

Annual Report and Financial Statements
Period ended 26th April 2011



Close International Equity Growth Fund Limited



Management and Administration

Directors

B.R. Ehrlich (Chairman)
R. Cowley
S.J. Dowling
R. Griffith
R.M. Berkeley (until 16th February 2011)

Manager, Secretary and Registrar

Close International Asset Management Limited
PO Box 373
Kingsgate House
55 Esplanade
St Helier
Jersey JE4 8UQ
Channel Islands

Telephone (Jersey): +44 (0) 1534 706400
Facsimile (Jersey): +44 (0) 1534 706406
e-mail: offshorefunds@closeam.com
Website: www.closeinternational.com

Administrator

Close Fund Services Limited
Trafalgar Court
Admiral Park
St Peter Port
Guernsey GY1 2JA

Custodian

BNP Paribas Securities Services Trust Company
(Jersey) Limited
Liberté House
19-23 La Motte Street
St Helier
Jersey JE4 5RL
Channel Islands

Principal Bankers

BNP Paribas Securities Services S.A.
(Jersey Branch)
PO Box 451
Liberté House
19-23 La Motte Street
St Helier
Jersey JE4 5RL
Channel Islands

Investment Manager

Smith & Williamson Investment Management
Limited
25 Moorgate
London EC2R 6AY

Auditors

Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey JE1 1EY
Channel Islands

Legal Advisor

Carey Olsen
47 Esplanade
St Helier
Jersey JE1 0BD
Channel Islands

Registered Office

Kingsgate House
55 Esplanade
St Helier
Jersey JE2 3QB
Channel Islands

Directors' Report

The Directors present their Report and Financial Statements for the period ended 26th April 2011. The Company is limited by shares and was incorporated in Jersey, Channel Islands on 4th September 1979.

Activities

The main aim of the Company is to provide investors with long term capital growth from a portfolio of equity share investments.

Subsequent to the year end Close Brothers Group Plc agreed in principle to sell some of the offshore businesses to Kleinwort Benson subject to regulatory approval. This comprises the sale of private banking, fund administration, fund management, trust and asset management businesses across Jersey, Guernsey and Isle of Man as well the wholly-owned shared service centre in Cape Town, South Africa. This will include Close International Asset Management Limited the Manager, Secretary and Registrar of the Company and Close Fund Services Limited as Administrator. The effective date of the transaction was 1st June 2011. This is likely to result in the name of the Close International Equity Growth Fund changing in line with Kleinwort Benson's strategy for the business.

Directors

The Directors of the Company holding office at 26th April 2011 and up to the date of approving the financial statements are listed on page one.

Mr S.J. Dowling and Mr. R. Cowley are directors of Close International Asset Management Limited, which by Management Agreements dated 6th September 1979, 1st October 1981 and 22nd February 1988 was appointed Manager of the Company.

Mr R. Griffith is a director of Smith & Williamson Investment Management Limited, which by an Investment Management Agreement dated 16th February 2005 was appointed Investment Manager of the Company.

There were no other contracts of significance existing during or at the end of the period under review in which a director was materially interested.

Distributor Status

The Offshore Funds regime has been replaced with a regime of Reporting Funds. The broad concept of this regime is similar to that applying for distributing funds. Certification under the new regime is given in advance and the Company was approved for entry into the regime effective from 1st May 2010.

Financial Risk Profile

The Company's financial instruments comprise investments, cash and liquid resources, participating shares, debtors and creditors, that arise directly from the Company's operations. The main purpose of these financial instruments is to obtain capital growth of the funds invested by the Company's shareholders.

The main risks arising from the Company's financial instruments are market price risk and currency risk.

The Company can hedge its exposure to currency risk by entering into derivative contracts. No such contracts were held at balance sheet date.

Directors' Report (continued)

Responsibility of the Directors

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Company (Jersey) Law 1991 requires the Directors 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 profit or loss of the Company for that period. In preparing these financial statements, the Directors should:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Specify which generally accepted accounting principles have been adopted in their preparation; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that it is complying with the Companies (Jersey) Law 1991. They are 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.

The Directors confirm that these financial statements comply with these requirements.

Disclosure of information to Auditors

The Directors who held office at the date of approval of the directors' report confirm that, in so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the necessary steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Dividend

The Directors of the Company declared a dividend in respect of the period ended 26th April 2011 of 5.0 pence per Participating Share, (2010 – 4.5 pence), which was paid on the 25th February 2011 to all shareholders on the share register at Tuesday, 1st February 2011.

Taxation

Effective from 1st January 2009, the States of Jersey have implemented a new corporate tax regime that replaces the Jersey exempt company regime. Under the new "0/10" tax system, most companies regardless of ownership structure (which includes Close International Equity Growth Fund Limited), are levied a standard rate of corporation tax of 0% (prior to 1st January 2009, a £600 annual exempt company fee was payable to obtain Jersey exempt company status). A 10% tax rate is applicable to a restricted sector of Jersey financial services companies, such as banks and trust companies.

Secretary

The Secretary of the Company is Close International Asset Management Limited.

Independent Auditors

A resolution to reappoint Ernst & Young LLP as auditors of the company was passed at the Annual General Meeting on 1st December 2010.

*By Order of the Board,
Close International Asset Management Limited*

Date: 8th July 2011

Investment Manager's Report

Performance

For the six month period to end April 2011, the Fund increased in value by 6.98%, compared with a rise of 6.60% for the benchmark FT All Share Index.

For the trailing 12 month period, the Fund increased by 13.17%, compared with a rise of 9.00% in the benchmark and a rise in the FTSE 100 Share Index of 8.30%. Over the 12 month period ending 26th April 2011, shareholders have enjoyed positive investment returns compared to both the Company's benchmark, the FTSE All Share Index and peer funds, the Global Small/Mid Cap Equity Morningstar Category. The Company has a three star Morningstar Rating and was a second quartile performer for the calendar year 2010.

Progress over the period has been most notable from the cyclical industrials and resource services sectors, both of which have continued to benefit from strong end market demand. Conversely our exposure to the UK financial sector has detracted from performance but we are confident that valuations already reflect much of the downside risk. New investments include Resolution (insurance), Polar Capital (asset management) and Yara (fertilizer) displaying conviction ideas from a range of different sectors.

It is pleasing to report that the Directors of the Company agreed to increase the dividend by 11% to 5 pence per share with effect from the dividend due at the end of February 2011.

Market Commentary

Despite ongoing volatility, markets have been remarkably resilient in face of considerable bad news over the last six months. The impact of ongoing turmoil in the Middle East, surging commodity prices, a terrible earthquake in Japan and sovereign debt problems within the Eurozone all remain in the forefront of investor minds.

The cessation of "QE2" at the end of June and evidence of any traction gained in the economic recovery will be the primary drivers to US equity markets in the short term. The labour market is tentatively moving in the right direction, as is consumer confidence, but the unintended consequence of commodity inflation could hinder these encouraging signs of recovery and force the Fed into a less dovish tone.

In Asia, efforts by the Chinese authorities to restrain both inflation and property speculation

appear to be having some success but whether the rate tightening is near an end is difficult to gauge. Emerging markets have recovered somewhat from their recent slump and investors are once again casting them in a positive light.

The UK economy continues to feel the strain as a tight fiscal and budgetary regime comes to bear. Economic growth has stalled and GDP forecasts shrunk back. Much depends on the continuing health of the corporate sector which still displays near record levels of profitability. Rising input cost pressures are a concern so we await the forthcoming Q2 reporting season to assess the level of pricing power and impact on earnings momentum.

Outlook

The macro-economic concerns mentioned above justify a reasonable level of caution and explain some of the recent market gyrations. We have increased cash weightings to mitigate some of this volatility but also to take advantage of opportunities within the current trading range. We remain generally constructive on equity markets believing that the global economic recovery should be sustained. Equities do not look overly expensive, corporate balance sheets remain in good shape with the return of excess capital on the agenda and the prospect of continued M&A activity. We have maintained our disciplined collegiate approach to investing in those companies, or with those Managers where we believe we can continue to add value over and above our chosen benchmark. The economic environment should be favourable for conviction managers with stock selection holding the key to attractive returns.

*Smith & Williamson Investment Management Limited –
Investment Advisor*

25th May 2011

Custodian Report

In our opinion, the Manager of the Company, Close International Asset Management Limited, has in all material respects managed the Company for the period ended 26th April, 2011 in accordance with the provision of the principal documents and the Collective Investment Schemes (Unclassified Funds) (Prospectuses) (Jersey) Order, 1995.

*BNP Paribas Securities Services Trust Company
(Jersey) Limited
as Custodian of
Close International Equity Growth Fund Limited
Date: 7th July 2011*

Financial Statement

Statement of Total Return

for the period from 28th April 2010 to 26th April 2011
(incorporating the Revenue Account of the Company)

		Period from 28-Apr-10 to 26-Apr-11	Period from 28-Apr-10 to 26-Apr-11	Period from 28-Apr-10 to 26-Apr-11	Year from 01-May-09 to 27-Apr-10	Year from 01-May-09 to 27-Apr-10	Year from 01-May-09 to 27-Apr-10
Note	£	£	£	£	£	£	£
	Revenue	Capital	Total	Revenue	Capital	Total	
Gains on investments:-							
Realised	–	1,834,415	1,834,415	–	597,815	597,815	
Unrealised	–	755,009	755,009	–	2,967,507	2,967,507	
Exchange loss	–	(25,178)	(25,178)	–	(8,400)	(8,400)	
Gross Revenue	4	314,891	–	314,891	198,817	–	198,817
		314,891	2,564,246	2,879,137	198,817	3,556,922	3,755,739
Expenses of Management	5	(392,089)	–	(392,089)	(272,089)	–	(272,089)
Financial costs (dividends)	3	(78,941)	–	(78,941)	(54,647)	–	(54,647)
Net surplus/(deficit) attributable to participating shareholders		(156,139)	2,564,246	2,408,107	(127,919)	3,556,922	3,429,003
Brought forward		(437,860)	9,931,171	9,493,311	(309,941)	6,374,249	6,064,308
Carried forward		(593,999)	12,495,417	11,901,418	(437,860)	9,931,171	9,493,311
Return/(Deficit) per share	10	£(0.054)	£1.793	£1.739	£(0.066)	£3.192	£3.127

The Revenue column of this statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

There are no unrecognised gains/losses for the year other than the net increase in amounts due to shareholders' from investing activities.

The notes on pages 9 to 17 form an integral part of these Financial Statements.

Financial Statement

Balance Sheet

as at 26th April 2011

	Note	26-Apr-11 £	27-Apr-10 £
Financial Assets at fair value through profit or loss			
Investments	9	20,654,742	13,582,138
Total Non Current Assets		20,654,742	13,582,138
Current Assets			
Cash and deposits		2,276,548	1,256,657
Debtors and income receivable		84,660	163,785
Total Current Assets		2,361,208	1,420,442
Total Assets		23,015,950	15,002,580
Current Liabilities			
Creditors and accrued liabilities		200,939	156,067
Total Current Liabilities		200,939	156,067
Net assets attributable to participating shareholders	6	£22,815,011	£14,846,513
Net assets per participating share		£13.79	£12.18

The notes on pages 9 to 17 form an integral part of these Financial Statements.

The Financial Statements on pages 6 to 17 were approved by the Board on 8th July 2011 and signed on its behalf by:

B.R. Ehrlich, Director
S.J. Dowling, Director

Financial Statement

Statement of Movement in Net Assets

for the period from 28th April 2010 to 26th April 2011

	26-Apr-11 £	27-Apr-10 £
Investments		
Realised gain on sale of investments	1,834,415	597,815
Unrealised gains	755,009	2,967,507
Exchange loss	(25,178)	(8,400)
Total capital (losses)/gains	2,564,246	3,556,922
Other Net Assets		
Proceeds from issue of participating shares	8,088,826	5,072,726
Paid on redemption of participating shares	(2,528,435)	(1,747,112)
Net cash received/(paid) on net shares issued	5,560,391	3,325,614
Movement in revenue reserves	(156,139)	(127,919)
Net movement in net assets	7,968,498	6,754,617
Net assets at beginning of the period	14,846,513	8,091,896
Net assets at end of period	22,815,011	14,846,513
Proceeds from sale of investments	(8,976,334)	(5,632,992)
Cost of Investments purchased	13,459,514	8,822,402

The notes on pages 9 to 17 form an integral part of these Financial Statements.

Notes to the Financial Statements at 26th April 2011

1. Principal Accounting Policies

Accounting Convention and Compliance with Accounting Standards

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010 ('the IMA SORP 2010'), except for the requirement to disclose a Total Expense Ratio and generally accepted accounting practice in the Island of Jersey incorporating United Kingdom accounting standards. The Directors, having given careful consideration to the relevance of including a note to the accounts relating to the Portfolio Turnover and Total Expense Ratio have resolved to exclude these notes. Fees, charges and expenses associated with the operating costs for the Company are fully disclosed in the Prospectus. In addition, the Statement of Total Return discloses the Expenses of Management over the Reporting Period. The Statement of Movement in Net Assets shows the total value attributable to i) proceeds from sale of investments and ii) cost of investments purchased. The Directors are of the opinion that this information, in conjunction with the other key financial data included in the financial statements provides adequate transparency and gives shareholders coherent and sufficient data for the financial period.

The accounts have been prepared on a going concern basis. The Directors believe that this basis is appropriate as the Company has significant net assets, minimal creditors and is not dependent on any external finance or support from other group companies and is expected to continue to operate profitably in the foreseeable future.

The financial statements are presented in Pounds Sterling as this is the focus of the Companies Investment Strategy, in accordance with the offering Prospectus. Therefore pounds sterling is the functional and presentation currency of the Company.

The Company was admitted to the Official List of the Channel Islands Stock Exchange on 15th June 2009.

Investments

All the Company's investments have been designated at fair value through profit or loss in compliance with the requirement of the SORP for Authorised funds, issued by the Investment Management Association.

Quoted investments are initially recognised at fair value being the transaction price excluding directly attributable transaction costs. Quoted investments are subsequently valued at bid price on the relevant stock exchange. Unquoted investments are subsequently valued at net asset valuation of the investments provided periodically by the underlying fund managers.

All investment purchases and sales of financial assets are recognised at trade date i.e. the date that the Company commits to the purchase/sale of the financial asset. Investment purchases and sales are purchases and sales that require delivery of assets within the timeframe generally established by regulation or convention in the market place.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Total return on fair value through gains on investments' and are recognised in the Capital Reserves. The market value of the investments is based on the bid value at the close of business on the 26th April 2011.

Notes to the Financial Statements at 26th April 2011 (continued)

1. **Principal Accounting Policies (continued)**

Income

The Company accounts for income arising on its investments on an effective yield basis, income being taken on the ex-dividend date. Income from deposits is accrued on a weekly basis.

Foreign Currencies

Transactions denominated in foreign currencies are recorded in the functional currency at the actual exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or in the revenue account depending on whether the gain or loss is of a capital or revenue nature respectively.

Share Premium

The capital content of the premium on redemption of the Company's shares is charged to the share premium account. Should the share premium account be fully utilised, premiums on redemption will be charged against the realised capital reserves.

Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Distributions on these shares are recognised in the Statement of Total Return as finance costs.

Equalisation

The Company does not maintain an equalisation account.

Cash Flow Statement

The Company is exempt from the requirement to prepare a cash flow statement as it meets the conditions for exemption as stated in Financial Reporting Standard Number 1.

Taxation

Effective from 1st January 2009, the States of Jersey have implemented a new corporate tax regime that replaces the Jersey exempt company regime. Under the new "0/10" tax system, most companies regardless of ownership structure (which includes Close International Equity Growth Fund Limited), are levied a standard rate of corporation tax of 0% (prior to 1st January 2009, a £600 annual exempt company fee was payable to obtain Jersey exempt company status). A 10% tax rate is applicable to a restricted sector of Jersey financial services companies, such as banks and trust companies.

2. **Share Capital**

Share capital	
The authorised Share Capital of the Company is:	£
5,000 Management Shares of £1 each	5,000
24,500,000 Unclassified Shares of 1p each	245,000
	£250,000

Unclassified Shares may be issued as Participating Redeemable Preference Shares ("Participating Shares") or as Non-Participating Redeemable Second Preference Shares ("Second Preference Shares"). Participating Shares may be issued and redeemed at prices based on the net asset value of the Company calculated at each valuation date in accordance with procedures set out in the Articles of Association of the Company. The nominal amount of Participating Shares may be redeemed out of the issue of Second Preference Shares of 1p. Second Preference Shares are subscribed and paid for by the Manager and may be converted to Participating Shares upon the payment of the appropriate premium.

Second Preference Shares have been issued to the Manager at par and the proceeds are represented by a separate management fund. Details of the management fund at the balance sheet date and the previous balance sheet date were as follows:

£	
Current account	
Nil Second Preference Shares of £0.01 each	Nil

Second Preference Shares

The Second Preference Shares of £0.01 par value are non-participating Redeemable Preference Shares and are issued for the purpose of providing funds for the redemption of the nominal value of Participating Shares. They can only be issued at par and, in practice, only to the Manager. In a winding up, they rank for return of their paid-up value after the Participation Shares and in priority to the Management Shares, but have no rights to any further participation in the surplus assets of the Company and no recourse to assets of the Company. A holder is entitled, on a show of hands, to one vote in respect of all Second Preference Shares held by him, irrespective of the number held. However, the holders of the Second Preference Shares are not entitled to vote on a poll.

Notes to the Financial Statements at 26th April 2011 (continued)

2. **Share Capital (continued)**

The Manager has undertaken to subscribe for Second Preference Shares to provide for the redemption of the nominal value of the Participating Shares.

Management Shares

The Management Shares were created to comply with Jersey Company Law, under which there must be a class of non redeemable shares in issue in order that the participating shares of £0.01 may be redeemable. The

Management Shares at £1 par value are not redeemable and in accordance with the Articles of Association are owned by the Manager or its nominee.

At a general meeting every holder of Management Shares is entitled on a show of hands to one vote and on a poll to one vote in respect of each Management Share held. On a winding up the Management Shares rank only for a return of paid up capital after the return of nominal capital on the Participating Shares and Nominal Shares.

	Period to 26-Apr-11 £	Year to 27-Apr-10 £
The issued Share Capital of the Company is:-		
a) Manager's Shares		
In issue during the period	1,000	1,000
	Shares	Shares
b) Participating Shares		
Opening Balance	1,219,112	894,503
Issued during the period	630,694	484,479
Redeemed during the period	(195,356)	(159,870)
Closing Balance	1,654,450	1,219,112
c) Nominal Shares		
Opening Balance	–	206,307
Issued during the period/year	–	–
Redeemed during the period/year	–	(206,307)
Closing Balance	–	–

The nominal shares have a closing balance of zero at 26th April 2011 due to the large net issues of Participating Shares during the period.

3. **Dividends**

	£78,941	£54,647
--	---------	---------

The Company declared a dividend due to shareholders at a rate of 5.0p per share (2010: 4.5p per share). There were 1,578,854 shares in issue on the register on 1st February 2011 and the dividend was paid on the 25th February 2011. (2010: 1,214,397 shares in issue)

Notes to the Financial Statements at 26th April 2011 (continued)

4. **Gross Revenue**

	Period to 26-Apr-11 £	Period to 27-Apr-10 £
Deposit interest	483	882
Investment income	300,402	190,654
Trail commission	14,006	7,281
	£314,891	£198,817

5. **Expenses of Management**

Fund administration (note 7)	31,982	20,800
General	35,701	38,370
Audit fee	14,245	7,000
Custodian fees and expenses (note 7)	19,072	10,847
Directors' fee	16,961	16,790
Management fee (note 7)	274,128	178,282
	392,089	272,089

6. **Net assets attributable to shareholders**

	Management			Revenue	Capital	Total
	Share Capital £	Share Capital £	Share Premium £	Reserves £	Reserves £	£
Balance as at 28th April 2010	1,000	12,191	5,340,011	(437,860)	9,931,171	14,846,513
Shares issued during the year	–	6,307	8,082,519	–	–	8,088,826
Shares redeemed during the year	–	(1,954)	(2,526,481)	–	–	(2,528,435)
Movement in Capital reserves	–	–	–	–	2,564,246	2,564,246
Movement in Revenue reserves	–	–	–	(156,139)	–	(156,139)
Balance as at 26th April 2011	1,000	16,544	10,896,049	(593,999)	12,495,417	22,815,011

	Management			Revenue	Capital	Total
	Share Capital £	Share Capital £	Share Premium £	Reserves £	Reserves £	£
Balance as at 1st May 2009	1,000	8,945	2,017,643	(309,941)	6,374,249	8,091,896
Shares issued during the year	–	4,845	5,067,881	–	–	5,072,726
Shares redeemed during the year	–	(1,599)	(1,745,513)	–	–	(1,747,112)
Movement in Capital reserves	–	–	–	–	3,556,922	3,556,922
Movement in Revenue reserves	–	–	–	(127,919)	–	(127,919)
Balance as at 27th April 2010	1,000	12,191	5,340,011	(437,860)	9,931,171	14,846,513

7. Related Party Transactions

Mr R. Griffith is a Director of both the Company and Smith & Williamson Investment Management Limited, which provides discretionary investment management under an Investment Management Agreement dated 16th February 2005. Fees payable to Smith & Williamson Investment Management Limited are borne by Close International Asset Management Limited. Mr S.J. Dowling and Mr R. Cowley are Directors of Close International Asset Management Limited which provides fund management services to the Company under an agreement dated 22nd February 1988. Fees paid under this agreement are included in the Management fee expense in note 5. Balance outstanding at 26th April 2011 was £25,705 (27th April 2010: £17,148).

The Administrator is entitled to be paid an annual fee of 0.175% of the net asset value of the Company plus £12 per annum per Shareholder (as a Registrar's fee). The Administrator is also entitled to reimbursement of out-of-pocket expenses.

Similarly the Custodian is entitled to be paid an annual fee of 0.045% of the net asset value of the first £30 million and 0.025% thereafter. The Custodian is also entitled to reimbursement of out-of-pocket expenses.

The Manager is entitled to be paid an annual fee of 1.5% of the net asset value of the Company. The Manager is also entitled to reimbursement of out-of-pocket expenses.

8. Risk Management

The investment objectives of the Company are set out in the Director's Report. The principal risk to which the Fund is exposed is market risk including currency, interest rate and price risks.

(a) Currency risk

The Company has some assets denominated in currencies other than sterling, and their value may be affected by currency movements. The exposure to currency risk at the period end is detailed in the table on page 14.

(b) Liquidity risk

The Company may borrow for short term liquidity management purposes. There were no such borrowings at the balance sheet date.

The Company invests mostly in highly liquid listed investments.

(c) Interest rate profile

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financial position and cash flows. The Risk Management table on the following page summarises the Company's exposure to interest rate risks.

(d) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. All transactions in listed securities are settled/paid for upon delivery using approved brokers. Therefore the risk of default is considered minimal since the delivery is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The maximum extent of the Company's exposure to credit risk in respect of the financial assets is equal to the carrying value as recorded in the Company's balance sheet.

The Company has a concentration risk by holding all cash and cash equivalents with BNP Paribas Securities Services Trust Company (Jersey) Limited with an AA credit rating, who is also the Custodian of all the investment holdings.

(e) Market price risk

The Company's equity securities are susceptible to market price risk arising from uncertainties in the future prices of the instruments.

The Company manages this risk through its investment restriction policy whereby assets held are subject to certain restrictions. A detailed listing of all investment securities at 26th April 2011 is included in note 9.

Notes to the Financial Statements at 26th April 2011 (continued)

8. Risk Management (continued)

As at 26th April 2011

	Total	Floating rate financial instruments	Financial instruments on which no interest is paid
	£	£	£
Sterling	19,287,443	2,275,630	17,011,813
Euro	1,506,385	(12)	1,506,397
Australian Dollars	368,608	945	367,663
South African Rand	4	4	–
Canadian Dollars	1,652,590	–	1,652,590
Norwegian Krona	(5)	(5)	–
United States Dollars	(14)	(14)	–
Balance as at 26th April 2011	22,815,011	2,276,548	20,538,463

As at 27th April 2010

	Total	Floating rate financial instruments	Financial instruments on which no interest is paid
	£	£	£
Sterling	13,154,961	1,256,669	11,898,292
Euro	248,660	(13)	248,673
Australian Dollars	680,999	2	680,997
South African Rand	39	39	–
Canadian Dollars	761,899	–	761,899
Norwegian Krona	(45)	(45)	–
Balance as at 27th April 2010	14,846,513	1,256,652	13,589,861

Notes to the Financial Statements at 26th April 2011 (continued)

9. The Investment Portfolio at 26th April 2011

Holding	Security	Market Value (bid) £	% of Portfolio
Australia (27/04/10: 4.59%)			
67,500	Atlas Iron Limited NPV	160,788	0.70%
250,000	Discovery Metals NPV	206,875	0.91%
		367,663	1.61%
Brazil (27/04/10: 2.80%)			
		–	–
Bermuda (27/04/10: Nil %)			
75,000	Aquarius Platinum Limited	260,850	1.14%
		260,850	1.14%
Canada (27/04/10: 5.13%)			
17,500	Goldcorp Incorporated Company NPV	579,295	2.54%
20,000	Encana Corporation	392,937	1.72%
35,000	Kinross Gold Corporation Company NPV	323,359	1.42%
15,000	Silver Wheaton Corporation Company NPV	356,998	1.56%
		1,652,589	7.24%
Germany (27/04/10: 1.67%)			
8,000	Bayer AG NPV	405,865	1.78%
3,500	Volkswagen AG NPV	376,542	1.65%
		782,407	3.43%
Guernsey (27/04/10: Nil %)			
350,000	Raven Russia Limited	242,375	1.06%
353,650	Mariana Resources Limited	91,507	0.40%
115,000	Resolution Limited NPV	337,985	1.48%
		671,867	2.94%
Japan (27/04/10: 1.88%)			
65,000	Kubota Corporation NPV	362,711	1.59%
		362,711	1.59%
Jersey (27/04/10: NIL %)			
50,000	Kentz Corporation Limited	225,125	0.99%
		225,125	0.99%
Netherlands (27/04/10: NIL %)			
25,000	New World Resources NPV	254,750	1.12%
		254,750	1.12%
Singapore (27/04/10: NIL %)			
216,355	Treasury China Trust NPV	200,473	0.88%
		200,473	0.88%
United Kingdom (27/04/10: 63.30%)			
35,000	Amec Plc	410,200	1.80%
75,000	Anglo Pacific Group	235,425	1.03%
100,000	Aviation Plc	117,750	0.52%
100,000	Aviva Plc	438,100	1.92%
75,000	Babcock International Group Plc	477,000	2.09%
150,000	Balfour Beatty Plc	489,150	2.14%
35,000	BG Group Plc	537,075	2.35%
20,000	Croda International Plc	361,600	1.58%
140,000	Faroe Petroleum	248,850	1.09%
90,000	Fenner Plc	334,710	1.47%
175,000	G4S Plc	491,400	2.15%

Notes to the Financial Statements at 26th April 2011 (continued)

9. The Investment Portfolio at 26th April 2011 (continued)

Holding	Security	Market Value (bid) £	% of Portfolio
United Kingdom (continued)			
38,355	Genus Plc	383,166	1.68%
150,000	GKN Plc	324,300	1.42%
42,500	Glaxosmithkline Plc	535,500	2.35%
556,320	Horizonte Minerals	125,172	0.55%
50,000	HSBC Holdings Plc	329,750	1.45%
40,000	Hunting Plc	316,800	1.39%
70,000	Inmarsat Plc	425,250	1.86%
140,000	International Power Plc	453,600	1.99%
300,000	Iofina Plc	89,250	0.39%
22,500	Johnson Matthey Plc	438,075	1.92%
650,000	Lloyds Banking Group Plc	392,470	1.72%
85,000	London Mining Plc	364,438	1.60%
70,000	National Grid Plc	424,550	1.86%
351,779	Patagonia Gold Plc	151,265	0.66%
35,000	Pearson Plc	399,000	1.75%
50,000	Pennon Group	323,500	1.42%
25,000	Plant Health Care Plc	13,438	0.06%
200,000	Polar Capital Holdings Plc	286,500	1.26%
125,000	Polar Capital Technology Trust	461,125	2.02%
20,000	Premier Oil Plc	400,000	1.75%
75,000	Reed Elsevier Plc	394,125	1.73%
200,000	Shanks Group	232,200	1.02%
100,000	Tesco Plc	406,650	1.78%
22,500	The Weir Group Plc	426,600	1.87%
425,000	Trap Oil Group Plc	175,313	0.77%
27,500	Tullow Oil Plc	398,474	1.75%
20,000	Unilever Plc	397,400	1.74%
20,000	Xstrata Plc	309,900	1.36%
		13,519,071	59.26%
Funds			
Global (27/04/10: 7.74%)			
80,000	Blairmore Holdings Incorporated*	643,953	2.82%
500,000	GLG Partners Investments Japan Corealpha	417,850	1.83%
260,000	Utilico Emerging Markets Utilities Limited	415,350	1.82%
		1,477,153	6.47%
European (27/04/10: 1.80%)			
15,000	Findlay Park US Smaller Companies Funds Plc	469,240	2.06%
		469,240	2.06%
Far East (27/04/10: 2.58%)			
1,251	Veritas Funds Plc – Asian Fund	410,843	1.80%
		410,843	1.80%
Specialist (27/04/10: NIL%)			
30,000	PMG Eagle Fund (suspended)	–	–
Total Securities		20,654,742	90.53%
Cash and other Net Assets		2,160,269	9.47%
Total Net Assets		22,815,011	100.00%

The investment portfolio is valued using market prices as at close of business on 26th April 2011.

*=Unlisted Investments.

Notes to the Financial Statements at 26th April 2011 (continued)

10. Reconciliation of the return/(deficit) per share

	Year to 26-Apr-11 £ Revenue	Year to 26-Apr-11 £ Capital	Year to 26-Apr-11 £ Total	Year to 27-Apr-10 £ Revenue	Year to 27-Apr-10 £ Capital	Year to 27-Apr-10 £ Total
Net return attributable to participating shareholders	(156,139)	2,564,246	2,408,107	(127,919)	3,556,922	3,429,003
Add Back – Distributions	78,941	–	78,941	54,647	–	54,647
	(77,198)	2,564,246	2,487,048	(73,272)	3,556,922	3,483,650
Weighted average number of shares	1,429,968	1,429,968	1,429,968	1,114,227	1,114,227	1,114,227
Return/(deficit) per share	(0.054)	1.793	1.739	(0.066)	3.192	3.127

11. Net Asset Value per Share

The published net asset values per share and the net asset values per share for the period ended 26th April 2011 were £13.79 and £13.79 respectively (period ended 27th April 2010 were £12.19 and £12.18 respectively).

12. Post Balance Sheet Events

Subsequent to the year end Close Brothers Group Plc agreed in principle to sell some of the offshore businesses to Kleinwort Benson subject to regulatory approval. This comprises the sale of private banking, fund administration, fund management, trust and asset management businesses across Jersey, Guernsey and Isle of Man as well as the wholly-owned shared service centre in Cape Town, South Africa. This will include Close International Asset Management Limited the Manager, Secretary and Registrar of the Company and Close Fund Services Limited as Administrator. The effective date of the transaction was 1st June 2011. This is likely to result in the name of the Close International Equity Growth Fund changing in line with Kleinwort Benson's strategy for the business.

There were no further material post balance sheet events.

Fund Features

Price and Dividend History

Year	Highest Offer Price	Lowest Bid Price	Dividends Paid
	£	£	p
1997	7.81	6.62	8.0
1998	8.45	6.06	7.0
1999	12.46	6.48	9.0
2000	12.81	9.79	7.5
2001	13.44	7.02	7.5
2002	8.71	5.79	4.0
2003	7.43	5.61	4.0
2004	7.95	5.61	4.0
2005	8.77	7.10	4.0
2006	11.38	8.02	4.0
2007	12.21	9.58	4.0
2008	12.78	10.75	4.0
2009	12.31	7.74	4.0
2010	12.26	8.79	4.5
2011	13.86	11.09	5.0

Net Asset History

Date	Net Assets	Participating Shares in Issue	Net Assets per Participating Share
	£		£
31st July 1996	8,154,608	1,242,145	6.56
30th January 1997	8,638,400	1,274,259	6.78
31st July 1997	8,618,540	1,258,609	6.85
20th January 1998	8,725,683	1,247,364	7.00
31st July 1998	8,527,308	1,169,090	7.29
28th January 1999	7,528,286	1,128,795	6.67
20th July 1999	8,033,294	1,003,272	8.00
27th January 2000	11,496,426	1,011,163	11.37
28th July 2000	10,975,970	1,011,766	10.85
1st February 2001	11,198,251	1,040,328	10.76
27th July 2001	8,834,549	1,012,096	8.61
31st January 2002	8,223,295	1,003,056	8.20
31st July 2002	6,552,672	990,557	6.61
30th January 2003	5,675,105	978,571	5.80
30th October 2003	6,581,842	970,307	6.78
28th April 2004	7,029,215	948,514	7.41
27th October 2004	6,920,666	949,627	7.29
30th April 2005	7,885,916	973,959	8.09
26th October 2005	9,105,768	988,046	9.21
30th April 2006	11,704,036	1,040,726	11.25
31st October 2006	11,095,147	1,029,840	10.77
26th April 2007	13,033,979	1,076,420	12.11
30th October 2007	13,443,646	1,092,069	12.31
30th April 2008	12,023,401	1,024,106	11.74
28th October 2008	7,870,500	998,250	7.88
30th April 2009	8,091,896	894,503	9.05
27th October 2009	12,736,543	1,141,940	11.15
27th April 2010	14,846,513	1,219,112	12.18
26th October 2010	18,238,148	1,301,905	14.01
26th April 2011	22,815,611	1,654,450	13.79

Please contact Simon Dowling if you would like more information on the Equity Growth Fund or other services of the Close Group of Companies in Jersey.

Independent Auditor's Report to the Members of Close International Equity Fund Limited

We have audited the financial statements of Close International Equity Growth Fund Limited for the period ended 26th April 2011 which comprise the Statement of Total Return, the Balance Sheet, the Statement of Movement in Net Assets and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Responsibility of the Directors Statement set out on page 3, the directors are 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 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 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 Annual 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.

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 26th April 2011 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; 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.

Christopher James Matthews, FCA
For and on behalf of
Ernst & Young LLP
Jersey, Channel Islands

12th July 2011

Close International Asset Management is a registered business name of Close International Asset Management Limited which is incorporated in Jersey and has its principal place of business at PO Box 373, Kingsgate House, 55 Esplanade, St. Helier, Jersey JE4 8UQ, Channel Islands. It is registered with the Jersey Financial Services Commission for investment business.

