

Close FTSE techMARK Fund

Annual Report & Financial Statements
for the year ended 31 March 2021 (audited)

Close FTSE techMARK Fund is a Unit Trust that aims to track the performance of the FTSE techMARK Focus Index.

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Investment Objective and Other Information

For the year ended 31 March 2021

Fund Objective and Policy

The Close FTSE techMARK Fund ("the Fund") aims to track the FTSE techMARK Focus Index "the Index".

The Fund will invest at least 80% in shares of companies included in the techMARK™ market, for the purpose of tracking the Index as closely as possible. As a tracker fund, the Fund is constrained by the Index. This means that the investment manager constitutes the portfolio of the Fund based on the companies included in the Index and generally may not invest in companies which are not included in the Index.

To the extent that the Fund is not fully invested in shares of companies which are included in the Index, the Fund may be invested in shares of companies which in the Manager's opinion are expected to become part of the Index.

In addition, where shares of companies needed to replicate the Index are not available, the Manager may invest in derivatives for the purpose of replicating the Index.

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Remuneration Policy (Unaudited)

In line with the requirements of the UCITS Directive, Close Asset Management (UK) Limited ("the Manager") has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed Remuneration £	Variable Remuneration £	Total Remuneration £	Headcount
Senior Managers	387,860	291,424	679,284	11
Other Risk Takers	627,150	496,276	1,123,426	6
Total	1,015,010	787,700	1,802,710	17

The variable remuneration disclosed in the table above is for the year ended 31 July 2020, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages. Consequently, it is not possible to apportion the variable award between calendar years as the award for 2021 cannot be known until after 31 July 2021 has passed.

Changes to the Fund

Effective 1 March 2021 the A Accumulation unit class was converted to X Accumulation class.

Authorised Status and Report of the Manager

Authorised Status

The Fund is an authorised scheme under the Financial Services and Markets Act 2000 ("the Act"). The date of authorisation was 26 October 1999. The scheme is classified as a UCITS Scheme.

Certification of Financial Statements by Directors of the Manager

This report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes ("COLL") Sourcebook.



I.P. Wallace (Director)



R.C.S. Smith (Director)
Close Asset Management (UK) Limited
23 July 2021

Investment Advisor's Report

Investment Performance

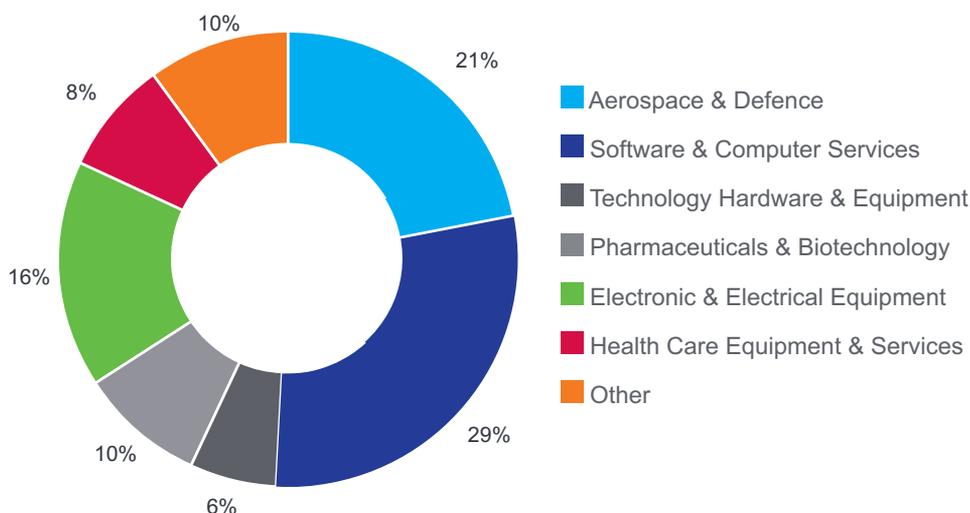
The Fund was launched at the start of November 1999 to coincide with launch of the techMARK market by the London Stock Exchange and of the FTSE techMARK 100 Index (since re-named the FTSE techMARK Focus Index). The Fund focuses on technology companies listed in the UK. However, on August 7 2019 a change has been made to change tracking the performance of the index in capital terms to total return terms. This however does not change how the fund is managed.

In the 12-month period to 31 March 2021, the Fund was up 40.6% while the index in total returns was slightly higher at 41.9%. Most of the performance difference between the Fund and the index is due to the valuation of the Fund using prices at 12:00 noon (Mid-day prices are used in Fund valuation to allow for daily dealing by investors), whilst the Index, which is not tradeable, uses end-of-day closing prices and is rebalanced quarterly. The tracking error of the Fund for the 12 months ending at 31 March 2021 was 1.8% on a monthly basis and 0.8% on a quarterly basis.

The Fund, whose objective was to track the performance of the FTSE techMARK Focus index in capital terms has now moved to tracking the same index in Total return terms. However, that does not change how the fund is actually managed by investing in the companies constituting this index. These companies are characterised by their involvement in technology and span sectors as diverse as biotechnology, telecommunications, and semiconductors. Market capitalisation of companies in the Fund ranges in size from £2 million to over £10 billion and the Index currently includes a number of stocks that are in the top 100 based on market capitalisation listed in London Stock Exchange.

The FTSE techMARK Focus Index consists of a variable number of stocks that fulfil the eligibility criteria and currently has 25 constituents. All of the companies have a full listing on the London Stock Exchange and the Fund may also invest in newly floated technology companies on a periodic basis, as the companies are added into the index.

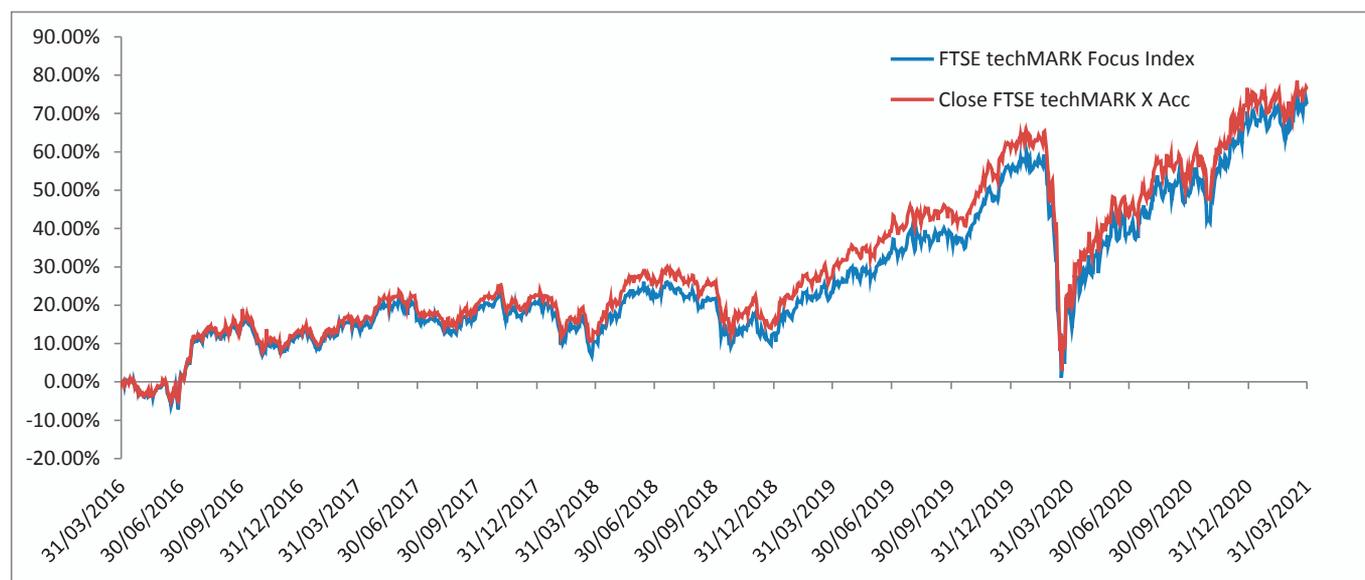
The Fund Sector Split for 31 March 2021



Investment Advisor's Report

continued

FTSE techMARK X Accumulation v FTSE techMARK Focus Index 5 Year Performance to 31 March 2021



Market review

The UK technology sector, as reflected by the FTSE techMARK Focus Index, had a strong performance and returned +41.9% in total return terms over the twelve months to the end of March. In contrast, UK broad market returned only +22.4% in total return terms over the same period.

The biggest movers in the index for the past twelve months were Xaar PLC with +597.6% while the second and third best performing stocks were Flutter Entertainment at 116.3% and BATM Advanced Communications at 115.6%. On the other hand the worst performing stock Smith and Nephew was down -1.9%. Over the period there was one merger and acquisition of the index constituent SDL, which was acquired by RWS holdings in November 2020.

At the end of the reporting period, there were 25 stocks in the Index, while there were 26 stocks at beginning of the reporting period due to the acquisition of SDL by a non-constituent. The FTSE techMARK index is rebalanced quarterly on the third Friday of March, June, September and December. Inclusions/ exclusions or weight changes to the Index, in accordance with the Index methodology, are implemented in the Fund according to the quarterly index rebalancing. At the quarterly rebalancing in June 2020 Triad Group PLC was removed and RM PLC was included thus keeping the number of constituents stable. There were no actions at the September 2020, December 2020 nor March 2021 rebalancing.

The Fund will continue to provide investors with diversified exposure to leading-edge UK technology companies. As the only UK authorised technology fund to follow a recognised index, the Fund is ideally positioned to capture structural changes in the technology market by placing greater weighting on winning companies and displacing companies in decline.

Please refer to the COVID-19 section on page 31 of the General Information.

Investment Advisor's Report

continued

Fund Performance

Performance for the Fund over the last five years.

	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019	Year to 31/3/2018	Year to 31/3/2017
Close FTSE techMARK X Accumulation	40.6%	(1.3)%	12.5%	(2.8)%	16.2%
FTSE techMARK Focus Total Return*	41.9%	(1.4)%	11.6%	(3.6)%	14.7%

	12 month trailing Dividend yield
FTSE techMARK Focus Total Return*	1.53%

Source: Produced by Close Asset Management (UK) Limited using Financial Express.

*Effective 7 August 2019 the benchmark for the Fund changed from FTSE techMARK Focus Capital Return to FTSE techMARK Focus Total Return.

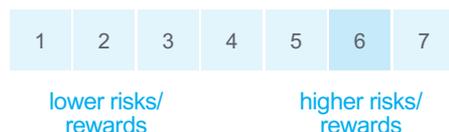
The percentage growth in prices is calculated using the published dealing price of units in the X Accumulation unit class (which may include a dilution adjustment to the mid-market value) in sterling with net revenue re-invested.

Units are priced on a single mid-market basis.

Risk and Reward Profile

The Fund currently has one type of unit class in issue; X Accumulation. The unit class has the risk and reward profile which is as follows:

Synthetic Risk and Reward Indicator ("SRRI")



The Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.

The SRRI table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data (the past 5 years), may change over time and may not be a reliable indication of the future risk profile of the Fund.

Past performance is not a reliable guide to future performance.

The lowest category does not mean risk free.

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

Effective from 1 July 2020, the synthetic risk and reward indicator for the Fund changed from 5 to 6.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Fund also carries the following risks:

Concentration risk: This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

Focus risk: The Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

Liquidity risk: In extreme market conditions, some securities held by the fund may become hard to value or sell. In these circumstances, performance may be affected and redemptions in the fund may need to be deferred or the fund suspended for a period of time.

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

Strategy risk: The Fund invest in technology companies which may be subject to greater price fluctuations than investments in other sectors. Rapid changes in technology and/or government regulation of technology use in certain countries may affect the value of the Fund's investments. The Fund may be less diversified than other investment funds.

A more comprehensive list of the Fund's risks are contained in the "Risk Factors" section of the Prospectus.

Comparative tables

For the year ended A Accumulation*	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	n/a	208.27	185.64
Return before operating charge	n/a	(1.18)	25.39
Operating charges	n/a	(3.21)	(2.76)
Return after operating charges	n/a	(4.39)	22.63
Distributions	n/a	(1.62)	(1.62)
Retained distributions on accumulation units	n/a	1.62	1.62
Closing net asset value per unit**	n/a	203.88	208.27
After direct transaction costs of*	n/a	(0.58)	(0.49)
Performance			
Return after charges	n/a	(2.11)%	12.19%
Other information			
Closing net asset value £'000	n/a	12,942	14,101
Closing number of units	n/a	6,347,534	6,770,837
Operating charges	n/a	1.37%	1.37%
Direct transaction costs*	n/a	0.25%	0.25%
Prices**			
Highest unit price	n/a	267.70	212.70
Lowest unit price	n/a	166.50	183.70

For the year ended X Accumulation	31/3/2021 pence per unit	31/3/2020 pence per unit	31/3/2019 pence per unit
Change in net assets per unit			
Opening net asset value per unit**	206.52	209.48	185.43
Return before operating charge	83.16	(1.37)	25.40
Operating charges	(1.72)	(1.59)	(1.35)
Return after operating charges	81.44	(2.96)	24.05
Distributions	(2.75)	(3.07)	(3.03)
Retained distributions on accumulation units	2.75	3.07	3.03
Closing net asset value per unit**	287.96	206.52	209.48
After direct transaction costs of*	(0.57)	(0.58)	(0.49)
Performance			
Return after charges	39.43%	(1.41)%	12.97%
Other information			
Closing net asset value £'000	43,781	20,311	22,035
Closing number of units	15,204,028	9,835,126	10,518,326
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs*	0.22%	0.25%	0.25%
Prices**			
Highest unit price	292.40	270.80	213.90
Lowest unit price	196.10	168.60	184.20

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Fund and unit class returns before operating charges.

**Opening and closing net asset value per unit figures are disclosed to 2 decimal places, whereas the highest and lowest unit prices are disclosed as 4 significant figures.

*A Accumulation unit class closed on 1 March 2021.

Portfolio statement

as at 31 March 2021

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
UNITED KINGDOM - 94.72% (31/3/20 - 96.42%)			
Aerospace & Defence - 20.78% (31/3/20 - 22.28%)			
779,118	BAE Systems	3,933	8.98
370,621	Meggitt	1,769	4.04
544,400	QinetiQ	1,720	3.93
82,660	Ultra Electronics	1,677	3.83
		9,099	20.78
Electronic & Electrical Equipment - 13.55% (31/3/20 - 13.51%)			
61,300	Dialight	160	0.36
96,000	Oxford Instruments	1,830	4.18
29,360	Renishaw	1,880	4.29
55,216	Spectris	1,837	4.20
159,905	Xaar	227	0.52
		5,934	13.55
Support Services - 1.26% (31/3/20 - 1.57%)			
128,700	Ricardo	552	1.26
Health Care Equipment & Services - 7.84% (31/3/20 - 9.60%)			
248,980	Smith & Nephew	3,431	7.84
Pharmaceuticals & Biotechnology - 9.83% (31/3/20 - 10.74%)			
73,805	Alizyme*	-	0.00
34,378	Genus	1,670	3.81
127,439	Oxford Biomedica	1,212	2.77
1,232,132	Vectura	1,422	3.25
		4,304	9.83
Travel & Leisure - 9.73% (31/3/20 - 7.68%)			
27,459	Flutter Entertainment	4,258	9.73
Software & Computer Services - 27.83% (31/3/20 - 27.06%)			
115,575	Aptitude Software	804	1.84
76,085	AVEVA	2,604	5.95
78,606	Computacenter	1,863	4.26
360,338	Micro Focus International	1,993	4.55
546,780	NCC	1,411	3.22
166,900	RM	359	0.82
513,868	Sage	3,148	7.19
		12,182	27.83

Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
715,805	Technology Hardware & Equipment - 3.90% (31/3/20 - 3.98%) Spirent Communications	1,707	3.90
	ISRAEL - 1.55% (31/3/20 - 1.07%)		
701,600	Technology Hardware & Equipment - 1.55% (31/3/20 - 1.07%) BATM Advanced Communications	679	1.55
	SINGAPORE - 3.37% (31/3/20 - 2.75%)		
31,400	Electronic & Electrical Equipment - 3.37% (31/3/20 - 2.75%) XP Power	1,476	3.37
	Portfolio of investments	43,622	99.64
	Net other assets	159	0.36
	Total net assets	43,781	100.00

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

*This is a delisted security and has been valued at the Manager's best assessment of its fair value.

Financial statements

Statement of total return

for the year ended 31 March 2021

	Notes	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Income					
Net capital gains/(losses)	3		12,458		(887)
Revenue	4	700		791	
Expenses	5	(366)		(376)	
Interest payable and similar charges	7	(1)		(2)	
Net revenue before taxation for the year		333		413	
Taxation	6	—		—	
Net revenue after taxation for the year			333		413
Total return before distributions			12,791		(474)
Distributions	8		(379)		(427)
Change in net assets attributable to unitholders from investment activities			12,412		(901)

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2021

	GBP £'000	Year to 31/3/2021 GBP £'000	GBP £'000	Year to 31/3/2020 GBP £'000
Opening net assets attributable to unitholders		33,253		36,136
Amounts received on creation of units	2,111		3,643	
Amounts paid on cancellation of units	(4,370)		(6,042)	
		(2,259)		(2,399)
Dilution adjustment		2		1
Change in net assets attributable to unitholders from investment activities		12,412		(901)
Retained distribution on accumulation units		373		416
Closing net assets attributable to unitholders		43,781		33,253

Financial statements

continued

Balance sheet

as at 31 March 2021

	Notes	GBP £'000	As at 31/3/2021 GBP £'000	GBP £'000	As at 31/3/2020 GBP £'000
ASSETS					
Fixed assets					
Investments			43,622		33,333
Current assets					
Debtors	9	486		143	
Cash and bank balances	10	—		143	
Total other assets			486		286
Total assets			44,108		33,619
LIABILITIES					
Creditors					
Bank overdrafts		(237)		—	
Other creditors	11	(90)		(366)	
Total other liabilities			(327)		(366)
Total liabilities			(327)		(366)
Net assets attributable to unitholders			43,781		33,253

Notes to the Financial statements

1. Accounting policies

a Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (changed to The Investment Association in January 2015) in May 2014 (the "SORP"), and amended in June 2017.

The Manager is confident that the Fund will continue in operation and be able to meet its liabilities as they fall due for at least the next twelve months from the approval of these financial statements. The Fund has adequate financial resources and its assets primarily consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis. No significant judgments, estimates or assumptions have been required in the preparation of the accounts for the current or preceding financial years.

b Revenue

Dividends on quoted ordinary shares are recognised when the investments are quoted ex-dividend.

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

In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

c Basis of valuation of investments

The investments are valued at their fair value, excluding accrued revenue, at close of business on the last business day of the accounting year. The fair value of non-derivative securities is the bid market price and the fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

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

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

d Foreign currencies

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

e Expenses

All expenses, other than those relating to the purchase and sale of investments are charged against revenue.

f Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent.

Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not disclosed to reflect the future value of money.

2. Distribution policies

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

The Fund Management Fee ("FMF") is charged to revenue and is deducted for the purposes of calculating the distribution.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution.

Notes to the Financial statements

continued

3. Net capital gains/(losses)

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
The net capital gains/(losses) on investments during the year comprise:		
Gains/(losses) on non-derivative securities	12,458	(887)
Net capital gains/(losses)	12,458	(887)

4. Revenue

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Overseas dividends	23	92
Stock dividends	44	—
UK dividends	633	699
Total revenue	700	791

5. Expenses

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Payable to the Manager associates of the Manager and agents of either of them:		
Fund Management Fee	366	376
	366	376

The audit fee for the year, was £7,000 (2020: £6,810).

Notes to the Financial statements

continued

6. Taxation

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
a) Analysis of taxation charge in year		
Overseas tax	—	—
Total taxation	—	—

b) Factors affecting taxation charge for the year

Total taxation differs from taxation assessed on net revenue before taxation as follows:

	GBP £'000	GBP £'000
Net revenue before taxation	333	413
Corporation tax at 20% (31/3/2020 - 20%)	67	83
Effects of:		
Movement in unrecognised tax losses	73	76
Revenue not subject to tax	(140)	(159)
Total taxation (see note 6(a))	—	—

Authorised unit trusts are not liable to corporation tax on capital gains arising on the disposal of investments or revaluation in the Fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

Effective 1 April 2022 the Corporation tax rate will change to 19%.

c) Provision for deferred tax

At 31 March 2021 there is a potential deferred tax asset of £1,945,020 (31/3/2020 - £1,871,628) due to tax losses of £9,725,098 (31/3/2020 - £9,358,142). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (31/3/2020 - same).

Notes to the Financial statements

continued

7. Interest payable and similar charges

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interest	1	2
	1	2

8. Distributions

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

	Year to 31/3/2021 GBP £'000	Year to 31/3/2020 GBP £'000
Interim distribution	151	352
Final distribution	222	64
	373	416

Add: Revenue deducted on cancellation of units	11	23
Less: Revenue received on creation of units	(5)	(12)
Net distribution for the year	379	427

Reconciliation of distributions:

Net revenue after taxation	333	413
Equalisation on conversions	46	—
Shortfall taken to capital	—	14
Net distribution for the year	379	427

9. Debtors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued revenue	124	33
Amounts receivable on unit repurchase	—	32
Overseas withholding tax	23	33
Receivable for creation of units	52	45
Sales awaiting settlement	287	—
Total debtors	486	143

10. Cash and bank balances

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Cash and bank balances	—	143

Notes to the Financial statements

continued

11. Other creditors

	As at 31/3/2021 GBP £'000	As at 31/3/2020 GBP £'000
Accrued expenses	25	27
Payable for cancellation of units	65	149
Purchases awaiting settlement	—	190
Total other creditors	90	366

12. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2020 - £nil).

13. Financial instruments and derivatives

Fund risk profile

In pursuing the Fund's objective, the Manager manages the assets and liabilities of the Fund through a range of investments. Any such commitments entered into are through counterparties approved by the Manager's Board of Directors, and the majority are transacted through recognised exchanges and clearing houses.

Risk profile

The risks to which the Fund is exposed, and the approach taken to manage them, are as follows:

Market risk

Investors are reminded that notwithstanding the investment objectives of the Fund, the price of units in the Fund, and the revenue from it, may go down as well as up and is not guaranteed. Investment in the Fund should be regarded as a long-term investment and unitholders should be willing to accept some risk to their capital. Unit holders should therefore not invest money in units in the Fund that they may require in the short term.

Currency risk

The Fund may hold some investments which are denominated in currencies other than sterling. Movements in foreign exchange rates may positively or adversely impact the value of such investments and therefore, the value of units.

Liquidity risk

This is the risk that the Fund may not have sufficient cash, or the ability to raise additional cash through the sale of underlying investments, in order to meet redemption requests. The Fund has limited temporary borrowing powers. The Fund holds cash and readily realisable securities. The Manager monitors the cash position and the level of redemption requests so as to minimise the liquidity risk which may arise. Furthermore, the underlying investments of the Fund may be subject to liquidity constraints, therefore affecting the ability of the Fund to realise the investments. This, in turn, may affect the ability of the Fund to raise cash to meet requests for the redemption of units.

Counterparty and credit risk

This is the risk of suffering loss due to another party not meeting its financial obligations. One source of this risk for a Fund is where counterparties to any trade fail to meet their transaction commitments. The Fund only buys and sells investments with brokers which have been approved by the Manager as an acceptable counterparty. In addition, limits are set on the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly. It is possible for a problem to arise both on exchange traded and over the counter transactions.

In addition, if any of the issuers of the securities held within a Fund become less financially secure, this could reduce the value of the security and hence the value of units in the Fund.

If a Fund's cash is deposited with any financial institution which becomes insolvent or suffers other financial difficulties, the full deposit may not be returned. This would mean that unitholders would not get back the full value of their investment. The Fund is not currently eligible to claim under the UK's Financial Services Compensation Scheme for monies on deposit with defaulting deposit takers.

Notes to the Financial statements

continued

13. Financial instruments and derivatives continued

Valuation risk

The Fund offers a pooled vehicle whereby investors gain exposure through a holding of units in the Fund, gain exposure to the return from the underlying portfolio of the Fund. With a view to achieving fair unit pricing, the value of units is calculated in sterling on a forward pricing basis (i.e. reference to the next following valuation after dealing instructions are agreed) at 12:00 noon London time of each Dealing Day (i.e. any Business Day with the exception of 24 and 31 December or any other day at the Manager's discretion as notified to unitholders). Investors should note, however, that unit pricing is not an exact science. For certain scheme property, our best estimate of a fair and reasonable market value may prove to be incorrect.

For other investments, use of a market price may prove to be generally appropriate. If there is a risk of divergence of unit prices from a fair value of the underlying assets, we would monitor this and would seek to take appropriate action to minimise dilution to the Fund, with a view to balancing the interests of incoming, outgoing and remaining investors.

Segment and index exposure risk

The Fund will invest in the companies comprising the FTSE techMARK Focus Index. These companies are representative only of a number of sectors within the main markets of the London Stock Exchange (LSE), therefore they are subject to a less diversified range of economic or market risks, meaning that the movements in the values of their securities may be similarly affected by the same economic or market factors. Since the Fund has a more focused approach, it may be more risky than a fully diversified portfolio. However, the range of stocks within the Index reduces the impact that any single stock can have on the entire portfolio.

The techMARK™ market is a segment of the LSE's main market designed for companies at the forefront of innovative research and product development. The FTSE techMARK Focus Index represents the top companies of the FTSE techMARK. All-Share that fulfil all the relevant eligibility criteria, including the requirement to be under £4billion by full market capitalisation when first included. Therefore it excludes stock of very large companies, and also the performance of such companies.

Derivatives

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

Sensitivity analysis

a) Market risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £4,362,000 (31/3/2020 - £3,333,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £4,362,000 (31/3/2020 - £3,333,000). These calculations have been applied to non-derivative securities only (see below for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

b) Currency risk

If sterling to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £3,000 (31/3/2020 - £3,000). If sterling to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £2,000 (31/3/2020 - £4,000). These calculations assume all other variables remain constant.

c) Interest rate risk

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Leverage

The Fund did not employ significant leverage during the year (31/3/2020 - same).

Notes to the Financial statements

continued

13. Financial instruments and derivatives continued

Foreign currency risk

The Fund may hold some investments which are denominated in currencies other than sterling. Movements in foreign exchange rates may positively or adversely impact the value of such investments and therefore, the value of units.

The currency profile for the net assets at 31 March 2021 was as follows:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Euro	—	23	23
Total	—	23	23

The currency profile for the net assets at 31 March 2020 was as follows:

	Net foreign currency assets		Total GBP £'000
	Monetary exposures	Non-monetary exposures	
	GBP £'000	GBP £'000	
Euro	—	33	33
Total	—	33	33

Interest rate risk

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

The interest rate risk profile of financial assets and liabilities at 31 March 2021 was as follows:

	Floating Rate Investments	Fixed Rate Investments	Non Interest Bearing Investments	Total GBP £'000
	GBP £'000	GBP £'000	GBP £'000	
	Investment assets	—	—	
Investment liabilities	—	—	—	—

The interest rate risk profile of financial assets and liabilities at 31 March 2020 was as follows:

	Floating Rate Investments	Fixed Rate Investments	Non Interest Bearing Investments	Total GBP £'000
	GBP £'000	GBP £'000	GBP £'000	
	Investment assets	—	—	
Investment liabilities	—	—	—	—

Notes to the Financial statements

continued

13. Financial instruments and derivatives continued

Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£'000	£'000
31/3/2021		
Level 1: Quoted prices	43,622	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	43,622	—
31/3/2020		
Level 1: Quoted prices	33,333	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	33,333	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation Techniques

Valuation techniques using observable market data

Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable market data should be observable for substantially the full term of the instrument. Typically this category will include over-the-counter instruments (OTC), instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject fair value pricing adjustments made by reference to observable market data. Examples include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and less frequently traded open-ended funds.

Valuation techniques using non-observable data

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

Where assets are subject to administration or orderly realisation processes, the Manager may adjust the price to reflect what he considers a more realistic value in the circumstances. The rationale and pricing method is agreed with the Trustee and monitored frequently.

Notes to the Financial statements

continued

14. Portfolio transaction costs

Year to 31 March 2021

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	13,146	7	0.05	74	0.56
Total	13,146	7		74	
Total purchases including commission and taxes	13,227				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	16,340	8	0.05	—	—
Total	16,340	8		—	
Total sales net of commissions and taxes	16,332				
Total transaction costs		15		74	
Total transaction costs as a % of average net assets		0.04%		0.18%	

Year to 31 March 2020

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	16,989	8	0.05	84	0.49
Total	16,989	8		84	
Total purchases including commission and taxes	17,081				
Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	18,864	6	0.03	—	—
Total	18,864	6		—	
Total sales net of commissions and taxes	18,858				
Total transaction costs		14		84	
Total transaction costs as a % of average net assets		0.04%		0.21%	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions and taxes etc) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread was 0.20% (31/3/2020 - 0.28%).

Notes to the Financial statements

continued

15. Related party transactions

Close Asset Management (UK) Limited, is regarded as a controlling party by virtue of having the ability to act in respect of all operations and transactions in the Fund.

Close Asset Management (UK) Limited, a related party, acts as principal on all transactions of shares in the Fund. The aggregate monies received through creations and paid through cancellations are disclosed in the Statement of change in net assets attributable to shareholders and note 8. Amounts due to/from Close Asset Management (UK) Limited in respect of share transactions at the year end are disclosed in the balance sheet.

Amounts paid to Close Asset Management (UK) Limited in respect of the ACD's periodic charge are disclosed in note 5. The balance due from the Fund at the year end was £24,675 (31/3/2020 - £27,321).

The below table represents the percentage holding of the related party.

	Unit holding %	Related party name
Close FTSE techMARK Fund	3.87%	Lion Nominees Limited
	27.96%	FIL Nominee (Shareholdings) Limited

16. Unit movement

Year to 31 March 2021

	A Accumulation units*	X Accumulation units
Opening units	6,347,534	9,835,126
Units created	20,707	834,325
Units cancelled	(370,985)	(1,347,816)
Units converted	(5,997,256)	5,882,393
Closing units	—	15,204,028

Revenue available for allocation will be allocated between the unit classes based on the respective proportionate interests represented by those unit classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the comparative tables. All unit classes have the same rights on winding up.

*A Accumulation unit class closed on 1 March 2021

17. Post balance sheet events

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

Distribution tables

For the year ended 31 March 2021

Final dividend distribution in pence per unit

Group 1: units purchased prior to 1 October 2020

Group 2: units purchased between 1 October 2020 and 31 March 2021

	Net Revenue per Unit	Equalisation per Unit	Distribution Payable per Unit on 31/7/2021	Distribution Paid per Unit on 31/7/2020
A Accumulation*				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
X Accumulation				
Group 1	1.4606	—	1.4606	0.6473
Group 2	0.6124	0.8482	1.4606	0.6473

*A Accumulation unit class closed on 1 March 2021.

Interim dividend distribution in pence per unit

Group 1: units purchased prior to 1 April 2020

Group 2: units purchased between 1 April 2020 and 30 September 2020

	Net Revenue per Unit	Equalisation per Unit	Distribution Paid per Unit on 30/11/2020	Distribution Paid per Unit on 30/11/2019
A Accumulation				
Group 1	0.4492	—	0.4492	1.6181
Group 2	0.3092	0.1400	0.4492	1.6181
X Accumulation				
Group 1	1.2904	—	1.2904	2.4261
Group 2	0.9036	0.3868	1.2904	2.4261

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital; being capital it is not liable to Income tax but must be deducted from the cost of units for Capital Gains tax purposes.

Statement of Manager's Responsibilities

Statement of Manager's Responsibilities in relation to the Report and Financial Statements of the Fund

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("COLL") requires the Manager to prepare annual financial statements which give a true and fair view of the financial position of the Fund and of its revenue and expenses for the year. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements in accordance with generally accepted accounting principles and applicable accounting standards, including FRS 102 "The Financial Reporting Standard" applicable to the UK and Republic of Ireland and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (changed to The Investment Association in January 2015) ("IA") in May 2014, amended in June 2017, the COLL Sourcebook and the Trust Deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Fund will continue in operation.

The Manager is responsible for keeping such accounting and other records as are necessary to demonstrate that the financial statements as prepared comply with the above requirements and to take reasonable steps for the prevention and detection of fraud and other irregularities. The Manager is responsible for the management of the Fund in accordance with its Trust Deed and the COLL Sourcebook. The Manager is also responsible for the system of internal controls, for safeguarding the assets of the Trust.

In accordance with COLL 4.5.8BR, the Annual Report & Financial Statements were approved by the Board of Directors of the Manager of the Trust and authorised for issue on 23 July 2021.



I.P. Wallace (Director)

23 July 2021

Statement of the Trustee's Responsibilities and Report of the Trustee

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Close FTSE techMARK Fund ("the Trust") for the year ended 31 March 2021.

The Trustee in its capacity as Trustee of Close FTSE techMARK Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

For and on behalf of
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL
23 July 2021

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at One Canada Square, London E14 5AL. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent Auditor's Report

Independent auditor's report to the unitholders of Close FTSE techMARK Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Close FTSE techMARK Fund (the 'fund'):

- give a true and fair view of the financial position of the fund as at 31 March 2021 and of the net revenue and the net capital gains on the property of the fund for the period ended 31 March 2021; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related notes 1 to 17; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

continued

Responsibilities of trustee and manager

As explained more fully in the trustee's responsibilities statement and the manager's responsibilities statement, the trustee is responsible for the safeguarding the property of the fund and the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Collective Investment Scheme Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the fund's ability to operate or to avoid a material penalty. These include The Open-Ended Investment Companies Regulation 2001.

We discussed among the audit engagement team, including relevant internal specialists such as our Information Technology specialist, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments, and our specific procedures performed to address them are described below:

- obtained an understanding of the relevant controls at the administrator, The Bank of New York Mellon (International) Limited over the valuation and existence of investments;
- revaluing the fund's investment portfolio as at 31 March 2021, through independently obtaining prices for each investment held at the period end date; and
- agreed the fund's investment portfolio at the year end to the confirmation received directly from the depository, The Bank of New York Mellon (International) Limited.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report

continued

Extent to which the audit was considered capable of detecting irregularities, including fraud continued

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the period ended 31 March 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the fund's unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
27 July 2021

General Information

Launch date

4 November 1999

Accounting year end date

31 March

Fund Management Fee

The Fund pays a Fund Management Fee of 0.67% of the value of the Fund to the Manager for X Accumulation units. This is deducted from revenue (or capital if there is insufficient revenue).

Registration fees

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

Distributions

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

Any distributions made will be paid to unitholders on or before the next following 31 July or 30 November, where applicable.

Unit prices

Unit prices are calculated daily at 12 noon and all dealings are currently on a forward price basis.

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

Minimum investment and Individual Savings Account (ISA)

The minimum investment in the Fund is £1,000. The minimum additional investment is £1,000. In the case of regular savers the minimum amount is £250 per month for A Accumulation units. Unless all units are redeemed, redemptions are subject to a minimum of £1,000 in value. The Fund qualifies for ISA stock and shares investment.

Taxation of the unitholder

Unitholders who are resident or ordinarily resident in the UK for UK tax purposes may, depending on their circumstances, be liable to UK Capital Gains Tax on the disposal of their units.

An individual's first £12,300 of net gains on disposals in 2021/22 are exempt from UK Capital Gains Tax. Gains in excess of £12,300 are subject to tax at the Capital Gains tax rate of 10% where total taxable income and gains are £37,700 or below or at 20% on total taxable income and gains above this threshold. Capital Gains and Income Tax rates and reliefs are always subject to change. Special rules apply to institutional investors and trustees.

Dilution levy/price swing

The actual cost to the Fund of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the Fund. Under certain circumstances (where the net movement of purchases and redemptions by unitholders is greater than 1% of assets under management) this may have an adverse effect on the interests of unitholders generally. In order to prevent this effect, called 'dilution', the Manager has the power to charge a dilution levy/price swing on the sale and/or redemption of the units. The dilution levy/price swing will be applied at the outset and will be paid into and will become part of the Fund. The dilution levy/price swing for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfers.

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

General Information

continued

Prospectus and Key Investor Information Document

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

Risk warnings

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

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

Brexit risk

The UK left the European Union (EU) on 31 January 2020 and entered a transition period which lasted until 31 December 2020. Shortly before the end of the transition period, UK and EU negotiators succeeded in agreeing the terms of the future relationship, removing the risk of disruption that would have been associated with a no deal Brexit. This agreement is called the Trade and Cooperation Agreement. More recently, the UK Treasury and the EU Commission have agreed a Memorandum of Understanding (MoU) on financial services. The MoU is not a substitute for the passporting regime under EU regulation, however, it does provide a foundation for close collaboration, creating a forum for communication on future regulatory initiatives.

Whilst the UK's exit from the EU has resulted in regulatory changes for the UK fund industry, the activities of the Manager and the Investment Advisor are conducted from the UK with a focus on UK resident investors. The Fund has not been registered for sale in any other jurisdiction outside of the UK. There are no plans to change this business model. Any investor resident outside of the UK may wish to seek financial advice in respect of their investment in a fund.

Covid-19

From early in 2020, global financial markets experienced, and may continue to experience, significant volatility resulting from the spread of coronavirus, also known as COVID-19. The outbreak of this contagious disease has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. This has adversely affected the global economy, the economies of many nations and stock market performance generally, all of which has impacted Close Asset Management's Fund range.

The Manager has considered the COVID-19 impact on the financial resources and operations of these Funds, including their investment management and key service providers. The Manager remains of the opinion that all of the Funds have sufficient financial resources and robust business continuity plans in place to continue as a going concern.

Securities Financing Transactions

The European Regulation on Reporting and Transparency of Securities Financing Transactions requires exposure to securities financing transactions ("SFTs") and total return swaps to be disclosed in reports and financial statements. During the year to 31 March 2021 and at the balance sheet date, the Fund did not use SFTs or total return swaps.

General Information

continued

Value of units

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

The minimum price per unit at which you may realise your units will be determined by:

- i. Calculating the value on a single mid-market price basis of the proportion of the assets comprised in the property of the Fund equal to the proportion of those assets represented by one unit of the type concerned; and
- ii. Deducting an appropriate allowance for fiscal and sale charges.

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

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

Cancellation

If you invest in the Fund through a financial advisor, or after taking advice from an authorised intermediary, you have the right to cancel the agreement under the Financial Conduct Authority Conduct of Business Sourcebook Chapter 15.2 and you will be sent a cancellation notice. You may exercise your right to cancel by returning it to the Manager within 14 days. If you exercise this right, you will not get a full refund of the money you paid if the value of the investment falls before the cancellation notice is received by the Manager, because an amount equal to that fall in value will be deducted from any refund you would otherwise receive. Such a deduction will not be made from the first instalment paid into a regular savings scheme.

Customers dealing direct with the Manager are deemed to be execution-only customers and will have no rights of cancellation, as outlined above.

Assessment of Value

Close Asset Management (UK) Limited has published an Assessment of Value in respect of its funds, including the Close FTSE techMARK Fund, covering the reporting period.

The statement is available at www.closebrothersam.com/funds.

Directory

Manager

Close Asset Management (UK) Limited*

(Authorised and regulated by the Financial Conduct Authority)

Registered office: 10 Crown Place, London EC2A 4FT

Business address: 10 Crown Place, London EC2A 4FT

Correspondence address: PO Box 367, Darlington DL1 9RG

Telephone: Dealing only 0370 606 6402**

Directors

M. Andrew

S.H. Forrest

C.J. Parry

A.J. Sippetts

R.C.S. Smith

I.P. Wallace

Investment Advisor

Close Asset Management Limited*

(Authorised and regulated by the Financial Conduct Authority)

10 Crown Place London EC2A 4FT

Trustee

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

One Canada Square, London E14 5AL

Administrator & Registrar

The Bank of New York Mellon (International) Limited

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Capital House, 2 Festival Square, Edinburgh EH3 9SU

Independent Auditor

Deloitte LLP

Statutory Auditor

Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB

Useful information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund during the year and the results of those activities at the year end.

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

Copies of the report and financial statements are available free of charge on request at www.closebrothersam.com or by calling 0370 606 6452**.

*The Manager (Close Asset Management (UK) Limited) and the Investment Advisor (Close Asset Management Limited) are both subsidiaries of Close Brothers Group Plc. Authorised and regulated by the Financial Conduct Authority.

**Calls to these numbers may be recorded for monitoring and training purposes.

Close Brothers Asset Management

10 Crown Place
London
EC2A 4FT

www.closebrothersam.com

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of Close Brothers Group plc, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT.

VAT Registration No 245 5013 86.

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