) Sourcebook.



R.I. Curry (Director)



E.B. Davis (Director)

Close Asset Management (UK) Limited  
20 January 2017

# General information

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## Launch date

7 January 2002

## Accounting year end date

30 November

## Initial charge

Nil

## Annual charge

The Fund pays an annual charge of 0.75% of the value of the Fund to the Manager. This is deducted from capital.

## Registration fees

The Registrar charges a fee based upon the number of account holders. The Manager may benefit from the Registrar servicing a number of Close funds.

## Distributions

Where possible the Fund will declare an annual dividend in relation to the period ending 30 November each year and a semi-annual dividend in relation to the period ending 31 May in each year.

Any distributions made will be paid to unitholders on or before the next following 31 January or 31 July, where applicable.

## Unit prices

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.

Prices for all Close Asset Management (UK) Limited's range of authorised unit trusts and open-ended investment companies ("OEICS") are available on Close's website, [www.closebrothersam.com](http://www.closebrothersam.com), or by contacting Close on **0370 606 6452\***.

\*Calls to this number may be recorded for monitoring and training purposes.

## Minimum investment and Individual Savings Account (ISA)

The minimum investment in the Fund is £1,000. The minimum additional investment is £1,000. In the case of regular savers the minimum amount is £50 per month. Unless all units are redeemed, redemptions are subject to a minimum of £500 in value.

## 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 £11,100 of net gains on disposals in 2016/17 are exempt from UK Capital Gains Tax. Gains in excess of £11,100 are subject to tax at the Capital Gains Tax rate of 10% (18% prior to April 2016) total taxable income and gains are £32,000 or below or at 20% (28% prior to April 2016) 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.

## 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 Fund. Under certain circumstances (e.g. where the net movement of purchases and redemptions by unitholders is greater than 1%) 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 Fund. The dilution levy/price swing for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfers.

Further details can be found in section 4.5 of the prospectus of the Trust.

# General information

continued

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## Prospectus and Key Investor Information Document

Copies of the prospectus and Key Investor Information Document of the Fund are available free of charge from the Manager or may be downloaded from our website <http://www.olim.co.uk>

## Cancellation

If you invest in the Fund 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 direct with the Manager are deemed to be execution-only customers and will have no rights of cancellation, as outlined above.

## 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 at Capital House, 2 Festival Square, Edinburgh EH3 9SU 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.

## Value of units

The value of your units and any amount of revenue from them is linked to the value of, and the amount of revenue from the assets comprised in the property of the Fund.

The minimum price per unit at which you may realise your units will be determined by, calculating the value on a bid price basis of the proportion of the assets comprised in the property of the Fund equal to the proportion of those assets represented by one unit of the type concerned.

The amount of revenue per unit which you will receive (or will be reinvested on your behalf) will be a proportion of the net amount of the revenue of the Fund for the relevant year (after allowing for management fees, provision for taxation, interest on borrowings and other expenses) equal to the proportion of that revenue represented by one unit.

In this calculation, the value of the assets of the Fund will take account of accrued but unpaid management fees, any applicable taxes and other accruals.

## Risk warnings

Investors should remember that past performance is not a reliable indicator of future results as the price and value of units, and the revenue from them, can fall as well as rise. Investors may not get back the amount originally invested.

This information relating to the Close OLIM UK Equity Income Fund is issued by Close Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority.

\*Calls to this number may be recorded for monitoring and training purposes.

# General information

continued

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## Brexit risk

In an advisory referendum held in June 2016, the United Kingdom electorate voted to leave the European Union. The Government of the United Kingdom has not yet formally notified the European Union that it will leave and it is unclear when it will do so, if at all. Following any such notification, there will be a period of up to two years (which may be further extended by agreement) of exit negotiations before the United Kingdom leaves the European Union. The future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries) is uncertain, and a period of economic and political uncertainty is expected in the United Kingdom, in the rest of the European Union and globally. The result of the United Kingdom's referendum has caused severe currency movements and volatility in global markets, and is likely to continue to do so as events develop. The United Kingdom's exit from the European Union is expected to result in regulatory changes, which may be adverse to the Investment Adviser. The ultimate nature and extent of the impact of these events on the Fund, the Manager and the Investment Adviser are uncertain, but may be significant.

Other member states of the European Union may also reconsider their European Union membership. This could result in one or more other countries leaving the European Union, or in major reforms or other changes being made to the European Union or to the Eurozone. The nature and extent of the impact of any such changes on the Fund, the Manager and the Investment Adviser are uncertain, but may be significant.

## Securities Financing Transactions

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all report & accounts published after 13 January 2017. During the year 1 December 2015 to 30 November 2016 and at the balance sheet date, the Close OLIM UK Equity Income Fund did not engage in SFTs.

# Directory

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## 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 Exchange Square, Primrose Street,  
London EC2A 2BY

Correspondence address:

Close Asset Management (UK) Limited,  
PO Box 367, Darlington DL1 9RG

Telephone: Dealing only 0370 606 6402\*\*

## Directors

M. Andrew

G. M. Clarke (Resigned 6 May 2016)

R. I. Curry

E. B. Davis

C. Duggan

R. Smith

I. Wallace (Appointed 3 January 2017)

## Investment Manager

OLIM Limited\*

15 Berkeley Street

London

W1J 8DY

(Authorised and regulated by the Financial  
Conduct Authority)

[www.olim.co.uk](http://www.olim.co.uk)

Telephone: 0207 367 5660

## Trustee

BNY Mellon Trust & Depositary (UK) Limited  
(Authorised and regulated by the  
Financial Conduct Authority)

The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA

## Administrator & Registrar

The Bank of New York Mellon  
(International) Limited  
(Authorised by the Prudential Regulation  
Authority and regulated by the  
Financial Conduct Authority and the  
Prudential Regulation Authority)  
Capital House, 2 Festival Square,  
Edinburgh EH3 9SU

## Independent Auditor

Deloitte LLP

Chartered Accountants and 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 Fund during the year and the results of those activities at the year-end.

For more information about the activities and performance of the Fund during this and previous years, please contact the Manager at the address above.

\*The Manager, Close Asset Management (UK) Limited is a subsidiary of Close Brothers Group Plc.

\*The Investment Manager, OLIM Limited, is a subsidiary of AVL Group Limited which is a subsidiary of Albion Ventures LLP.

\*\*Calls to this number may be recorded for monitoring and training purposes.

## Close Brothers Asset Management

10 Exchange Square

Primrose Street

London

EC2A 2BY

[www.closebrothersam.com](http://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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