

# Close Strategic Alpha Fund

Annual Report & Financial Statements  
for the year ended 31 March 2023

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Close Strategic Alpha Fund is an open-ended investment company, the objective of which is to provide capital growth.

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# Investment Objective and Other Information

For the year ended 31 March 2023

## Fund objective and policy

The investment objective of the Close Strategic Alpha Fund (the "Fund"/"Company") is to provide capital growth.

The Fund will hold at least 80% of its portfolio in equities, achieving this exposure through indirect investment in actively and passively managed collective investment schemes (which may include collective investment schemes managed by the Manager or by an affiliate of the Manager).

There may be occasions where the Manager considers that it is prudent, given market conditions, to maintain higher levels of liquidity in the Fund. In such circumstances, the Manager may hold up to 20% of the Fund in direct equities and other transferable securities, indirect fixed interest securities, money market instruments, deposits, cash and near cash.

The Fund may gain exposure to alternative asset classes, such as commodities, hedge funds, infrastructure, property and convertibles through investment in transferable securities.

The Fund is actively managed and the allocation to particular asset classes may vary over time at the investment manager's discretion and in response to changing market conditions. In normal market conditions, the allocation to equities will not fall below 80%.

The underlying equity component of the Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation. This may include shares in smaller companies and companies listed in emerging markets.

The underlying fixed interest component of the Fund may include government and corporate bonds (which may include emerging market and high yield bonds). These may be investment grade, sub-investment grade or unrated.

The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted under the terms of the Regulations.

The Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

## The Alternative Investment Fund Managers Regulations 2013

On 21 July 2014 (the Authorised Corporate Director ("ACD")) was authorised as an alternative investment fund manager by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to the requirements of The Alternative Investment Fund Managers Regulations 2013 (the "Regulations"). As such, the ACD is authorised to manage and market the Fund, which is an alternative investment fund, in accordance with the Regulations and the FCA's investment funds sourcebook (FUND). The Prospectus of the Fund was updated with effect from 20 June 2014 to address various requirements of the Regulations and associated laws.

## Remuneration Policy (Unaudited)

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

The aggregate remuneration paid by the ACD 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	404,561	298,534	703,095	13
Other Risk Takers	669,350	577,288	1,246,638	6
Total	1,073,911	875,822	1,949,733	19

The variable remuneration disclosed in the table above is for the year ended 31 July 2022, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the ACD 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 2023 cannot be known until after 31 July 2023 has passed.

# Report of the Authorised Corporate Director

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The ACD herewith presents the audited annual report and financial statements of the Fund for the year ended 31 March 2023.

The Close Strategic Alpha Fund (the "Company") is an Investment Company with variable capital ("ICVC") incorporated in England and Wales with the number IC000592 and is authorised and regulated by the Financial Conduct Authority ("FCA") with effect from 31 January 2008, under the Open Ended Investment Companies Regulations 2001 (s12001/1228) (OEIC Regulations). It is a Non-UCITS Retail Scheme which complies with the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA.

Shareholders are not liable for the debts of the Company.

## Certification of Financial Statements by Directors of the ACD

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)  
CAM (UK) Ltd  
20 July 2023

# Investment Report

## Investment review

In the 12 months to the 31st March 2023 the Close Strategic Alpha fund (X Acc) fell 7.5%, whilst the IA Flexible Investment sector fell 4.0%.

The reporting period saw inflation rising sharply, reaching double digits in several advanced economies, leading to a sell-off in assets with a sensitivity to rising interest rates. Particularly badly hit were fixed income securities, including developed market government bonds, which underperformed equities. Russia's invasion of Ukraine played a significant role in elevating natural gas and several soft commodity prices, meaning that energy as an asset class and a sector within global equities had a strong 12 months. The path of equity returns more generally was patchy as sporadic market hopes that inflation would either slow or lead to imminent interest rate cuts, led to rallies in areas such as technology stocks, only to be dashed by contrary economic data points. As a result the US produced a negative return for the reporting period (reversing a recent trend), whereas the UK and Europe actually managed a small positive, driven by large cap exposure to energy and financials. Elsewhere in the world, China continued with its strict coronavirus restrictions until the autumn, meaning that much of Asia struggled to shrug off doubt around how the economies would recover once China reopened, on top of which, a strong US dollar made for a difficult headwind for emerging market assets.

On a regional basis, over the year, Europe was the strongest market with a return of 9.5%, followed by the UK 5.6%, Japan 1.3%, the US -1.7% and Asia ex-Japan with -2.6%. The weakest performance came from emerging markets, which delivered -4.5%. Within fixed interest UK government bonds continued to struggle against a potentially higher inflation environment, returning -16.3%.

For the majority of the reporting period Strategic Alpha lagged the IA Flexible Sector, with defensive and income paying equities generally doing better than their more growth focused counterparts. We had some decent positive returns from funds such as the Alliance Bernstein Europe ex-UK fund, which returned 8.9% for the 12 months to end of March 2023. In the UK we also had exposure to JPM UK Equity Plus, which delivered 1.6% and the Schroder Recovery fund, which returned 4.2%. Our value exposure in Asia was also a positive contributor in the form of the Invesco Asian fund, which returned 4.7%. Sadly, in an all equity portfolio there was little to offset what was overall a poor 12 months for risk assets.

We sold out of Lindsell Train Global Equity, replacing it with the Clearbridge Global Listed Infrastructure Income. In the US we diversified our allocation with the Premier Miton US Opportunities fund, which has more of a value tilt and has small and mid-cap exposure. Elsewhere we mainly trimmed equity positions in order to maintain our longer term strategic weights, which is how we are now positioned, believing there to be considerable uncertainty around the near term direction of interest rates and their effect on asset prices and the wider global economy.

## Fund Performance

Performance for the Fund over the last five years.

	Year to 31/3/2023	Year to 31/3/2022	Year to 31/3/2021	Year to 31/3/2020	Year to 31/3/2019
Close Strategic Alpha Fund X Accumulation	(7.5%)	1.6%	42.5%	(8.7%)	3.3%
IA Flexible Investment Sector	(4.0%)	5.0%	29.1%	(8.1%)	3.3%

Source: Produced by CAM (UK) Ltd using Financial Express.

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

Shares are priced on a single mid-market basis.

# Investment Report

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## Risk and Reward Profile

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

### Synthetic Risk and Reward Indicator ("SRRI")

1	2	3	4	5	6	7
---	---	---	---	---	---	---

lower risks/  
rewards

higher risks/  
rewards

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.

The SRRI conforms to the ESMA guidelines regarding its calculation.

Investing in the Fund also carries the following risks:

**Currency risk:** The Fund invests in overseas assets, denominated in currencies other than sterling. Changes in exchange rates may have a negative impact on the value of your investment.

**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.

**Funds of funds - Liquidity risk:** The Fund invests in other funds and its liquidity depends upon the liquidity of those underlying funds. If underlying funds suspend or defer the payment of redemption proceeds, the Fund's ability to meet redemption requests may also be affected.

**Investment risk:** The Fund invests in equities and bonds globally. Share prices can rise or fall due to a number of factors affecting global stock markets.

**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.

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

# Collective Investment Schemes

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## **Collective Investment Schemes**

The Fund invests a proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date.

The charges incurred by the Fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date are 0.60% (31/3/2022 - 0.61%).

Following changes to disclosure requirements; Closed-Ended funds are now included in the calculation of the synthetic element of the operating charge.



# Comparative table

For the year ended X Accumulation shares	31/3/2023 pence per share	31/3/2022 pence per share	31/3/2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share*	225.87	223.84	159.02
Return before operating charges	(12.76)	5.09	67.79
Operating charges	(2.67)	(3.06)	(2.97)
Return after operating charges	(15.43)	2.03	64.82
Distributions	(1.99)	(0.49)	(0.06)
Retained distributions on accumulation shares	1.99	0.49	0.06
<b>Closing net asset value per share*</b>	210.44	225.87	223.84
After direct transaction costs of**	(0.01)	0.00	(0.01)
<b>Performance</b>			
Return after charges	(6.83%)	0.91%	40.76%
<b>Other information</b>			
Closing net asset value £'000	11,725	13,127	12,982
Closing number of shares	5,571,724	5,811,638	5,799,705
Operating charges	1.28%	1.29%	1.46%
Direct transaction costs**	0.00%	0.00%	0.00%
<b>Prices*</b>			
Highest share price	226.40	253.90	233.90
Lowest share price	194.40	206.00	155.00

\*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.

\*\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

# Portfolio statement

as at 31 March 2023

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
<b>EQUITIES - 93.34% (31/3/2022 - 98.80%)</b>			
<b>United Kingdom - 20.97% (31/3/2022 - 20.16%)</b>			
76,820	Baillie Gifford UK & Balanced Funds ICVC - UK Equity Alpha Fund	488	4.16
36,000	iShares Core FTSE 100 UCITS ETF	269	2.29
105,591	Liontrust Special Situations Fund	504	4.30
380,220	Ninety One Funds Series I - UK Alpha Fund	564	4.81
450,000	Schroder Recovery Fund	400	3.41
198,000	Thesis - TM Tellworth UK Smaller Companies Fund	234	2.00
		<b>2,459</b>	<b>20.97</b>
<b>Europe - 14.63% (31/3/2022 - 15.35%)</b>			
9,320	Barings Europe Select Trust	425	3.63
2,500	Berenberg Europe EX UK Focus Fund	200	1.71
130,500	BlackRock European Dynamic Fund	359	3.06
452,250	ES Alliancebernstein Europe Ex UK Equity Fund	591	5.04
18,481	European Opportunities Trust	140	1.19
		<b>1,715</b>	<b>14.63</b>
<b>Asia Pacific (ex Japan) - 11.06% (31/3/2022 - 10.25%)</b>			
205,000	Allianz China A Shares Equity	181	1.54
47,750	Invesco Far Eastern Investment Series - Asian Fund	274	2.34
253,300	Ninety One Asia Pacific Franchise Fund J Acc GBP	276	2.35
1,400	Schroder ISF Asian Total Return	566	4.83
		<b>1,297</b>	<b>11.06</b>
<b>Japan - 4.01% (31/3/2022 - 3.85%)</b>			
9,830	Baillie Gifford Overseas Growth Funds ICVC - Japanese Fund	178	1.52
2,700	SPARX Japan Sustainable Equity Fund	292	2.49
		<b>470</b>	<b>4.01</b>
<b>North America - 28.08% (31/3/2022 - 29.05%)</b>			
40,792	Baillie Gifford Overseas Growth Funds ICVC - American Fund	416	3.55
31,290	Brown Advisory US Flexible Equity Fund	616	5.25
1,225	Invesco Technology S&P US Select Sector UCITS ETF	367	3.13
1,010	iShares NASDAQ 100 UCITS ETF	606	5.17
81,500	Premier Miton US Opportunities Fund	284	2.42

# Portfolio statement

continued

Holding	Investment	Market Value GBP £'000	Percentage of Net Assets %
<b>North America continued</b>			
13,265	SPDR S&P U.S. Financials Select Sector UCITS ETF	391	3.34
9,795	Vanguard S&P 500 UCITS ETF	612	5.22
		<b>3,292</b>	<b>28.08</b>
<b>Emerging Markets - 3.80% (31/3/2022 - 3.68%)</b>			
2,166	Redwheel Global Emerging Markets Fund	446	3.80
<b>Global - 10.79% (31/3/2022 - 16.46%)</b>			
33,600	Brown Advisory Global Leaders Fund	567	4.84
93,000	Chrysalis Investments	54	0.46
130,900	ES River and Mercantile Global Recovery Fund	375	3.20
39,568	Scottish Mortgage Investment Trust	269	2.29
		<b>1,265</b>	<b>10.79</b>
<b>ALTERNATIVE - 3.88% (31/3/2022 - 0.00%)</b>			
333,000	FTF Clearbridge Global Infrastructure Income Fund	429	3.66
70,000	Seraphim Space Investment Trust	26	0.22
		<b>455</b>	<b>3.88</b>
	<b>Portfolio of investments</b>	<b>11,399</b>	<b>97.22</b>
	<b>Net other assets</b>	<b>326</b>	<b>2.78</b>
	<b>Total net assets</b>	<b>11,725</b>	<b>100.00</b>

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

# Financial statements

## Statement of total return

for the year ended 31 March 2023

	Notes	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Income					
Net capital gains	3		(1,009)		98
Revenue	4	194		124	
Expenses	5	(81)		(95)	
Interest payable and similar charges	7	–		–	
Net revenue before taxation for the year		113		29	
Taxation	6	–		–	
Net revenue after taxation for the year			113		29
Total return before distributions			(896)		127
Distributions	8		(113)		(29)
<b>Change in shareholders' funds from investment activities</b>			<b>(1,009)</b>		<b>98</b>

## Statement of change in shareholders' funds

for the year ended 31 March 2023

	GBP £'000	Year to 31/3/2023 GBP £'000	GBP £'000	Year to 31/3/2022 GBP £'000
Opening net assets		13,127		12,982
Amounts received on creation of shares	652		2,012	
Amounts paid on cancellation of shares	(1,157)		(1,998)	
		(505)		14
Dilution adjustment		–		4
Change in shareholders' funds from investment activities		(1,009)		98
Retained distribution on accumulation shares		112		29
<b>Closing net assets</b>		<b>11,725</b>		<b>13,127</b>

# Financial statements

continued

## Balance sheet

as at 31 March 2023

		GBP £'000	As at 31/3/2023 GBP £'000	GBP £'000	As at 31/3/2022 GBP £'000
	Notes				
<b>ASSETS</b>					
Fixed assets					
Investments			11,399		12,970
Current assets					
Debtors	9	169		8	
Cash and bank balances	10	176		179	
Total other assets			345		187
<b>Total assets</b>			<b>11,744</b>		<b>13,157</b>
<b>LIABILITIES</b>					
Creditors					
Other creditors	11	(19)		(30)	
Total other liabilities			(19)		(30)
Total liabilities			(19)		(30)
<b>Net assets</b>			<b>11,725</b>		<b>13,127</b>
<b>Shareholders' funds</b>			<b>11,725</b>		<b>13,127</b>

# Notes to the Financial statements

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## 1. Accounting policies

### a) Basis of accounting

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

The ACD 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 balances and short-term deposits are recognised 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.

Distributions from collective investment schemes are recognised when the security is quoted ex-distribution.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

Annual Management Charge rebates from underlying investments are accounted for as capital or revenue depending on where the expense of the underlying fund was allocated when determining its distribution.

### c) Basis of valuation of investments

All investments are valued at their fair value, excluding accrued revenue, using the bid price on the last business day of the accounting year, except for single priced Collective Investment Schemes, which use the latest available published price on the last business day of the accounting year.

In the case of an investment which is not listed in a recognised market, the fair value of such 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 Investment Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset.

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

### d) Foreign currencies

Assets and liabilities in foreign currencies have been translated into sterling at the exchange rates prevailing at the 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

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses. The charge for taxation is based on revenue for the period. UK dividends and CIS distributions are disclosed net of any related tax credit. The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 102.

### g) Equalisation policy

The first distributions received from new units purchased in investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for shares. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

# Notes to the Financial statements

continued

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## 2. Distribution policies

Revenue produced by the Fund's investment decisions 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 shareholders.

Any net revenue deficit will be borne by the capital account.

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

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

Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed.

# Notes to the Financial statements

continued

## 3. Net capital (losses)/gains

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains	2	—
(Losses)/gains on non-derivative securities	(1,011)	101
Management fee rebates	—	(3)
<b>Net capital (losses)/gains*</b>	<b>(1,009)</b>	<b>98</b>

\* Net losses listed above of £(1,008,818) comprise net realised gains of £633,185 and net unrealised losses of £(1,642,003) (31/3/2022 - £101,469 comprise net realised gains of £956,759 and net unrealised losses of £(855,290)).

## 4. Revenue

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Bank interest	2	—
Non-taxable overseas dividends	77	59
Rebate of fees from holdings in third party collective investment schemes	(1)	(8)
UK franked dividends from collective investment schemes	116	73
<b>Total revenue</b>	<b>194</b>	<b>124</b>

## 5. Expenses

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee	81	95
<b>Total expenses</b>	<b>81</b>	<b>95</b>

The audit fee for the year was £7,500 (2022: £7,350).



# Notes to the Financial statements

continued

## 6. Taxation

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
<b>a) Analysis of taxation (credit)/charge in the year</b>		
Corporation tax	—	—
<b>Total taxation</b>	<b>—</b>	<b>—</b>

## b) Factors affecting taxation (credit)/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	113	29
Corporation tax at 20% (31/3/2022 - 20%)	23	5
Effects of:		
Movement in unrecognised tax losses	16	21
Revenue not subject to tax	(39)	(26)
<b>Total taxation (see note 6(a))</b>	<b>—</b>	<b>—</b>

Open-Ended Investment Companies 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.

## c) Provision for deferred tax

At 31 March 2023 there is a potential deferred tax asset of £287,208 (31/3/2022 - £271,305) due to tax losses of £1,436,040 (31/3/2022 - £1,356,524). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (31/3/2022 - £nil).

## 7. Interest payable and similar charges

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interest	—	—
	<b>—</b>	<b>—</b>

# Notes to the Financial statements

continued

## 8. Distributions

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

	Year to 31/3/2023 GBP £'000	Year to 31/3/2022 GBP £'000
Interim distribution	63	19
Final distribution	49	10
	<b>112</b>	<b>29</b>
Add: Revenue deducted on cancellation of shares	3	1
Less: Revenue received on creation of shares	(2)	(1)
<b>Net distribution for the year</b>	<b>113</b>	<b>29</b>

## 9. Debtors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued revenue	–	(2)
Receivable for creation of shares	94	10
Sales awaiting settlement	75	–
<b>Total debtors</b>	<b>169</b>	<b>8</b>

## 10. Cash and bank balances

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
<b>Cash and bank balances</b>	<b>176</b>	<b>179</b>

## 11. Other creditors

	As at 31/3/2023 GBP £'000	As at 31/3/2022 GBP £'000
Accrued expenses	7	7
Amounts payable on cancellation of shares	12	23
<b>Total other creditors</b>	<b>19</b>	<b>30</b>

# Notes to the Financial statements

continued

## 12. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/3/2022 - £nil).

## 13. Financial instruments and derivatives

### Risk profile

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

### Credit risk

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

### Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. As at the balance sheet date there is no material exposure to interest rate risk. Given the limited exposure to interest rate risk on the Fund, the risk is not actively managed.

### Market risk

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

### Liquidity risk

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

### Counterparty risk

The Fund has exposure to credit risk, which is the risk of loss due to another party not being able to meet its financial obligations. The primary sources of this risk are trade counterparties who may fail to meet their transaction commitments. This risk is managed by appraising the credit profile of trade counterparties and financial instruments.

### Foreign currency risk

The Fund's financial assets and liabilities are substantially invested in other collective investment vehicles, most, but not necessarily all, of whose prices are quoted in sterling. The Fund may therefore have a direct exposure to foreign currency risk in respect of part of its portfolio. In addition, the value of some of the Fund's investments may be affected by movements in exchange rates against sterling, in respect of their own non-sterling denominated assets.

### Fair value of financial assets and liabilities

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

### Derivatives

No derivatives were held during the 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 £1,140,000 (31/3/2022 - £1,297,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £1,140,000 (31/3/2022 - £1,297,000). 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 £125,000 (31/3/2022 - £171,000). If sterling to foreign currency exchange rates had

# Notes to the Financial statements

## continued

### 13. Financial instruments and derivatives continued

#### b) Currency Risk continued

weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £153,000 (31/3/2022 - £209,000). These calculations assume all other variables remain constant.

#### c) Interest Rate Risk

If interest rates had increased by 100bps as at the balance sheet date, the net asset value of the Fund would have decreased £69,000 (31/3/2022 - £1,606,000). If interest rates had decreased by 100bps as at the balance sheet date, the net asset value of the Fund would have increased £70,000 (31/3/2022 - £1,606,000).

#### Leverage

The Fund did not employ significant leverage during the year (31/3/2022 - same).

#### Foreign currency risk

Where an underlying investment in the Fund is not denominated in sterling, the effect of fluctuations in the rate of exchange between sterling and the currency of its denomination may adversely affect the value of that investment, and this will be reflected in the value of shares.

The currency profile for the Fund's net assets at 31 March 2023 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	1,375	1,375
<b>Total</b>	<b>—</b>	<b>1,375</b>	<b>1,375</b>

The currency profile for the Fund's net assets at 31 March 2022 was:

	Monetary exposures GBP £'000	Net foreign currency assets Non-monetary exposures GBP £'000	Total GBP £'000
US Dollar	—	1,877	1,877
<b>Total</b>	<b>—</b>	<b>1,877</b>	<b>1,877</b>

#### 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. Investments, with exposure to interest rates, may decrease in market value due to increasing interest rates.

The interest rate risk profile of financial assets and liabilities at 31 March 2023 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	11,399	11,399
Investment liabilities	—	—	—	—

# Notes to the Financial statements

## continued

### 13. Financial instruments and derivatives continued

#### Interest rate risk continued

The interest rate risk profile of financial assets and liabilities at 31 March 2022 was as follows:

	Floating Rate Investments GBP £'000	Fixed Rate Investments GBP £'000	Non Interest Bearing Investments GBP £'000	Total GBP £'000
Investment assets	—	—	12,970	12,970
Investment liabilities	—	—	—	—

#### Valuation of financial investments

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

	Assets £'000	Liabilities £'000
31/3/2023		
Level 1: Quoted prices	2,734	—
Level 2: Observable market data	8,665	—
Level 3: Unobservable data	—	—
	<b>11,399</b>	<b>—</b>

	Assets £'000	Liabilities £'000
31/3/2022		
Level 1: Quoted prices	3,637	—
Level 2: Observable market data	9,333	—
Level 3: Unobservable data	—	—
	<b>12,970</b>	<b>—</b>

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.

#### d) 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.

For the Fund, there are corporate bonds and collective investment schemes which fall into this category. Corporate bonds have been valued using active market interest rates.

Collective investment schemes are valued using the prices for underlying investments.

##### 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 ACD 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 Depositary and monitored frequently.

# Notes to the Financial statements

continued

## 14. Portfolio transaction costs

Year to 31 March 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Collective investment schemes	1,621	—	—	—	—
Total	1,621	—		—	
<b>Total purchases including commission and taxes</b>	<b>1,621</b>				
Sales					
Collective investment schemes	2,280	—	—	—	—
Total	2,280	—		—	
<b>Total sales net of commissions and taxes</b>	<b>2,280</b>				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

Year to 31 March 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	90	—	—	—	—
Collective investment schemes	2,888	—	—	—	—
Total	2,978	—		—	
<b>Total purchases including commission and taxes</b>	<b>2,978</b>				
Sales					
Collective investment schemes	2,898	—	—	—	—
Total	2,898	—		—	
<b>Total sales net of commissions and taxes</b>	<b>2,898</b>				
Total transaction costs		—		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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.

For the Fund's investment in collective investment scheme holdings there will potentially be a dealing spread cost applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

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 0.22% (31/3/2022 - 0.22%).

## 15. Related parties

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

# Notes to the Financial statements

continued

## 15. Related parties continued

CAM (UK) Ltd, 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 CAM (UK) Ltd in respect of share transactions at the year end are disclosed in the balance sheet.

Amounts paid to CAM (UK) Ltd in respect of the ACD's periodic charge are disclosed in note 5. The balance due from the Fund at the year end was £6,745 (31/3/2022 - £7,318).

CAM (UK) Ltd did not enter into any other transactions with the Fund during the year.

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

	Share holding %	Related party name
Close Strategic Alpha Fund	36.01	Lion Nominees Limited
	15.03	Cofunds Nominees Limited

## 16. Share movement

Year to 31 March 2023	X Accumulation shares
Opening shares	5,811,638
Shares created	310,244
Shares cancelled	(550,158)
<b>Closing shares</b>	<b>5,571,724</b>

## 17. Post balance sheet events

Following the passing of an Extraordinary Resolution at an EGM of the Fund held on 26 June 2023 a number of significant changes were implemented on 30 June 2023. On that date:

The investment strategy of the Fund was changed to include a sustainable investment methodology;

The investment strategy of the Fund was changed from being a "fund of funds" to direct investment;

The name of the Fund was changed from Close Strategic Alpha Fund to Close Select Global Equity Fund; and

The regulatory classification of the Fund was changed from a non-UCITS retail scheme ("NURS") to a UK UCITS scheme.

In addition, a new I Share Class was launched for discretionary managed clients of Close Asset Management.

Copies of the updated Prospectus for the renamed Close Select Global Equity Fund can be found on the CBAM website at <https://www.closebrothersam.com/funds/>

# Distribution tables

For the year ended 31 March 2023

## Final dividend distribution in pence per share

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased between 1 October 2022 and 31 March 2023

	Net Revenue per Share	Equalisation per Share	Distribution Payable per Share on 31/7/2023	Distribution Paid per Share on 31/7/2022
X Accumulation				
Group 1	0.8923	–	0.8923	0.1723
Group 2	0.2465	0.6458	0.8923	0.1723

## Interim dividend distribution in pence per share

Group 1: shares purchased prior to 1 April 2022

Group 2: shares purchased between 1 April 2022 and 30 September 2022

	Net Revenue per Share	Equalisation per Share	Distribution Paid per Share on 30/11/2022	Distribution Paid per Share on 30/11/2021
X Accumulation				
Group 1	1.0930	–	1.0930	0.3196
Group 2	0.7184	0.3746	1.0930	0.3196

## Equalisation

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



# Statement of Authorised Corporate Director's Responsibilities

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## Statement of Authorised Corporate Director (ACD) Responsibilities in relation to the Annual Report and Financial Statements of the Company

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("COLL") requires the ACD to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company and of its revenue and expenses and the profits/(losses) on the property of the Company for the year. In preparing these financial statements the ACD 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 Instrument of Incorporation, 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 ACD is responsible for keeping proper books of accounts which disclose, with reasonable accuracy at any time, the financial position of the company in accordance with the Instrument of Incorporation, the Open-Ended Investment Companies regulations 2001 (SI 2001/1228) and the COLL Sourcebook. The ACD is responsible for taking all reasonable steps for the prevention and detection of fraud and any other irregularities. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the company.

In accordance with COLL 4.5.8BR, the Annual Report & Financial Statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 20 July 2023.



I.P. Wallace (Director)  
20 July 2023

# Statement of the Depositary's Responsibilities and Report of the Depositary

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## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Close Strategic Alpha Fund ("the Company") for the year ended 31 March 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014 the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

For and on behalf of  
The Bank of New York Mellon (International) Limited  
160 Queen Victoria Street  
London EC4V 4LA  
20 July 2023

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at 160 Queen Victoria Street, London EC4V 4LA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

# Independent Auditor's Report

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## Independent Auditor's Report to the Shareholders of the Close Strategic Alpha Fund

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Close Strategic Alpha Fund (the "fund"):

- give a true and fair view of the financial position of the fund as at 31 March 2023 and of the net revenue and the net capital (losses)/gains on the property of the fund for the year ended 31 March 2023; 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 Instrument of Incorporation.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- 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 Instrument of Incorporation.

#### 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 Authorised Corporate Director's (ACD'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 ACD 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 ACD 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 Depositary and ACD

As explained more fully in the Depositary's responsibilities statement and the ACD's responsibilities statement, the Depositary is responsible for the safeguarding the property of the fund and the ACD 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 ACD 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 ACD 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 ACD 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](http://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, 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 relation to the valuation and existence of investments. There is a risk that the investments may not be valued correctly or may not represent the property of the fund. Given the size and nature of the balance and its importance to the fund, we have considered that there is a potential risk of fraud in this area. The specific procedures performed to address these risks 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;
- revalued the Fund's investment portfolio as at 31 March 2023, 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 depositary, 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

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## 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

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

In our opinion:

- proper accounting records for the fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 March 2023 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Edinburgh, United Kingdom  
20 July 2023

# General Information

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## Launch date

14 July 2008

## Accounting year end date

31 March

## Fund Management Fee

The fund pays a Fund Management Fee of 0.68% of the value of the Fund to the ACD for X Accumulation Share classes. 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 ACD 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 shareholders on or before the next following 31 July or 30 November, where applicable.

## Share prices

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

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

## Minimum investment and Individual Savings Account (ISA)

The minimum initial lump sum investment in the Fund is £5,000. There is no maximum investment level. The Fund qualifies for stock and shares ISA investment. The minimum for an ISA investment is £5,000. In the case of regular savers the minimum amount is £100 per month.

## Taxation of the shareholder

Shareholders 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 shares.

An individual's first £12,300 of net gains on disposals in 2023/24 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 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 depositories.

## 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 share 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 shareholders is greater than 1% of assets under management) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', the ACD has the power to charge a dilution levy/price swing on the sale and/or redemption of the shares. 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.

## 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 ACD or may be downloaded from our website <http://www.closebrothersam.com>.

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

# General Information

continued

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## Risk Warnings

It is important to remember that the price of shares, and the revenue from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a reliable indicator of future results. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard ICVC investment as long-term.

## 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 2023 and at the balance sheet date, the Fund did not use SFTs or total return swaps.

## Value of shares

The value of shares 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 share at which you may realise your shares will be determined by:

- i. Calculating the value on a single-mid 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 share of the type concerned; and
- ii. Deducting an appropriate allowance for fiscal and sale charges.

The amount of income per share which may be received by a shareholder will be a proportion of the net amount of the income 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 share.

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 ACD 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 ACD, 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 ACD 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 Strategic Alpha Fund, covering the reporting period.

The statement is available at [www.closebrothersam.com/funds](http://www.closebrothersam.com/funds).

# Directory

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## ACD

### **CAM (UK) Ltd\***

(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

S.H. Forrest

C.J. Parry

E. Reynolds

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

## Depository

### **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)

160 Queen Victoria Street, London EC4V 4LA

## Administrator & Registrar

### **The Bank of New York Mellon (International) Limited**

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

Capital House, 2 Festival Square, Edinburgh EH3 9SU

## Independent Auditor

### **Deloitte LLP**

#### **Statutory Auditor**

Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB

## Useful information

The information in this report is designed to enable shareholders 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 ACD at the address above.

Copies of the report and financial statements are available free of charge on request at [www.closebrothersam.com](http://www.closebrothersam.com) or by calling 0370 606 6452\*\*.

\*The ACD (CAM (UK) Ltd) 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](http://www.closebrothersam.com)

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and CAM (UK) Ltd (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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