

**totalclarity**△funds  
*fairer fund management*

# TOTAL CLARITY COMPANY

Annual Report  
31 May 2011  
(Audited)



TOTAL CLARITY COMPANY

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## Directory

### Investment Adviser

TCF Fund Managers LLP  
1st Floor, 7 Bligh's Walk, Sevenoaks, Kent, TN13 1DB  
Website: [www.TCFInvestment.com](http://www.TCFInvestment.com)  
(Authorised and regulated by the Financial Services Authority)

### Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Limited  
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.phoenixfundservices.com](http://www.phoenixfundservices.com)  
(Authorised and regulated by the Financial Services Authority)

### Customer Service Centre

PO Box 10809, Chelmsford, Essex, CM1 9QJ  
Telephone: 0845 305 4213  
Fax: 0845 280 0109  
E-mail: [totalclarity@phoenixfundservices.com](mailto:totalclarity@phoenixfundservices.com)  
(Authorised and regulated by the Financial Services Authority)

### Directors of the Authorised Corporate Director

R. Elliott (appointed 11 April 2011)  
S. A. King  
S. D. Mathieson  
J. Rice (appointed 22 February 2011)

### Depositary

BNY Mellon Trust & Depositary (UK) Limited  
The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA  
(Authorised and regulated by the Financial Services Authority)

### Auditor

Shipleys LLP  
Chartered Accountants & Statutory Auditors  
10 Orange Street, Haymarket, London, WC2H 7DQ

## TOTAL CLARITY

### Sub-Funds and share classes of the Company

Details of the Company's Sub-Funds and share classes launched within each Sub-Fund are shown in the table below, together with the annual management charge as a percentage of the daily net asset value applicable to the share class.

Sub-Fund	Class A Accumulation <sup>^</sup>
Total Clarity Cautious Growth Portfolio	0.40
Total Clarity Defensive Portfolio	0.40
Total Clarity Diversified Balanced Portfolio	0.40
Total Clarity Diversified Long Term Growth Portfolio	0.40

<sup>^</sup> The Investment Adviser is entitled to a maximum annual management charge of 0.40% per annum of the net asset value of each Sub-Fund. Currently the Investment Adviser does not exercise this fee.

Details of the net asset value of the Sub-Fund, the net asset value per share, the number of shares in issue and the distribution, if any, per share are disclosed in the Comparative Tables section of each Sub-Fund.

### Performance Record

The below table shows the performance record of each Sub-Fund and share class for the period since launch to 31 May 2011.

Sub-Fund	Class A Accumulation
Total Clarity Cautious Growth Portfolio	2.88%
Total Clarity Defensive Portfolio	1.86%
Total Clarity Diversified Balanced Portfolio	5.76%
Total Clarity Diversified Long Term Growth Portfolio	4.73%

### Risk Warning

An investment in an open-ended investment company with variable capital should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.

## Statement of the Authorised Corporate Director's (ACD) Responsibilities

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Financial Services Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook") requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expense and of the net gains/losses on the property of the Company for that year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures, which are required to be 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 Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Certification of Accounts by the ACD

In accordance with the requirements of the OEIC Regulations and COLL, we hereby certify this Report on behalf of the ACD, Phoenix Fund Services (UK) Limited.

**J M Rice**  
**S D Mathieson**

Directors  
Phoenix Fund Services (UK) Limited  
5 August 2011

## **Statement of the Depositary's responsibilities in respect of the Company**

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible movable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the COLL Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the 'OEIC Regulations') and the Company's Instrument of Incorporation, and prospectus in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company, and the investment and borrowing powers of the Company.

## **Report of the Depositary to the shareholders of the Company for the period ended 31 May 2011**

Having carried out such procedures as we considered necessary to discharge our responsibilities as depositary of the Company, it is our opinion, during the period under review, we confirm that, except in respect of the matter referred to below, in all other material respects the Company has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income, in accordance with the rules in the COLL Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and prospectus of the Company. In respect of the matter referred to above, as depositary, we have instructed the ACD to improve their monitoring of investment and borrowing powers and restrictions applicable to the Sub-Funds.

**BNY Mellon Trust & Depositary (UK) Limited**

5 August 2011

## **Independent Auditor's report to the shareholders of Total Clarity Company**

We have audited the financial statements of the Total Clarity Company for the period ended 31 May 2011, which comprise the statement of total return, the statement of change in net assets attributable to shareholders, together with 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 (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders as a body, in accordance with rule 4.5.12 of the Collective Investment Scheme Sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the ADC and Auditors**

As explained more fully in the ACD's responsibilities statement set out on page 3, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Investment Adviser's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Independent Auditor's report to the shareholders of Total Clarity Company**

continued

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2011 and of the net expense and the net gains on the property of the Company for the period then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds; the rules of the Collective Investment Schemes Sourcebook issued by the Financial Services Authority and United Kingdom Generally Accepted Accounting Practice;

### **Opinion on other matters**

The information given in the Investment Adviser's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters, where we are required to report, if in our opinion:

- adequate accounting records have not been kept: or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Guy Fisher,  
Senior Statutory Auditor  
Shipleys LLP**

Chartered Accountants and Statutory Auditors  
5 August 2011

## TOTAL CLARITY

### Statement of Total Return

for the period 20 October 2010 to 31 May 2011

	Note	20.10.10 to 31.05.11	
		£	£
Income			
Net capital gains	2		118,677
Revenue	3	14,005	
Expenses	4	(14,182)	
Finance costs: interest	6	(17)	
Net expense before taxation		(194)	
Taxation	5	—	
Net expense after taxation			(194)
<b>Total return before distributions</b>			<b>118,483</b>
Finance costs: distributions	6		(1,096)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>117,387</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 20 October 2010 to 31 May 2011

	20.10.10 to 31.05.11	
	£	£
<b>Opening net assets attributable to shareholders</b>		—
Amounts receivable on issue of shares	3,047,228	
Less: Amounts payable on cancellation of shares	(40,171)	
		3,007,057
Dilution levy		9,698
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		117,387
Retained distribution on accumulation shares		1,096
<b>Closing net assets attributable to shareholders</b>		<b>3,135,238</b>

## TOTAL CLARITY

### Balance Sheet

as at 31 May 2011

	Note	31.05.11	
		£	£
<b>Assets</b>			
<b>Investment assets</b>			<b>3,070,312</b>
Debtors	7	37,375	
Bank balances		76,787	
<b>Total other assets</b>			<b>114,162</b>
<b>Total assets</b>			<b>3,184,474</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			<b>–</b>
Creditors	8	(42,391)	
Bank overdrafts		(6,845)	
<b>Total other liabilities</b>			<b>(49,236)</b>
<b>Total liabilities</b>			<b>(49,236)</b>
<b>Net assets attributable to shareholders</b>			<b>3,135,238</b>

## Notes to the Aggregated Financial Statements

for the period 20 October 2010 to 31 May 2011

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

#### (b) Basis of aggregation

The aggregate financial statements represent the sum of the individual Sub-Funds within the umbrella company.

#### (c) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (d) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (e) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue for the year on an accruals basis.

## Notes to the Aggregated Financial Statements

continued

### (f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Where overseas tax has been deducted from overseas income that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

### (g) Distribution policy

The net revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the Investment Adviser's discretion and the balance of revenue is distributed in accordance with the regulations.

Distributions not claimed within a six year period will be forfeited and added back to the capital property of the Sub-Fund.

### (h) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed interest securities.

Collective investment schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Adviser taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

### (i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

### (j) Dilution levy

The ACD may require a dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy.

**Notes to the Aggregated Financial Statements**

continued

<b>2. Net capital gains</b>	<b>20.10.10 to 31.05.11 £</b>
Non-derivative securities	124,450
Currency losses	(358)
Transaction charges	(5,415)
<b>Net capital gains</b>	<b>118,677</b>
<hr/>	
<b>3. Revenue</b>	<b>20.10.10 to 31.05.11 £</b>
UK dividends	14,005
<b>Total revenue</b>	<b>14,005</b>
<hr/>	

## Notes to the Aggregated Financial Statements

continued

<b>4. Expenses</b>	<b>20.10.10 to 31.05.11 £</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Administration fee	1,471
<b>Payable to the Depository, associates of the Depository and agents of either of them:</b>	
Depository's fee (including VAT)	17,268
Safe custody and other bank charges	831
	<u>18,099</u>
<b>Other expenses:</b>	
Audit fee (including VAT)	19,200
FSA fee	1,540
Legal fee	588
Printing costs	260
	<u>21,588</u>
Expense rebate <sup>^</sup>	<u>(26,976)</u>
<b>Total expenses</b>	<b><u>14,182</u></b>

<sup>^</sup> At the discretion of the Investment Adviser, where total expenses exceed 0.80% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Adviser rebates the excess expenses. The Investment Adviser is entitled to a charge of 0.40% per annum of the NAV of each Sub-Fund inclusive of the aforementioned 0.80%, currently this is not being exercised.

## Notes to the Aggregated Financial Statements

continued

### 5. Taxation

20.10.10 to  
31.05.11  
£

(a) Analysis of charge in the period

Current tax charge (note 5b)	–
<b>Total tax charge</b>	<b>–</b>

(b) Factors affecting current tax charge for the period

Net expense before taxation	(194)
Corporation tax at 20%	(38)
Effects of:	
Surplus management expenses	2,838
Non-taxable dividends	(2,800)
<b>Current tax charge (note 5a)</b>	<b>–</b>

(c) Deferred tax

At the period end there is a potential deferred tax asset of £2,838 in relation to surplus management expenses. It is unlikely that the Sub-Funds' will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

## Notes to the Aggregated Financial Statements

continued

### 6. Finance costs 20.10.10 to 31.05.11 £

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

#### Distributions

Final	1,096
Revenue deducted on cancellation of shares	–
Revenue received on creation of shares	–

<b>Finance costs: distributions</b>	<b>1,096</b>
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Finance costs: interest	17
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<b>Total finance costs</b>	<b>1,113</b>
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#### Reconciliation of net expense after taxation to net distributions:

Net expense after taxation per statement of total return	(194)
Funding of revenue deficit to be transferred from capital	1,290

<b>Finance costs: distributions</b>	<b>1,096</b>
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### 7. Debtors 31.05.11 £

Amounts receivable for creation of shares	439
Sales awaiting settlement	6,271
UK dividends	3,689
Expense rebate	26,976

<b>Total debtors</b>	<b>37,375</b>
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## Notes to the Aggregated Financial Statements

continued

<b>8. Creditors</b>	<b>31.05.11</b>
	<b>£</b>
Purchases awaiting settlement	19,194
Administration fee	1,471
Depository fee	2,448
Safe custody and other bank charges	78
Audit fee	19,200
<b>Total creditors</b>	<b>42,391</b>

### 9. Related party transactions

ACD and other fees payable to Phoenix Fund Services (UK) Limited (the ACD) are disclosed in note 4 and amounts due at the period end are shown in note 8.

Management fees payable to TCF Fund Managers LLP (the Investment Adviser) are disclosed in note 4 and amounts due at the period end are shown in note 8.

Depository and other fees payable to BNY Mellon Trust & Depository (UK) Limited are disclosed in note 4 and amounts due at the period end are shown in note 8.

### 10. Contingent liabilities and commitments

Details of contingent liabilities or outstanding commitments are set out in the notes to the financial statements for the relevant Sub-Fund.

## Notes to the Aggregated Financial Statements

continued

### 11. Derivatives and other financial instruments

In pursuing their investment objectives, the Sub-Funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The Sub-Fund's may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition the Sub-Fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been applied throughout the period under review.

#### **Market price risk**

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-Fund might suffer through holding market positions in the face of price movements. This means the value of an investors' holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-Fund in the context of all their investments.

The Sub-Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Services Authorities Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-Fund will be exposed.

#### **Currency risk**

Although the Sub-Funds capital and revenue are denominated in sterling, a proportion of the Sub-Funds investments have currency exposure and, as a result, the revenue and capital value of the Sub-Funds are affected by currency movements.

Foreign currency risk is the risk that the value of the Sub-Funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those Sub-Funds where a proportion of the net assets of the Sub-Fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the Sub-Funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Details of foreign currency risk profile per Sub-Fund is set out in the notes to the financial statements of the relevant Sub-Fund.

## Notes to the Aggregated Financial Statements

continued

### 11. Derivatives and other financial instruments (continued)

#### Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-Fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest rate risk is the risk that the value of the Sub-Funds' investments will fluctuate as a result of changes in interest rates. The Sub-Funds invest in floating rate securities. The revenue of these Sub-Funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Details of interest rate risk profile per Sub-Fund is set out in the notes to the financial statements of the relevant Sub-Fund.

#### Credit risk

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including Commercial Paper (CP) and Floating Rate Notes (FRN)) there is the possibility of default of the issuer and default in the underlying assets meaning that a Sub-Fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-Fund has fulfilled its responsibilities, which could result in the Sub-Fund suffering a loss. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

## Notes to the Aggregated Financial Statements

continued

### 11. Derivatives and other financial instruments (continued)

#### Liquidity risk

There is little exposure to credit or cash flow risk. There are no net borrowings or unlisted securities and so little exposure to liquidity risk.

Under normal circumstances, a Sub-Fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-Fund, the Sub-Fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the Sub-Fund's cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Sub-Funds' portfolio in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on the CP and FRN markets, seeking to ensure the Sub-Funds maintain sufficient liquidity to meet known and potential redemption activity. Sub-Fund cash balances are monitored daily by the ACD and the Investment Adviser. All of the Sub-Funds' financial liabilities are payable on demand or in less than one year.

#### Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-Fund has fulfilled its responsibilities which could result in the Sub-Fund suffering a loss. The Investment Adviser minimises the risk by conducting trades through only the most reputable counter parties.

## Notes to the Aggregated Financial Statements

continued

### 11. Derivatives and other financial instruments (continued)

#### Derivatives

Sub-Funds may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes.

The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-Fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

There is no sophisticated derivative use within the Sub-Funds and accordingly a sensitivity analysis is not presented in the individual Sub-Funds' financial statements.

#### Fair value of financial assets and liabilities

There is no material difference between the carrying values and the fair values of the financial instruments disclosed in the balance sheet.

### 12. Portfolio transaction costs

Details of portfolio transaction costs are set out in the notes to the financial statements for the relevant Sub-Fund.

### 13. Post balance sheet events

Details of post balance sheet events are set out in the notes to the financial statements for the relevant Sub-Fund.

### Investment Objective

The Sub-Fund's investment objective is to achieve moderate capital growth over the longer term with relatively low volatility. This will be achieved via a portfolio of well diversified underlying assets gained by investing in a range of index tracking funds and other instruments.

### Investment Policy

The Sub-Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts although exposure to other investments such as fixed interest securities and investment trusts are expected to be included in the portfolio from time to time.

The underlying asset mix of the Sub-Fund is fixed interest, between 35 and 60%. It also has exposure to UK and global shares, property and other investments. It has little exposure to small companies and emerging markets equities.

The Sub-Fund is able to invest in transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash, deposits and derivative instruments.

The allocation of the Sub-Fund's assets between eligible asset classes will be managed by the Investment Adviser and will be adjusted to reflect what, in the Investment Adviser's view, is the optimal asset allocation at each point in time and to achieve the investment objective of the Sub-Fund. It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.

Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.

**The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Sub-Fund. However, this policy is not currently applied and may not be applied without giving the required 60 day notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.**

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Investment Adviser's Report

for the period 20 October 2010 to 31 May 2011

#### Fund Performance

This report covers the period from the first pricing point of the Total Clarity Cautious Growth Portfolio on 22 October 2010 until 31 May 2011. During this period the Sub-Fund delivered a positive return of 2.88%.

The Total Clarity Cautious Growth Portfolio is invested in a mix of equities, fixed income and alternative assets. The strategic weightings for the Sub-Fund are as follows:

Asset class	Weighting
Equities	40
Alternatives	13
Fixed income	47

Over the period sterling appreciated against the major currencies, which had the effect of reducing returns from overseas asset classes.

Exchange rate	22 October 2010	31 May 2011
Euro	1.13	1.14
US Dollar	1.57	1.65
Yen	127.58	133.72

#### Asset Class

The strongest performing asset classes over the period were alternatives: property, private equity and commodities. Equity markets also performed well, with the exception of Japan. Fixed income assets delivered mix returns. The best performing fixed income category was index linked gilts. Overseas bonds delivered negative returns, partly due to currency. European government bonds were adversely affected by the Greek crisis.

Asset Class	Return in £	Return in local currency
Property Shares	16.7	16.7
Private Equity	14.1	16.1
Commodities	12.2	17.2
US Equities	10.5	15.4
UK Equities	7.0	7.0
Asian Equities	5.0	9.6
European Equities	4.8	9.5
Index linked	4.4	4.4
Emerging Market Equities	2.3	6.8
UK Corporate Bonds	1.1	1.1
UK Gilts	0.6	0.6
Japanese Equities	-1.5	2.8
European Corporate Bonds	-2.4	-0.7
US Corporate Bonds	-2.6	1.7
European Government Bonds	-4.2	-2.6
US Government Bonds	-4.2	0.0

## Investment Adviser's Report

continued

### Market Review

The period since the launch of the Sub-Fund has been eventful with sharp moves in markets. These have been driven by changing expectations of economic growth and inflation.

The economic backdrop is a world where the developed economies, with the exception of Germany, have been struggling while emerging markets have continued to grow strongly. Interest rates in the major economies are close to zero.

There are, however, inflationary pressures driven by rises in commodity prices. These are particularly acute in the UK, where the combination of high retail price inflation and weak growth is a difficult one for the authorities to deal with.

Towards the end of 2010, equity markets and commodities performed strongly, while bond markets fell sharply on concerns about inflation. In 2011, part of this move was reversed as expectations of global economic growth reduced.

A possible factor to have contributed to this was a change in stance by Central Banks away from economic stimulus.

The ECB raised interest rates in April 2011, while the Federal Reserve and Bank of England have signalled that rates might rise later this year.

The Japanese Tsunami also had an adverse effect on Japanese and Asian growth.

An additional concern of policy makers has been budget deficits. In the UK, the coalition government has begun a programme of spending cuts. In the US, President Obama announced budget cuts for 2012.

A further issue to concern markets has been the Greek debt crisis, which apart from the impact on Greek bonds has negatively affected the price of European Government bonds and banks' shares.

### Transactions

Following the fall in the Japanese equity market after the Tsunami in March 2011, the Sub-Fund increased its weighting in Japanese equities. This was funded by a reduction in UK Equities.

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Portfolio Statement

as at 31 May 2011

Holding	Security	Value (Note 1h) £	% of Total Net Assets
<b>Alternatives</b>			
752	DB X -Trackers LPX MM Private Equity	16,536	2.79
<b>Asian equities</b>			
17,665	HSBC Japan Index	10,516	1.78
413	HSBC MSCI Japan ETF	5,860	0.99
10,188	HSBC Pacific Index Retail Fund - Acc	24,767	4.18
		41,143	6.95
<b>Commodities</b>			
1,192	Lyxor ETF Commodities CRB Index	24,662	4.17
<b>Corporate bonds</b>			
23,082	BlackRock CIF Corporate Bond Tracker Fund	24,144	4.08
204	DB X-Trackers iBoxx UK Gilt Inflation-Linked TR Index ETF	37,767	6.38
139	iShares Barclays Capital Euro Government Bond 5-7 ETF	15,738	2.65
124	iShares Barclays Capital \$ Treasury Bond 7-10 ETF	13,482	2.28
511	iShares FTSE Gilts UK 0-5 ETF	65,617	11.08
186	iShares £ Corporate Bond ETF	21,920	3.70
1,734	iShares £ Index-Linked Gilts	20,661	3.49
140	iShares Markit iBoxx Euro Corporate Bond ETF	14,552	2.46
238	iShares Markit iBoxx USD Corporate Bond Fund	15,241	2.57
		229,122	38.69
<b>Emerging markets</b>			
19,706	BlackRock Emerging Markets Equity Tracker Fund	23,332	3.94
<b>European equities</b>			
7,973	HSBC European Index Fund - Acc	41,067	6.93
<b>Government bonds</b>			
672	iShares FTSE UK All Stocks Gilt	7,147	1.21
123	Vanguard UK Government Bond Index Fund - Acc	13,689	2.31
		20,836	3.52

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Portfolio Statement

continued

Holding	Security	Value (Note 1h) £	% of Total Net Assets
	<b>Property</b>		
8,299	iShares FTSE EPRA/NAREIT UK Property Fund	36,698	6.20
	<b>UK equities</b>		
5,153	DB X-Trackers FTSE All Share ETF	16,614	2.81
19,656	HSBC FTSE All-Share Index Fund - Acc	69,956	11.81
5,835	Lyxor ETF FTSE All Share	19,215	3.25
40	Vanguard FTSE UK Equity Index Fund	6,185	1.04
		111,970	18.91
	<b>US equities</b>		
56	Credit Suisse ETF (IE) S&P 500	3,923	0.66
13,116	HSBC American Index Fund - Acc	24,645	4.16
		28,568	4.82
	<b>Investment assets</b>	<b>573,934</b>	<b>96.92</b>
	<b>Net other assets</b>	<b>18,272</b>	<b>3.08</b>
	<b>Net assets</b>	<b>592,206</b>	<b>100.00</b>

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Comparative Tables

#### Net asset values

As at 31 May	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
<b>Class A Accumulation</b> 2011	592,206	571,524	103.62

#### Price history

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Year	Highest (pence)	Lowest (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	101.63	97.71
2011 <sup>^^</sup>	102.88	98.50

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Distribution record

Year	Net revenue per share (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	0.0000
2011 <sup>^^</sup>	0.0131

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Total expense ratio (TER)

The Fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with the direct expenses of the Sub-Fund.

Expense type	31 May 2011 % <sup>^</sup>
<b>Class A Accumulation</b>	
Investment Adviser's charge	0.00
Other expenses	0.58
Synthetic TER	0.22
<b>Total expense ratio</b>	<b>0.80</b>

<sup>^</sup>The total expense ratio is annualised based on the fees incurred during the accounting period.

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Statement of Total Return

for the period 20 October 2010 to 31 May 2011

	Note	20.10.10 to 31.05.11	
		£	£
Income			
Net capital gains	2		14,975
Revenue	3	2,314	
Expenses	4	(2,237)	
Finance costs: interest	6	(1)	
Net revenue before taxation		76	
Taxation	5	–	
Net revenue after taxation			76
<b>Total return before distributions</b>			<b>15,051</b>
Finance costs: distributions	6		(76)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>14,975</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 20 October 2010 to 31 May 2011

	20.10.10 to 31.05.11	
	£	£
<b>Opening net assets attributable to shareholders</b>		–
Amounts receivable on issue of shares	585,220	
Less: Amounts payable on cancellation of shares	(9,951)	
		575,269
Dilution levy		1,886
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		14,975
Retained distribution on accumulation shares		76
<b>Closing net assets attributable to shareholders</b>		<b>592,206</b>

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Balance Sheet

as at 31 May 2011

	Note	31.05.11	
		£	£
<b>Assets</b>			
<b>Investment assets</b>			<b>573,934</b>
Debtors	7	15,149	
Bank balances		21,449	
<b>Total other assets</b>		<u>36,598</u>	
<b>Total assets</b>			<b>610,532</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			–
Creditors	8	(16,080)	
Bank overdrafts		(2,246)	
<b>Total other liabilities</b>		<u>(18,326)</u>	
<b>Total liabilities</b>			<b>(18,326)</b>
<b>Net assets attributable to shareholders</b>			<b>592,206</b>

**Notes to the Financial Statements**

for the period 20 October 2010 to 31 May 2011

**1. Accounting policies**

See pages 9 to 10.

**2. Net capital gains**

	<b>20.10.10 to 31.05.11 £</b>
Non-derivative securities	15,992
Currency losses	(102)
Transaction charges	(915)
<b>Net capital gains</b>	<b>14,975</b>

**3. Revenue**

	<b>20.10.10 to 31.05.11 £</b>
UK dividends	2,314
<b>Total revenue</b>	<b>2,314</b>

**Notes to the Financial Statements**

continued

<b>4. Expenses</b>	<b>20.10.10 to 31.05.11 £</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Administration fee	223
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fee (including VAT)	4,317
Safe custody and other bank charges	166
	<u>4,483</u>
<b>Other expenses:</b>	
Audit fee (including VAT)	4,800
FSA fee	385
Legal fee	147
Printing costs	65
	<u>5,397</u>
Expense rebate <sup>^</sup>	(7,866)
<b>Total expenses</b>	<b><u>2,237</u></b>

<sup>^</sup> At the discretion of the Investment Adviser, where total expenses exceed 0.80% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Adviser rebates the excess expenses. The Investment Adviser is entitled to a fee of 0.40% per annum of the NAV of the Sub-Fund inclusive of the aforementioned 0.80%, currently this is not being exercised.

## Notes to the Financial Statements

continued

### 5. Taxation

20.10.10 to  
31.05.11  
£

(a) Analysis of charge in the period

Current tax charge (note 5b) –

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**Total tax charge** –

(b) Factors affecting taxation charge for the period

Net revenue before taxation 76

Corporation tax at 20% 15

Effects of:

Surplus management expenses 448

Non-taxable dividends (463)

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**Current tax charge (note 5a)** –

(c) Deferred tax

At the period end there is a potential deferred tax asset of £448 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

## Notes to the Financial Statements

continued

### 6. Finance costs 20.10.10 to 31.05.11 £

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

#### Distributions

Final	76
Revenue deducted on cancellation of shares	–
Revenue received on creation of shares	–

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<b>Finance costs: distributions</b>	<b>76</b>
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Finance costs: interest	1
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<b>Total finance costs</b>	<b>77</b>
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#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per statement of total return	76
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<b>Finance costs: distributions</b>	<b>76</b>
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### 7. Debtors 31.05.11 £

Amounts receivable for creation of shares	439
Sales awaiting settlement	6,271
UK dividends	573
Expense rebate	7,866

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<b>Total debtors</b>	<b>15,149</b>
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**Notes to the Financial Statements**

continued

<b>8. Creditors</b>	<b>31.05.11</b>
	<b>£</b>
Purchases awaiting settlement	10,429
Administration fee	223
Depository fee	612
Safe custody and other bank charges	16
Audit fee	4,800
<b>Total creditors</b>	<b>16,080</b>

**9. Related party transactions**

Details relating to the Sub-Fund are shown in note 9 of the notes to the aggregated financial statements on page 15.

**10. Contingent liabilities and commitments**

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

## Notes to the Financial Statements

continued

### 11. Derivatives and other financial instruments

The main risks arising from financial instruments and the ACD's policy for managing these risks are disclosed in the note 11 of the notes to the aggregated financial statements on pages 16 to 19.

Numerical disclosures relating to the Sub-Fund are as follows:

#### Currency risk

The table below shows the currency risk profile at the balance sheet date:

##### 31.05.11

Currency	Monetary exposures	Non-monetary exposures	Total
	£	£	
Euro	122	14,552	14,674
Sterling	17,986	544,141	562,127
US dollar	164	15,241	15,405
<b>Total</b>	<b>18,272</b>	<b>573,934</b>	<b>592,206</b>

#### Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

##### 31.05.11

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	
Euro	–	–	14,674	14,674
Sterling	21,449	–	559,004	580,453
US dollar	–	–	15,405	15,405
<b>Total</b>	<b>21,449</b>	<b>–</b>	<b>589,083</b>	<b>610,532</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	
Sterling	2,246	16,080	18,326
<b>Total</b>	<b>2,246</b>	<b>16,080</b>	<b>18,326</b>

**Notes to the Financial Statements**

continued

<b>12. Portfolio transaction costs</b>	<b>20.10.10 to 31.05.11 £</b>
Analysis of purchases	
Purchases before transaction costs	584,209
Transaction costs:	
Commissions	82
Stamp duty and other charges	32
	<hr/> 114
<b>Total purchase cost</b>	<b>584,323</b>
<hr/>	
Analysis of sales	
Sales before transaction costs	26,384
Transaction costs:	
Commissions	(3)
<b>Net sales proceeds</b>	<b>26,381</b>

**13. Post balance sheet events**

Subsequent to the period end, the net asset value per share of the Sub-Fund has decreased from 102.88p<sup>^</sup> to 102.67p<sup>^</sup> as at 29 July 2011. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustment at the period end.

<sup>^</sup> A accumulation shares

## TOTAL CLARITY CAUTIOUS GROWTH PORTFOLIO

### Distribution Table

for the period 20 October 2010 to 31 May 2011

#### Final

Distribution payable 31 July 2011

Class	Shares	Net	Equalisation	Distribution
<b>A Accumulation</b>	Group 1	0.0131		0.0131
	Group 2	0.0131	0.0000	0.0131

#### Further information

Group 1 - shares purchased prior to 22 October 2010

Group 2 - shares purchased on or after 22 October 2010 to 31 May 2011

#### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

### Investment Objective

The Sub-Fund will aim to achieve modest capital growth over the medium term with low expected volatility. This will be achieved via a predominant underlying exposure to fixed income gained by investing in a range of index tracking funds and other instruments.

### Investment Policy

The Sub-Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts although significant exposure to other investments such as fixed interest securities are expected to be included in the portfolio from time to time.

The underlying asset mix of the Sub-Fund is mainly fixed interest, between 60 and 80%. It has some exposure to UK and global shares, property and other investments. It has very little exposure to small companies and emerging markets equities.

The Sub-Fund is able to invest in transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash, deposits and derivative instruments.

The allocation of the Sub-Fund's assets between eligible asset classes will be managed by the Investment Adviser and will be adjusted to reflect what, in the Investment Adviser's view, is the optimal asset allocation at each point in time and to achieve the investment objective of the Sub-Fund. It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.

Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.

**The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Sub-Fund. However, this policy is not currently applied and may not be applied without giving the required 60 day notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.**

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Investment Adviser's Report

for the period 20 October 2010 to 31 May 2011

#### Fund Performance

This report covers the period from the first pricing point of the Total Clarity Defensive Portfolio on 22 October 2010 until 31 May 2011. During this period the Sub-Fund delivered a return of 1.86%.

The Total Clarity Defensive Portfolio is invested in a mix of equities, fixed income and alternative assets. The strategic weightings for the Sub-Fund are.

Asset class	Weighting
Equities	20
Alternatives	9
Fixed income	71

Over the period sterling appreciated against the major currencies, which had the effect of reducing returns from overseas asset classes.

Exchange rate	22 October 2010	31 May 2011
Euro	1.13	1.14
US Dollar	1.57	1.65
Yen	127.58	133.72

#### Asset Class

The strongest performing asset classes over the period were alternatives: property, private equity and commodities. Equity markets also performed well, with the exception of Japan. Fixed income assets delivered mixed returns. The strongest fixed income category was index linked gilts. Overseas bonds delivered negative returns, partly due to currency. European government bonds were adversely affected by the Greek crisis.

Asset Class	Return in £	Return in local currency
Property Shares	16.7	16.7
Private Equity	14.1	16.1
Commodities	12.2	17.2
US Equities	10.5	15.4
UK Equities	7.0	7.0
Asian Equities	5.0	9.6
European Equities	4.8	9.5
Emerging Market Equities	2.3	6.8
UK Corporate Bonds	1.1	1.1
UK Gilts	0.6	0.6
Japanese Equities	-1.5	2.8
European Corporate Bonds	-2.4	-0.7
US Corporate Bonds	-2.6	1.7
European Government Bonds	-4.2	-2.6
US Government Bonds	-4.2	0.0

## Investment Adviser's Report

continued

### Market Review

The period since the launch of the Sub-Fund has been eventful with sharp moves in markets. These have been driven by changing expectations of economic growth and inflation.

The economic backdrop is a world where the developed economies, with the exception of Germany, have been struggling while emerging markets have continued to grow strongly. Interest rates in the major economies are close to zero.

There are, however, inflationary pressures driven by rises in commodity prices. These are particularly acute in the UK, where the combination of high retail price inflation and weak growth is a difficult one for the authorities to deal with.

Towards the end of 2010, equity markets and commodities performed strongly, while bond markets fell sharply on concerns about inflation. In 2011, part of this move was reversed as expectations of global economic growth reduced.

A possible factor to have contributed to this was a change in stance by Central Banks away from economic stimulus.

The ECB raised interest rates in April 2011, while the Federal Reserve and Bank of England have signalled that rates might rise later this year.

The Japanese Tsunami also had an adverse effect on Japanese and Asian growth.

An additional concern of policy makers has been budget deficits. In the UK, the coalition government has begun a programme of spending cuts. In the US, President Obama announced budget cuts for 2012.

A further issue to concern markets has been the Greek debt crisis, which apart from the impact on Greek bonds has negatively affected the price of European Government bonds and banks' shares.

### Transactions

Following the fall in the Japanese equity market after the Tsunami in March 2011, the Sub-Fund increased its weighting in Japanese equities. This was funded by a reduction in UK Equities.

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Portfolio Statement

as at 31 May 2011

Holding	Security	Value (Note 1h) £	% of Total Net Assets
<b>Commodities</b>			
492	Lyxor ETF Commodities CRB Index	10,179	2.67
<b>Corporate bonds</b>			
24,488	BlackRock CIF Corporate Bond Tracker Fund	25,615	6.71
293	DB X-Trackers iBoxx UK Gilt Inflation-Linked TR Index ETF	54,243	14.21
107	iShares Barclays Capital Euro Government Bond 5-7 ETF	12,115	3.17
107	iShares Barclays Capital \$ Treasury Bond 7-10 ETF	11,634	3.05
314	iShares FTSE Gilts UK 0-5 ETF	40,321	10.57
139	iShares Markit iBoxx Euro Corporate Bond ETF	14,448	3.79
182	iShares Markit iBoxx USD Corporate Bond Fund	11,655	3.06
174	iShares £ Corporate Bond ETF	20,506	5.37
230	iShares £ Index-Linked Gilts	2,740	0.72
		193,277	50.65
<b>Emerging markets</b>			
3,029	BlackRock Emerging Markets Equity Tracker Fund	3,587	0.94
<b>European equities</b>			
3,096	HSBC European Index Fund - Acc	15,950	4.18
<b>Government bonds</b>			
344	Vanguard UK Government Bond Index Fund - Acc	38,329	10.04
<b>Property</b>			
5,576	iShares FTSE EPRA/NAREIT UK Property Fund	24,657	6.46
<b>UK equities</b>			
4,190	DB X-Trackers FTSE All Share ETF	13,509	3.54
7,200	HSBC FTSE All-Share Index Fund - Acc	11,548	3.03
4,085	Lyxor ETF FTSE All Share	13,452	3.52
		38,509	10.09

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Portfolio Statement

continued

<b>Holding</b>	<b>Security</b>	<b>Value (Note 1h) £</b>	<b>% of Total Net Assets</b>
	<b>US equities</b>		
6,146	HSBC American Index Fund - Acc	25,625	6.72
	<b>Investment assets</b>	<b>350,113</b>	<b>91.75</b>
	<b>Net other assets</b>	<b>31,485</b>	<b>8.25</b>
	<b>Net assets</b>	<b>381,598</b>	<b>100.00</b>

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Comparative Tables

#### Net asset values

As at 31 May	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
<b>Class A Accumulation</b> 2011	381,598	371,967	102.59

#### Price history

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Year	Highest (pence)	Lowest (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	100.48	97.39
2011 <sup>^^</sup>	101.86	97.79

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Distribution record

Year	Net revenue per share (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	0.0000
2011 <sup>^^</sup>	0.1354

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Total expense ratio (TER)

The Sub-Fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with the direct expenses of the Sub-Fund.

Expense type	31 May 2011 % <sup>^</sup>
<b>Class A Accumulation</b>	
Investment Adviser's charge	0.00
Other expenses	0.61
Synthetic TER	0.19
<b>Total expense ratio</b>	<b>0.80</b>

<sup>^</sup>The total expense ratio is annualised based on the fees incurred during the accounting period.

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Statement of Total Return

for the period 20 October 2010 to 31 May 2011

	Note	20.10.10 to 31.05.11	
		£	£
Income			
Net capital gains	2		7,580
Revenue	3	2,662	
Expenses	4	(2,157)	
Finance costs: interest	6	(1)	
Net revenue before taxation		504	
Taxation	5	–	
Net revenue after taxation			504
<b>Total return before distributions</b>			<b>8,084</b>
Finance costs: distributions	6		(504)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>7,580</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 20 October 2010 to 31 May 2011

	20.10.10 to 31.05.11	
	£	£
<b>Opening net assets attributable to shareholders</b>		–
Amounts receivable on issue of shares	381,879	
Less: Amounts payable on cancellation of shares	(9,813)	
		372,066
Dilution levy		1,448
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		7,580
Retained distribution on accumulation shares		504
<b>Closing net assets attributable to shareholders</b>		<b>381,598</b>

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Balance Sheet

as at 31 May 2011

	Note	31.05.11	
		£	£
<b>Assets</b>			
<b>Investment assets</b>			<b>350,113</b>
Debtors	7	8,453	
Bank balances		30,727	
<b>Total other assets</b>		<u>39,180</u>	<b>39,180</b>
<b>Total assets</b>			<b>389,293</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			–
Creditors	8	(5,644)	
Bank overdrafts		(2,051)	
<b>Total other liabilities</b>		<u>(7,695)</u>	<b>(7,695)</b>
<b>Total liabilities</b>			<b>(7,695)</b>
<b>Net assets attributable to shareholders</b>			<b>381,598</b>

**Notes to the Financial Statements**

for the period 20 October 2010 to 31 May 2011

**1. Accounting policies**

See pages 9 to 10.

**2. Net capital gains**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
Non-derivative securities	8,141
Currency losses	(36)
Transaction charges	(525)
<b>Net capital gains</b>	<b>7,580</b>

**3. Revenue**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
UK dividends	2,662
<b>Total revenue</b>	<b>2,662</b>

**Notes to the Financial Statements**

continued

<b>4. Expenses</b>	<b>20.10.10 to 31.05.11 £</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Administration fee	215
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fee (including VAT)	4,317
Safe custody and other bank charges	166
	<u>4,483</u>
<b>Other expenses:</b>	
Audit fee (including VAT)	4,800
FSA fee	385
Legal fee	147
Printing costs	65
	<u>5,397</u>
Expense rebate <sup>^</sup>	<u>(7,938)</u>
<b>Total expenses</b>	<b><u>2,157</u></b>

<sup>^</sup> At the discretion of the Investment Adviser, where total expenses exceed 0.80% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Adviser rebates the excess expenses. The Investment Adviser is entitled to a fee of 0.40% per annum of the NAV of the Sub-Fund inclusive of the aforementioned 0.80%, currently this is not being exercised.

**Notes to the Financial Statements**

continued

<b>5. Taxation</b>	<b>20.10.10 to 31.05.11 £</b>
(a) Analysis of charge in the period	
Current tax charge (note 5b)	–
<b>Total tax charge</b>	<b>–</b>
(b) Factors affecting taxation charge for the period	
Net revenue before taxation	504
Corporation tax at 20%	101
Effects of:	
Surplus management expenses	431
Non-taxable dividends	(532)
<b>Current tax charge (note 5a)</b>	<b>–</b>
(c) Deferred tax	

At the period end there is a potential deferred tax asset of £431 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements**

continued

<b>6. Finance costs</b>		<b>20.10.10 to</b>
		<b>31.05.11</b>
		<b>£</b>

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

**Distributions**

Final	504
Revenue deducted on cancellation of shares	–
Revenue received on creation of shares	–

<b>Finance costs: distributions</b>	<b>504</b>
-------------------------------------	------------

Finance costs: interest	1
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<b>Total finance costs</b>	<b>505</b>
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**Reconciliation of net revenue after taxation to net distributions:**

Net revenue after taxation per statement of total return	504
----------------------------------------------------------	-----

<b>Finance costs: distributions</b>	<b>504</b>
-------------------------------------	------------

<b>7. Debtors</b>		<b>31.05.11</b>
		<b>£</b>

UK dividends	515
Expense rebate	7,938

<b>Total debtors</b>	<b>8,453</b>
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**Notes to the Financial Statements**

continued

<b>8. Creditors</b>	<b>31.05.11</b>
	<b>£</b>
Administration fee	215
Depository fee	612
Safe custody and other bank charges	17
Audit fee	4,800
<b>Total creditors</b>	<b>5,644</b>

**9. Related party transactions**

Details relating to the Sub-Fund are shown in note 9 of the notes to the aggregated financial statements on page 15.

**10. Contingent liabilities and commitments**

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

## Notes to the Financial Statements

continued

### 11. Derivatives and other financial instruments

The main risks arising from financial instruments and the ACD's policy for managing these risks are disclosed in the note 11 of the notes to the aggregated financial statements on pages 16 to 19.

Numerical disclosures relating to the Sub-Fund are as follows:

#### Currency risk

The table below shows the currency risk profile at the balance sheet date:

##### 31.05.11

Currency	Monetary exposures	Non-monetary exposures	Total
	£	£	
Euro	121	14,448	14,569
Sterling	31,239	324,010	355,249
US dollar	125	11,655	11,780
<b>Total</b>	<b>31,485</b>	<b>350,113</b>	<b>381,598</b>

#### Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

##### 31.05.11

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	
Euro	–	–	14,569	14,569
Sterling	30,727	–	332,217	362,944
US dollar	–	–	11,780	11,780
<b>Total</b>	<b>30,727</b>	<b>–</b>	<b>358,566</b>	<b>389,293</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	
Sterling	2,051	5,644	7,695
<b>Total</b>	<b>2,051</b>	<b>5,644</b>	<b>7,695</b>

**Notes to the Financial Statements**

continued

<b>12. Portfolio transaction costs</b>	<b>20.10.10 to 31.05.11 £</b>
Analysis of purchases	
Purchases before transaction costs	352,709
Transaction costs:	
Commissions	84
Stamp duty and other charges	3
	<hr/> 87
<b>Total purchase cost</b>	<b>352,796</b>
<hr/>	
Analysis of sales	
Sales before transaction costs	10,825
Transaction costs:	
Commissions	(1)
<b>Net sales proceeds</b>	<b>10,824</b>
<hr/>	

**13. Post balance sheet events**

Subsequent to the period end, the net asset value per share of the Sub-Fund has increased from 101.86p<sup>^</sup> to 102.18p<sup>^</sup> as at 29 July 2011. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustment at the period end.

<sup>^</sup> A accumulation shares

## TOTAL CLARITY DEFENSIVE PORTFOLIO

### Distribution Table

for the period 20 October 2010 to 31 May 2011

#### Final

Distribution payable 31 July 2011

Class	Shares	Net	Equalisation	Distribution
<b>A Accumulation</b>	Group 1	0.1354		0.1354
	Group 2	0.1354	0.0000	0.1354

#### Further information

Group 1 - shares purchased prior to 22 October 2010

Group 2 - shares purchased on or after 22 October 2010 to 31 May 2011

#### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## Investment Objective

The Sub-Fund's investment objective is to achieve good capital growth over the long term with moderate expected volatility. This will be achieved via a portfolio of well diversified underlying assets gained by investing in a range of index tracking funds and other instruments.

## Investment Policy

The Sub-Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts although exposure to other investments such as investment trusts and fixed interest securities are expected to be included in the portfolio from time to time.

The underlying asset mix of the Sub-Fund has limited exposure to fixed interest, between 10 and 40%. It has greater exposure to UK and global shares, property and other investments (such as commodities). It has exposure to small companies and emerging markets within the equity element.

The Sub-Fund is able to invest in transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash, deposits and derivative instruments.

The allocation of the Sub-Fund's assets between eligible asset classes will be managed by the Investment Adviser and will be adjusted to reflect what, in the Investment Adviser's view, is the optimal asset allocation at each point in time and to achieve the investment objective of the Sub-Fund. It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.

Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.

**The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Sub-Fund. However, this policy is not currently applied and may not be applied without giving the required 60 day notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.**

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Investment Adviser's Report

for the period 20 October 2010 to 31 May 2011

#### Fund Performance

This report covers the period from the first pricing point of the Total Clarity Diversified Balanced Portfolio on 22 October 2010 until 31 May 2011. During this period the Sub-Fund delivered a positive return of 5.76%.

The Total Clarity Diversified Balanced Portfolio is invested in a mix of equities, fixed income and alternative assets. The strategic weightings for the Sub-Fund are as follows:

Asset class	Weighting
Equities	60
Alternatives	14
Fixed income	26

Over the period sterling appreciated against the major currencies, which had the effect of reducing returns from overseas asset classes.

Exchange rate	22 October 2010	31 May 2011
Euro	1.13	1.14
US Dollar	1.57	1.65
Yen	127.58	133.72

#### Asset Class

The strongest performing asset classes over the period were alternatives: property, private equity and commodities. Equity markets also performed well, with the exception of Japan. Fixed income assets delivered mix returns. The best performing fixed income category was index linked gilts. Overseas bonds delivered negative returns, partly due to currency. European government bonds were adversely affected by the Greek crisis.

Asset Class	Return in £	Return in local currency
Property Shares	16.7	16.7
Private Equity	14.1	16.1
Commodities	12.2	17.2
US Equities	10.5	15.4
UK Equities	7.0	7.0
Asian Equities	5.0	9.6
European Equities	4.8	9.5
Index linked	4.4	4.4
Emerging Market Equities	2.3	6.8
UK Corporate Bonds	1.1	1.1
UK Gilts	0.6	0.6
Japanese Equities	-1.5	2.8
European Corporate Bonds	-2.4	-0.7
US Corporate Bonds	-2.6	1.7
European Government Bonds	-4.2	-2.6
US Government Bonds	-4.2	0.0

## Investment Adviser's Report

continued

### Market Review

The period since the launch of the Sub-Fund has been eventful with sharp moves in markets. These have been driven by changing expectations of economic growth and inflation.

The economic backdrop is a world where the developed economies, with the exception of Germany, have been struggling while emerging markets have continued to grow strongly. Interest rates in the major economies are close to zero.

There are, however, inflationary pressures driven by rises in commodity prices. These are particularly acute in the UK, where the combination of high retail price inflation and weak growth is a difficult one for the authorities to deal with.

Towards the end of 2010, equity markets and commodities performed strongly, while bond markets fell sharply on concerns about inflation. In 2011, part of this move was reversed as expectations of global economic growth reduced.

A possible factor to have contributed to this was a change in stance by Central Banks away from economic stimulus.

The ECB raised interest rates in April 2011, while the Federal Reserve and Bank of England have signalled that rates might rise later this year.

The Japanese Tsunami also had an adverse effect on Japanese and Asian growth.

An additional concern of policy makers has been budget deficits. In the UK, the coalition government has begun a programme of spending cuts. In the US, President Obama announced budget cuts for 2012.

A further issue to concern markets has been the Greek debt crisis, which apart from the impact on Greek bonds has negatively affected the price of European Government bonds and banks' shares.

### Transactions

Following the fall in the Japanese equity market after the Tsunami in March 2011, the Sub-Fund increased its weighting in Japanese equities. This was funded by a reduction in UK Equities.

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Portfolio Statement

as at 31 May 2011

Holding	Security	Value (Note 1h) £	% of Total Net Assets
<b>Alternatives</b>			
3,682	DB X-Trackers LPX MM Private Equity	80,967	5.04
<b>Asian equities</b>			
24,286	BlackRock Japan Equity Tracker Fund	25,937	1.61
11,471	BlackRock Pacific ex-Japan Equity Tracker Fund	23,068	1.44
2,655	HSBC MSCI Japan ETF	37,674	2.34
3,984	HSBC MSCI Pacific ex-Japan ETF	33,506	2.08
3,272	HSBC Pacific Index Retail Fund - Acc	7,955	0.50
		128,140	7.97
<b>Commodities</b>			
3,145	Lyxor ETF Commodities CRB Index	65,070	4.05
<b>Corporate bonds</b>			
428	DB X-Trackers iBoxx UK Gilt Inflation-Linked TR Index ETF	79,236	4.93
38,820	BlackRock CIF Corporate Bond Tracker Fund	40,606	2.53
130	iShares Barclays Capital Euro Government Bond 5-7 ETF	14,719	0.92
132	iShares Barclays Capital \$ Treasury Bond 7-10 ETF	14,352	0.89
619	iShares FTSE Gilts UK 0-5 ETF	79,486	4.94
589	iShares £ Corporate Bond ETF	69,414	4.32
109	iShares £ Index-Linked Gilts	1,299	0.08
378	iShares Markit iBoxx Euro Corporate Bond ETF	39,291	2.44
584	iShares Markit iBoxx USD Corporate Bond Fund	37,399	2.33
		375,802	23.38
<b>Emerging markets</b>			
47,578	BlackRock Emerging Markets Equity Tracker Fund	56,333	3.51
2,027	iShares MSCI Emerging Markets Fund	56,634	3.52
		112,967	7.03
<b>European equities</b>			
29,193	HSBC European Index Fund - Acc	150,374	9.36
1,423	iShares MSCI Europe ex-UK	28,040	1.74
		178,414	11.10

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Portfolio Statement

continued

Holding	Security	Value (Note 1h) £	% of Total Net Assets
	<b>Property</b>		
22,283	iShares FTSE EPRA/NAREIT UK Property Fund	98,535	6.13
	<b>UK equities</b>		
19,454	DB X-Trackers FTSE All Share ETF	62,724	3.90
65,803	HSBC FTSE All-Share Index Fund - Acc	234,193	14.57
10,301	Lyxor ETF FTSE All Share	33,921	2.11
676	Vanguard FTSE UK Equity Index Fund	103,800	6.46
		434,638	27.04
	<b>US equities</b>		
330	Credit Suisse ETF (IE) S&P 500	23,115	1.43
54,762	HSBC American Index Fund - Acc	102,898	6.40
		126,013	7.83
	<b>Investment assets</b>	<b>1,600,546</b>	<b>99.57</b>
	<b>Net other assets</b>	<b>6,882</b>	<b>0.43</b>
	<b>Net assets</b>	<b>1,607,428</b>	<b>100.00</b>

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Comparative Tables

#### Net asset values

As at 31 May	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
<b>Class A Accumulation</b> 2011	1,607,428	1,514,478	106.14

#### Price history

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Year	Highest (pence)	Lowest (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	104.34	98.74
2011 <sup>^^</sup>	106.87	100.90

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Distribution record

Year	Net revenue per share (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	0.0000
2011 <sup>^^</sup>	0.0341

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

#### Total expense ratio (TER)

The Sub-Fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with the direct expenses of the Sub-Fund.

Expense type	31 May 2011 % <sup>^</sup>
<b>Class A Accumulation</b>	
Investment Adviser's charge	0.00
Other expenses	0.55
Synthetic TER	0.25
<b>Total expense ratio</b>	<b>0.80</b>

<sup>^</sup>The total expense ratio is annualised based on the fees incurred during the accounting period.

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Statement of Total Return

for the period 20 October 2010 to 31 May 2011

	Note	20.10.10 to 31.05.11	
		£	£
Income			
Net capital gains	2		72,177
Revenue	3	8,029	
Expenses	4	(7,500)	
Finance costs: interest	6	(13)	
Net revenue before taxation		516	
Taxation	5	–	
Net revenue after taxation			516
<b>Total return before distributions</b>			<b>72,693</b>
Finance costs: distributions	6		(516)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>72,177</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 20 October 2010 to 31 May 2011

	20.10.10 to 31.05.11	
	£	£
<b>Opening net assets attributable to shareholders</b>		–
Amounts receivable on issue of shares	1,540,480	
Less: Amounts payable on cancellation of shares	(10,261)	
		1,530,219
Dilution levy		4,516
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		72,177
Retained distribution on accumulation shares		516
<b>Closing net assets attributable to shareholders</b>		<b>1,607,428</b>

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Balance Sheet

as at 31 May 2011

	Note	31.05.11	
		£	£
<b>Assets</b>			
<b>Investment assets</b>		<b>1,600,546</b>	
Debtors	7	5,661	
Bank balances		10,654	
<b>Total other assets</b>		<u>16,315</u>	
<b>Total assets</b>		<u>1,616,861</u>	
<b>Liabilities</b>			
<b>Investment liabilities</b>			–
Creditors	8	(9,433)	
<b>Total other liabilities</b>		<u>(9,433)</u>	
<b>Total liabilities</b>		<u>(9,433)</u>	
<b>Net assets attributable to shareholders</b>		<u>1,607,428</u>	

**Notes to the Financial Statements**

for the period 20 October 2010 to 31 May 2011

**1. Accounting policies**

See pages 9 to 10.

**2. Net capital gains**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
Non-derivative securities	75,187
Currency losses	(220)
Transaction charges	(2,790)
<b>Net capital gains</b>	<b>72,177</b>

**3. Revenue**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
UK dividends	8,029
<b>Total revenue</b>	<b>8,029</b>

**Notes to the Financial Statements**

continued

<b>4. Expenses</b>	<b>20.10.10 to 31.05.11 £</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Administration fees	803
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fee (including VAT)	4,317
Safe custody and other bank charges	342
	<u>4,659</u>
<b>Other expenses:</b>	
Audit fee (including VAT)	4,800
FSA fee	385
Legal fee	147
Printing costs	65
	<u>5,397</u>
Expense rebate^	(3,359)
<b>Total expenses</b>	<b><u>7,500</u></b>

^ At the discretion of the Investment Adviser, where total expenses exceed 0.80% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Adviser rebates the excess expenses. The Investment Adviser is entitled to a fee of 0.40% per annum of the NAV of the Sub-Fund inclusive of the aforementioned 0.80%, currently this is not being exercised.

**Notes to the Financial Statements**

continued

<b>5. Taxation</b>	<b>20.10.10 to 31.05.11 £</b>
(a) Analysis of charge in the period	
Current tax charge (note 5b)	–
<b>Total tax charge</b>	<b>–</b>
(b) Factors affecting taxation charge for the period	
Net revenue before taxation	516
Corporation tax at 20%	104
Effects of:	
Surplus management expenses	1,501
Non-taxable dividends	(1,605)
<b>Current tax charge (note 5a)</b>	<b>–</b>

## (c) Deferred tax

At the period end there is a potential deferred tax asset of £1,501 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements**

continued

<b>6. Finance costs</b>		<b>20.10.10 to 31.05.11 £</b>
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The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:

**Distributions**

Final	516
Revenue deducted on cancellation of shares	–
Revenue received on creation of shares	–

<b>Finance costs: distributions</b>	<b>516</b>
-------------------------------------	------------

Finance costs: interest	13
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<b>Total finance costs</b>	<b>529</b>
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**Reconciliation of net revenue after taxation to net distributions:**

Net revenue after taxation per statement of total return	516
----------------------------------------------------------	-----

<b>Finance costs: distributions</b>	<b>516</b>
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<b>7. Debtors</b>		<b>31.05.11 £</b>
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UK dividends	2,302
Expense rebate	3,359

<b>Total debtors</b>	<b>5,661</b>
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**Notes to the Financial Statements**

continued

<b>8. Creditors</b>	<b>31.05.11</b>
	<b>£</b>
Purchases awaiting settlement	3,178
Administration fee	803
Depository fee	612
Safe custody and other bank charges	40
Audit fee	4,800
<b>Total creditors</b>	<b>9,433</b>

**9. Related party transactions**

Details relating to the Sub-Fund are shown in note 9 of the notes to the aggregated financial statements on page 15.

**10. Contingent liabilities and commitments**

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

## Notes to the Financial Statements

continued

### 11. Derivatives and other financial instruments

The main risks arising from financial instruments and the ACD's policy for managing these risks are disclosed in the note 11 of the notes to the aggregated financial statements on pages 16 to 19.

Numerical disclosures relating to the Sub-Fund are as follows:

#### Currency risk

The table below shows the currency risk profile at the balance sheet date:

##### 31.05.11

Currency	Monetary exposures £	Non-monetary exposures £	Total £
Euro	700	39,291	39,991
Sterling	5,488	1,523,856	1,529,344
US dollar	694	37,399	38,093
<b>Total</b>	<b>6,882</b>	<b>1,600,546</b>	<b>1,607,428</b>

#### Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

##### 31.05.11

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	–	–	39,991	39,991
Sterling	10,654	–	1,528,123	1,538,777
US dollar	–	–	38,093	38,093
<b>Total</b>	<b>10,654</b>	<b>–</b>	<b>1,606,207</b>	<b>1,616,861</b>

Currency	Floating rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Sterling	–	9,433	9,433
<b>Total</b>	<b>–</b>	<b>9,433</b>	<b>9,433</b>

**Notes to the Financial Statements**

continued

<b>12. Portfolio transaction costs</b>	<b>20.10.10 to 31.05.11 £</b>
Analysis of purchases	
Purchases before transaction costs	1,638,997
Transaction costs:	
Commissions	171
Stamp duty and other charges	515
	<hr/> 686
<b>Total purchase cost</b>	<b>1,639,683</b>
<hr/>	
Analysis of sales	
Sales before transaction costs	114,292
Transaction costs:	
Commissions	(7)
<b>Net sales proceeds</b>	<b>114,285</b>
<hr/>	

**13. Post balance sheet events**

Subsequent to the period end, the net asset value per share of the Sub-Fund has decreased from 105.76p<sup>^</sup> to 104.52p<sup>^</sup> as at 29 July 2011. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustment at the period end.

<sup>^</sup> A accumulation shares

## TOTAL CLARITY DIVERSIFIED BALANCED PORTFOLIO

### Distribution Table

for the period 20 October 2010 to 31 May 2011

#### Final

Distribution payable 31 July 2011

Class	Shares	Net	Equalisation	Distribution
<b>A Accumulation</b>	Group 1	0.0341		0.0341
	Group 2	0.0341	0.0000	0.0341

#### Further information

Group 1 - shares purchased prior to 22 October 2010

Group 2 - shares purchased on or after 22 October 2010 to 31 May 2011

#### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

### Investment Objective

The Sub-Fund's investment objective is to achieve superior long term capital growth with potentially higher volatility. This will be achieved by a predominant underlying exposure to equities gained by investing in a range of index tracking funds and other instruments.

### Investment Policy

The Sub-Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts although exposure to other investments such as investment trusts are expected to be included in the portfolio from time to time.

The underlying asset mix of the Sub-Fund has very limited exposure to fixed interest, between 0 and 30%. It has much greater exposure to UK and global shares, property and other investments (such as commodities). It has more exposure to small companies and emerging markets within the equity element than the other funds.

The Sub-Fund is able to invest in transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash, deposits and derivative instruments.

The allocation of the Sub-Fund's assets between eligible asset classes will be managed by the Investment Adviser and will be adjusted to reflect what, in the Investment Adviser's view, is the optimal asset allocation at each point in time and to achieve the investment objective of the Sub-Fund. It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.

Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.

**The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Sub-Fund. However, this policy is not currently applied and may not be applied without giving the required 60 day notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.**

## TOTAL CLARITY DIVERSIFIED LONG TERM GROWTH PORTFOLIO

### Investment Adviser's Report

for the period 20 October 2010 to 31 May 2011

#### Fund Performance

This report covers the period from the first pricing point of the Total Clarity Diversified Long Term Growth Portfolio on 22 October 2010 until 31 May 2011. During this period the Sub-Fund delivered a positive return of 4.73%.

The Total Clarity Diversified Long Term Growth Portfolio is invested in a mix of equities, fixed income and alternative assets. The strategic weightings for the Sub-Fund are as follows:

Asset class	Weighting
Equities	80
Alternatives	15
Fixed income	5

Over the period sterling appreciated against the major currencies, which had the effect of reducing returns from overseas asset classes.

Exchange rate	22 October 2010	31 May 2011
Euro	1.13	1.14
US Dollar	1.57	1.65
Yen	127.58	133.72

#### Asset Class

The strongest performing asset classes over the period were alternatives: property, private equity and commodities. Equity markets also performed well, with the exception of Japan. Fixed income assets delivered mix returns. The best performing fixed income category was index linked gilts. Overseas bonds delivered negative returns, partly due to currency. European government bonds were adversely affected by the Greek crisis.

Asset Class	Return in £	Return in local currency
Property Shares	16.7	16.7
Private Equity	14.1	16.1
Commodities	12.2	17.2
US Equities	10.5	15.4
UK Equities	7.0	7.0
Asian Equities	5.0	9.6
European Equities	4.8	9.5
Index linked	4.4	4.4
Emerging Market Equities	2.3	6.8
UK Corporate Bonds	1.1	1.1
UK Gilts	0.6	0.6
Japanese Equities	-1.5	2.8
European Corporate Bonds	-2.4	-0.7
US Corporate Bonds	-2.6	1.7
European Government Bonds	-4.2	-2.6
US Government Bonds	-4.2	0.0

## Investment Adviser's Report

continued

### Market Review

The period since the launch of the Sub-Fund has been eventful with sharp moves in markets. These have been driven by changing expectations of economic growth and inflation.

The economic backdrop is a world where the developed economies, with the exception of Germany, have been struggling while emerging markets have continued to grow strongly. Interest rates in the major economies are close to zero.

There are, however, inflationary pressures driven by rises in commodity prices. These are particularly acute in the UK, where the combination of high retail price inflation and weak growth is a difficult one for the authorities to deal with.

Towards the end of 2010, equity markets and commodities performed strongly, while bond markets fell sharply on concerns about inflation. In 2011, part of this move was reversed as expectations of global economic growth reduced.

A possible factor to have contributed to this was a change in stance by Central Banks away from economic stimulus.

The ECB raised interest rates in April 2011, while the Federal Reserve and Bank of England have signalled that rates might rise later this year.

The Japanese Tsunami also had an adverse effect on Japanese and Asian growth.

An additional concern of policy makers has been budget deficits. In the UK, the coalition government has begun a programme of spending cuts. In the US, President Obama announced budget cuts for 2012.

A further issue to concern markets has been the Greek debt crisis, which apart from the impact on Greek bonds has negatively affected the price of European Government bonds and banks' shares.

### Transactions

Following the fall in the Japanese equity market after the Tsunami in March 2011, the Sub-Fund increased its weighting in Japanese equities. This was funded by a reduction in UK Equities.

## TOTAL CLARITY DIVERSIFIED LONG TERM GROWTH PORTFOLIO

### Portfolio Statement

as at 31 May 2011

Holding	Security	Value (Note 1h) £	% of Total Net Assets
<b>Alternatives</b>			
1,190	DB X-Trackers LPX MM Private Equity	26,168	4.72
<b>Asian equities</b>			
23,443	BlackRock Japan Equity Tracker Fund	25,037	4.52
18,944	BlackRock Pacific ex-Japan Equity Tracker Fund	38,096	6.88
556	HSBC MSCI Japan ETF	7,890	1.42
1,816	HSBC Pacific Index Retail Fund - Acc	4,414	0.80
		75,437	13.62
<b>Commodities</b>			
1,276	Lyxor ETF Commodities CRB Index	26,400	4.76
<b>Corporate bonds</b>			
7,721	BlackRock CIF Corporate Bond Tracker Fund	8,076	1.46
71	iShares £ Corporate Bond ETF	8,367	1.51
		16,443	2.97
<b>Emerging markets</b>			
37,607	BlackRock Emerging Markets Equity Tracker Fund	44,526	8.04
772	iShares MSCI Emerging Markets Fund	21,570	3.89
		66,096	11.93
<b>European equities</b>			
14,119	HSBC European Index Fund - Acc	72,726	13.13
313	iShares MSCI Europe ex-UK	6,168	1.11
		78,894	14.24
<b>Property</b>			
7,422	iShares FTSE EPRA/NAREIT UK Property Fund	32,820	5.93

## TOTAL CLARITY DIVERSIFIED LONG TERM GROWTH PORTFOLIO

### Portfolio Statement

continued

<b>Holding</b>	<b>Security</b>	<b>Value (Note 1h) £</b>	<b>% of Total Net Assets</b>
	<b>UK equities</b>		
16,790	DB X-Trackers FTSE All Share ETF	54,134	9.77
26,055	HSBC FTSE All-Share Index Fund - Acc	92,731	16.74
8,461	Lyxor ETF FTSE All Share	27,862	5.03
		<hr/>	
		174,727	31.54
	<b>US equities</b>		
168	Credit Suisse ETF (IE) S&P 500	11,768	2.12
19,673	HSBC American Index Fund - Acc	36,966	6.67
		<hr/>	
		48,734	8.79
		<hr/>	
	<b>Investment assets</b>	<b>545,719</b>	<b>98.50</b>
	<b>Net other assets</b>	<b>8,287</b>	<b>1.50</b>
		<hr/>	
	<b>Net assets</b>	<b>554,006</b>	<b>100.00</b>

## Comparative Tables

### Net asset values

As at 31 May	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
<b>Class A Accumulation</b> 2011	554,006	524,871	105.55

### Price history

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Year	Highest (pence)	Lowest (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	104.75	97.87
2011 <sup>^^</sup>	105.61	99.02

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

### Distribution record

Year	Net revenue per share (pence)
<b>Class A Accumulation</b> 2010 <sup>^</sup>	0.0000
2011 <sup>^^</sup>	0.0000

<sup>^</sup>Launched 20 October 2010

<sup>^^</sup>To 31 May 2011

### Total expense ratio (TER)

The Sub-Fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-Fund (synthetic TER) are disclosed in the below table together with the direct expenses of the Sub-Fund.

Expense type	31 May 2011 % <sup>^</sup>
<b>Class A Accumulation</b>	
Investment Adviser's charge	0.00
Other expenses	0.54
Synthetic TER	0.26
<b>Total expense ratio</b>	<b>0.80</b>

<sup>^</sup>The total expense ratio is annualised based on the fees incurred during the accounting period.

## TOTAL CLARITY DIVERSIFIED LONG TERM GROWTH PORTFOLIO

### Statement of Total Return

for the period 20 October 2010 to 31 May 2011

		20.10.10 to 31.05.11	
	Note	£	£
Income			
Net capital gains	2		23,945
Revenue	3	1,000	
Expenses	4	(2,288)	
Finance costs: interest	6	(2)	
Net expense before taxation		(1,290)	
Taxation	5	—	
Net revenue after taxation			(1,290)
<b>Total return before distributions</b>			<b>22,655</b>
Finance costs: distributions	6		—
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>22,655</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 20 October 2010 to 31 May 2011

	20.10.10 to 31.05.11	
	£	£
<b>Opening net assets attributable to shareholders</b>		—
Amounts receivable on issue of shares	539,649	
Less: Amounts payable on cancellation of shares	(10,146)	
		529,503
Dilution levy		1,848
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		22,655
<b>Closing net assets attributable to shareholders</b>		<b>554,006</b>

## TOTAL CLARITY DIVERSIFIED LONG TERM GROWTH PORTFOLIO

### Balance Sheet

as at 31 May 2011

	Note	31.05.11	
		£	£
<b>Assets</b>			
<b>Investment assets</b>			<b>545,719</b>
Debtors	7	8,112	
Bank balances		13,957	
<b>Total other assets</b>		<u>22,069</u>	
<b>Total assets</b>			<b>567,788</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			–
Creditors	8	(11,234)	
Bank overdrafts		(2,548)	
<b>Total other liabilities</b>		<u>(13,782)</u>	
<b>Total liabilities</b>			<b>(13,782)</b>
<b>Net assets attributable to shareholders</b>			<b>554,006</b>

**Notes to the Financial Statements**

for the period 20 October 2010 to 31 May 2011

**1. Accounting policies**

See pages 9 to 10.

**2. Net capital gains**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
Non-derivative securities	25,130
Transaction charges	(1,185)
<b>Net capital gains</b>	<b>23,945</b>

**3. Revenue**

	<b>20.10.10 to 31.05.11</b>
	<b>£</b>
UK dividends	1,000
<b>Total revenue</b>	<b>1,000</b>

**Notes to the Financial Statements**

continued

<b>4. Expenses</b>	<b>20.10.10 to 31.05.11 £</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Administration fee	230
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fee (including VAT)	4,317
Safe custody and other bank charges	157
	<u>4,474</u>
<b>Other expenses:</b>	
Audit fee (including VAT)	4,800
FSA fee	385
Legal fee	147
Printing costs	65
	<u>5,397</u>
Expense rebate <sup>^</sup>	(7,813)
<b>Total expenses</b>	<b><u>2,288</u></b>

<sup>^</sup> At the discretion of the Investment Adviser, where total expenses exceed 0.80% of the Net Asset Value (NAV) of the Sub-Fund, the Investment Adviser rebates the excess expenses. The Investment Adviser is entitled to a fee of 0.40% per annum of the NAV of the Sub-Fund inclusive of the aforementioned 0.80%, currently this is not being exercised.

**Notes to the Financial Statements**

continued

<b>5. Taxation</b>	<b>20.10.10 to 31.05.11 £</b>
(a) Analysis of charge in the period	
Current tax charge (note 5b)	–
<b>Total tax charge</b>	<b>–</b>
(b) Factors affecting taxation charge for the period	
Net expense before taxation	(1,290)
Corporation tax at 20%	(258)
Effects of:	
Surplus management expenses	458
Non-taxable dividends	(200)
<b>Current tax charge (note 5a)</b>	<b>–</b>
(c) Deferred tax	

At the period end there is a potential deferred tax asset of £458 in relation to surplus management expenses. It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements**

continued

<b>6. Finance costs</b>		<b>20.10.10 to</b>
		<b>31.05.11</b>
		<b>£</b>

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

**Distributions**

Final	–
Revenue deducted on cancellation of shares	–
Revenue received on creation of shares	–
<hr/>	
<b>Finance costs: distributions</b>	<b>–</b>
<hr/>	
Finance costs: interest	2
<hr/>	
<b>Total finance costs</b>	<b>2</b>

**Reconciliation of net expense after taxation to net distributions:**

Net expense after taxation per statement of total return	(1,290)
Funding of revenue deficit to be transferred from capital	1,290
<hr/>	
<b>Finance costs: distributions</b>	<b>–</b>

<b>7. Debtors</b>		<b>31.05.11</b>
		<b>£</b>

UK dividends	299
Expense rebate	7,813
<hr/>	
<b>Total debtors</b>	<b>8,112</b>

**Notes to the Financial Statements**

continued

<b>8. Creditors</b>	<b>31.05.11</b>
	<b>£</b>
Purchases awaiting settlement	5,587
Administration fee	230
Depository fee	612
Safe custody and other bank charges	5
Audit fee	4,800
<b>Total creditors</b>	<b>11,234</b>

**9. Related party transactions**

Details relating to the Sub-Fund are shown in note 9 of the notes to the aggregated financial statements on page 15.

**10. Contingent liabilities and commitments**

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

## Notes to the Financial Statements

continued

### 11. Derivatives and other financial instruments

The main risks arising from financial instruments and the ACD's policy for managing these risks are disclosed in the note 11 of the notes to the aggregated financial statements on pages 16 to 19.

Numerical disclosures relating to the Sub-Fund are as follows:

#### Currency risk

The table below shows the currency risk profile at the balance sheet date:

31.05.11

Currency	Monetary exposures	Non-monetary exposures	Total
	£	£	
Euro	82	–	82
Sterling	8,097	545,719	553,816
US dollar	108	–	108
<b>Total</b>	<b>8,287</b>	<b>545,719</b>	<b>554,006</b>

#### Interest rate risk

The tables below detail the interest rate risk profile at the balance sheet date.

31.05.11

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	
Euro	–	–	82	82
Sterling	13,957	–	553,641	567,598
US dollar	–	–	108	108
<b>Total</b>	<b>13,957</b>	<b>–</b>	<b>553,831</b>	<b>567,788</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	
Sterling	2,548	11,234	13,782
<b>Total</b>	<b>2,548</b>	<b>11,234</b>	<b>13,782</b>

**Notes to the Financial Statements**

continued

<b>12. Portfolio transaction costs</b>	<b>20.10.10 to 31.05.11 £</b>
Analysis of purchases	
Purchases before transaction costs	546,958
Transaction costs:	
Commissions	44
Stamp duty and other charges	1
	<hr/> 45
<b>Total purchase cost</b>	<b>547,003</b>
<hr/>	
Analysis of sales	
Sales before transaction costs	26,416
Transaction costs:	
Commissions	(1)
<b>Net sales proceeds</b>	<b>26,415</b>

**13. Post balance sheet events**

Subsequent to the period end, the net asset value per share of the Sub-Fund has decreased from 104.73p<sup>^</sup> to 103.05p<sup>^</sup> as at 29 July 2011. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustment at the period end.

<sup>^</sup> A accumulation shares

## General Information

### Authorised status

Total Clarity (the 'Company') is incorporated in England and Wales as an open-ended investment company with variable capital under registration number IC000829. The shareholders are not liable for the debts of the Company.

The Company is authorised by the FSA as a non-UCITS retail scheme under the COLL Sourcebook and is an umbrella company for the purposes of the OEIC Regulations with each Sub-Fund being a non-UCITS retail scheme. The effective date of the authorisation order made by the FSA was 21 September 2010.

### Head office

Springfield Lodge, Colchester Road, Chelmsford, Essex, CM2 5PW

### Address for service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### Base currency

The base currency of the Company is pounds sterling.

### Share capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

### Structure of the Company

Total Clarity is structured as an umbrella company. Provision exists for an unlimited number of Sub-Funds, and at the date of this report, the Sub-Funds launched within the OEIC are shown below:

Total Clarity Cautious Growth Portfolio

Total Clarity Defensive Portfolio

Total Clarity Diversified Balanced Portfolio

Total Clarity Diversified Long Term Growth Portfolio

### Classes of shares

The Company can issue different classes of shares in respect of any Sub-Fund.

Holders of income shares are entitled to be paid the revenue attributable to such shares in respect of each accounting period.

### Valuation point

The scheme property of the Company and each Sub-Fund will normally be valued at 12:00 mid day on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Sub-Fund at any time if it considers it desirable to do so, with the Depositary's approval.

## General Information

continued

### Buying and selling of shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8:30am and 4:30pm. Instructions to buy or sell shares may either be in writing to:

PO Box 10809, Chelmsford, Essex, CM1 9QJ

Or by telephone to:

0845 305 4213

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### Pricing basis

There is a single price for buying, selling and switching shares in a Sub-Fund which represents the NAV of the Sub-Fund concerned. The share price is calculated on a forward pricing basis, that is at the next valuation point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Management Association website at [www.fundlistings.com](http://www.fundlistings.com) and in the Financial Times. Neither, the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other information

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected free of charge at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.



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