

WS Gresham House UK Smaller Companies Fund

September 2024



Fund objective

To provide capital growth over the long term (in excess of five years), after all costs and charges have been taken. **Capital invested is at risk and there is no guarantee the objective will be achieved over the time period.** The fund seeks to directly invest at least 70% of its assets in shares of smaller-sized UK companies. These are listed companies with a market capitalisation within the lowest 10% of the listed UK equities markets.

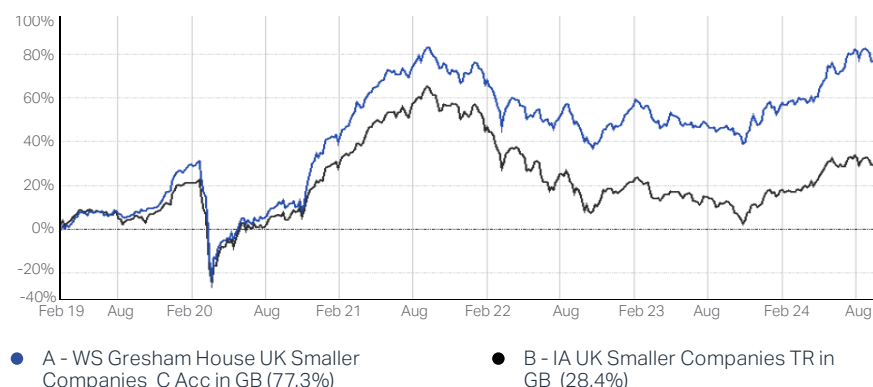
Fund rank

Financial Express (FE) rank 6/46 over 3 years to 30 September 2024.

Financial Express (FE) rank 3/45 over 5 years to 30 September 2024.

Fund performance

Source: FE Analytics based on the returns of the C share class, net of charges, since launch to 30 September 2024



Cumulative performance

Source: FE Analytics net of charges, as at 30 September 2024

Cumulative returns month ending 30 September 2024	1 month	YTD	1 year	3 years	5 years	Since launch (1 Feb 2019)
WS Gresham House UK Smaller Companies Fund	-2.8%	11.5%	21.5%	-0.2%	63.3%	77.3%
IA UK Smaller Companies	-3.4%	8.7%	16.1%	-19.2%	21.6%	28.4%
Quartile	2	2	1	1	1	1

Discrete performance

Source: FE Analytics net of charges, as at 30 September 2024

Discrete annual returns	YTD 2024	2023	2022	2021	2020	2019
WS Gresham House UK Smaller Companies Fund	11.5%	7.3%	-16.0%	25.5%	10.9%	-
IA UK Smaller Companies	8.7%	0.5%	-25.2%	22.9%	6.5%	25.3%

Performance

In September 2024, the WS Gresham House UK Smaller Companies Fund decreased by 2.8%, outperforming the IA UK Smaller Companies sector which decreased by 3.4%. Positive contributors included **Learning Technologies Group** (+0.8% CTR) following an informal takeover offer by General Atlantic at 100p, a c.25% premium to the prior day closing share price; **Team17 Group** (+0.3% CTR) as interim results evidenced strong organic growth, improved cost control, and strategic re-focus after last year's profit warning; and **Gamma Communications** (+0.3% CTR) following impressive interim results characterised by accelerated EBITDA growth and management's full-year guidance shifting to the top-end of market consensus. Key detractors during the period included **Next Fifteen Communications** (-1.1% CTR) following a profit warning driven by the loss of a material contract and weak customer spending patterns; **Franchise Brands** (-0.6% CTR) despite interim results in-line with market expectations; and **Fintel** (-0.6% CTR) despite a robust trading update which disclosed 6% growth in core software-as-a-service (SaaS) revenues and reiterated full-year market guidance.

Fund manager



Manager
Ken Wotton

24 years' experience

Fund information

Launch date 1 February 2019

Fund size £203.2mn

Fund sector IA UK Smaller Companies

Number of holdings 42

Portfolio turnover rate 31%
(12-month period to 30 September 2024)

Fund price 177.34p C Acc (as at 30 September 2024)

Pricing 12:00 noon (GMT)

ISA eligible Yes

Ratings



Platforms hosting the Fund

- Aegon
- AJ Bell
- Allfunds
- Aviva
- Bestinvest
- BNY Mellon
- Embark
- FNZ
- FundsNetwork
- Hubwise
- Pershing Nexus
- Nucleus
- M&G
- Platform Securities
- Parmenion
- Raymond James
- 7IM
- Aberdeen Wrap
- Transact
- Wealthtime
- Zurich

Capital at risk. Past performance is not a reliable indicator of future performance. Portfolio investments in smaller companies typically involve a higher degree of risk. Charts and graphs are provided for illustrative purposes only as there is no official benchmark for this fund.

Risk ratios month ending 30 September 2024	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Smaller Companies Fund	13.64	5.27	0.82	0.00	1.14
IA UK Smaller Companies	15.09	0.00	1.00	-0.02	0.00

Top 10 holdings

Holding	Description	NAV
Team 17	Independent games label	4.5%
Elixirr	Business management consulting firm	4.3%
Moonpig Group	Internet-based business greeting cards/gifts business	4.1%
Trustpilot	Digital platform for consumer reviews and insights	4.0%
Gamma Communications	Business only mobile network	3.8%
Ricardo	Engineering and environmental consultancy	3.3%
Brooks Macdonald	Investment management services	3.2%
Fintel	Outsourced regulatory services provider	3.1%
Gym Group	Low cost, 24/7 gyms	3.0%
Franchise Brands	A collection of market-leading franchise businesses	3.0%

Portfolio activity

There was one new investment in September into **Costain Group**, a leading UK infrastructure engineering and consultancy services provider which is positioned to benefit from UK infrastructure expenditure and which the Manager believes trades at a significant discount to intrinsic value.

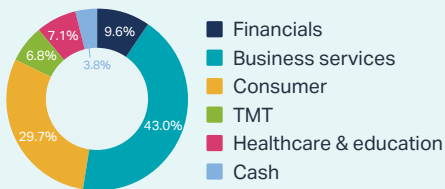
The team however made several follow-on investments including into **Team 17 Group**, an independent video game developer and publisher which has a strong market position, with earnings underpinned by a resilient back catalogue of durable franchises , which continues to trade at an attractive valuation; **Impax Asset Management**, a specialist sustainable investment manager led by a high-quality team, supported by long-term secular demand drivers, which has attractive financial characteristics, and trades at an attractive entry valuation due to transitory flow pressures which appear to be abating; and **Trustpilot**, a technology business offering free and paid services to companies across its unique consumer-review platform, with significant future growth potential across its scalable software-as-a-service model.

The Fund made one full exit during the period, from **Ascential** following its completed acquisition by major UK-listed events business, Informa plc.

Primary share class information

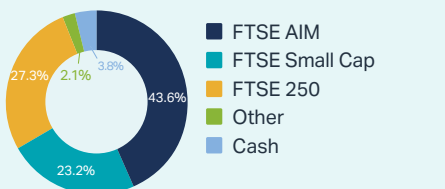
C Sterling		
Type	Acc	Inc
Minimum investment	£10,000	£10,000
Minimum top up	£1,000	£1,000
Minimum regular savings plan	n/a	n/a
Initial charge (fully discounted)	2.5%	2.5%
Annual management charge	0.75%	0.75%
Ongoing Charges	0.84%	0.84%
ISIN code	GB00BH416G53	GB00BH416F47
SEDOL code	BH416G5	BH416F4
MEX ID	LIUYA	LIOKJ

Sector allocation



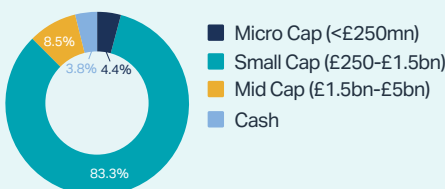
Source: Gresham House Asset Management Limited (portfolio at 30 September 2024)

Index weighting



Source: Gresham House Asset Management Limited (portfolio at 30 September 2024)

Market cap breakdown



Source: Gresham House Asset Management Limited (portfolio at 30 September 2024)

1. Fund statistics definitions

Volatility is a statistical measurement that, when applied to an investment fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular period.

Alpha is a measure of a fund's over-or-underperformance in comparison to the benchmark of the fund. Alpha represents the extra value the manager's activities have contributed, the greater the alpha, the greater the outperformance.

Beta is a statistical estimate of a fund's volatility in comparison to its benchmark. It depicts how sensitive the fund is to movements in the section of the market that comprises the benchmark.

Sharpe is the level of a fund's return over and above the return of a notional risk-free investment, such as cash or government bonds. The difference in returns is then divided by the fund's standard deviation (volatility). This is an indication of the amount of excess return generated per unit of risk. In general it is considered that the higher the Sharpe ratio, the better.

Information ratio is a risk-adjusted measure of actively managed fund performance. It assesses the degree to which a manager uses skill and knowledge to enhance the fund returns. The higher the information ratio, the better. It is generally considered that a figure of 0.5 reflects a good performance, 0.75 very good, and 1 outstanding.

Get in touch



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Portfolio manager

Gresham House Asset Management Ltd (GHAM)

As the operating business of Gresham House, GHAM manages and advises funds and co-investments across a range of differentiated alternative investment strategies for third-party clients. Gresham House is a specialist asset manager and adviser with c.£8.8bn AUM.

Source: Gresham House as at 30 June 2024.

Key risks

- The value of the Fund and the income from it is not guaranteed and may fall as well as rise. As your capital is at risk you may get back less than you originally invested
- Past performance is not a reliable indicator of future performance
- Funds investing in smaller companies may carry a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid than securities in larger companies

Important information

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