

# WS Gresham House UK Micro Cap Income Fund



**Gresham House**  
Specialist asset management

January 2024

## Fund objective

To achieve capital growth over any five-year period, after all costs and charges have been taken. **Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.** The fund targets to invest, up to 70% of the portfolio, in the shares of UK companies.

## Fund rank

FE Analytics rank 8/42 over 10 years to 31 January 2024.

## Fund performance

Source: FE Analytics based on the returns of the A share class, net of charges, ten-year return to 31 January 2024



● A - WS Gresham House UK Micro Cap A Acc in GB (94.5%) ● B - IA UK Smaller Companies TR in GB (66.4%)

## Cumulative performance

Source: FE Analytics, net of charges, as at 31 January 2024

Cumulative returns month ending 31 January 2024	1 month	YTD	1 year	3 years	5 years	10 years	Since launch (19 May 2009)
WS Gresham House UK Micro Cap Fund	0.1%	0.1%	-1.2%	-10.6%	17.0%	94.5%	388.0%
IA UK Smaller Companies	-0.1%	-0.1%	-2.7%	-8.2%	17.9%	66.4%	328.1%
Quartile	2	2	2	3	3	1	2

## Discrete performance

Source: FE Analytics, net of charges, as at 31 January 2024

Discrete annual returns	YTD 2024	2023	2022	2021	2020	2019
WS Gresham House UK Micro Cap Fund	0.1%	5.0%	-30.1%	25.4%	6.5%	20.4%
IA UK Smaller Companies	-0.1%	0.5%	-25.2%	22.9%	6.5%	25.3%

## Performance

Performance in the WS Gresham House UK Micro Cap Fund increased by 0.1% during the month, outperforming the IA UK Smaller Companies sector which decreased by 0.1%.

Key contributions came from **Windward** (+32%) following full-year results comfortably ahead of market expectations in terms of revenue growth; **AdvancedAdvT** (+27%) following an interim trading update which demonstrated strategic progress alongside its successful re-admission to AIM following its strategic acquisition of Capita's remaining software assets; and **Diaceutics** (+21%) following a full-year trading update which disclosed strong revenue and orderbook growth coupled with solid cash generation, supporting investment in the growth strategy.

The largest detractors to performance were **Argentex** (-36%) following a profit warning driven by higher than anticipated costs alongside a challenging market backdrop; and **Elixirr** (-14%) despite the release of an in-line full-year 2023 trading update following a strong run for the share price during Q4 2023.

**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.**

## Fund managers



**Co-Manager**  
**Ken Wotton**  
23 years' experience



**Co-Manager**  
**Brendan Gulston**  
12 years' experience

## Fund information

**Launch date** 19 May 2009

**Fund size** £184.7mn

**Fund sector** IA UK Smaller Companies

**Number of holdings** 41

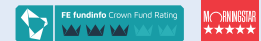
**Portfolio turnover rate** 29%  
(12-month period to 31 January 2024)

**Fund price** 188.73p C ACC (as at 31 January 2024)

**Pricing** 12:00 noon (GMT)

**ISA eligible** Yes

**Ratings**



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## Platforms hosting the Fund

- Aegon
- AJ Bell
- Allfunds
- Alliance Trust
- Ascentric
- Aviva
- Black Diamond
- BNY Mellon
- Canada Life Investments
- Defaqto
- Embark
- FNZ
- FundsNetwork
- Hubwise
- James Hay
- Nexus
- Novia
- Nucleus
- Platform Securities
- Parmenion
- Raymond James
- Seven Investment Management
- Standard Life Wrap
- Standard Life Elevate
- Transact
- Wealthtime
- Zurich

## Fund statistics<sup>1</sup>

Source: FE Analytics, based on three years to 31 January 2024. Volatility, Alpha, Beta, Sharpe and Info Ratio are benchmarked against the Fund's own sector average

Risk ratios month ending 31 January 2024	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Micro Cap Fund	14.24	-2.09	0.8	-0.01	-0.11
IA UK Smaller Companies	15.49	0.00	1.00	-0.01	0.00

## Top 10 holdings

Holding	Description	NAV
Netcall	Communication equipment provider	4.8%
Costain Group	Technology-based construction and engineer	4.5%
Fintel	Outsourced regulatory services provider	4.3%
Elixirr	Digital design and business regulation service	4.2%
Franchise Brands	A collection of market leading franchise businesses	4.2%
XPS Pensions Group	Actuarial consultancy	4.2%
Windward	Maritime artificial intelligence operator	4.1%
HostelWorld	Online travel agent	3.9%
Angling Direct	Specialist fishing tackle retailer	3.6%
City Pub Group	Managed pub operator	3.6%

## Portfolio activity

The Fund made one new investment during the period, into **Pendragon**, a UK motor retail and leasing business with a high-quality dealer management software-as-a-service (SaaS) division, which will be left standalone following the announced sale of the motor retail and leasing business to a strategic buyer. The manager believes the standalone SaaS business has an attractive financial profile, with a strong value proposition and a considerable market opportunity to increase penetration of its cloud-based solution.

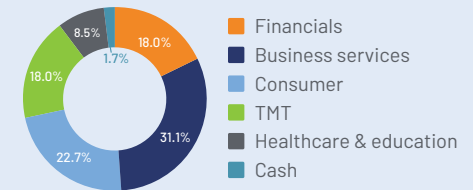
The Fund made one full exit during the period, from **Ten Entertainment**, following the completion of its takeover by Trive Capital, a US private equity investor.

## Primary share class information

	A Class	C Institutional Class	
Type	Acc	Acc	Inc
Minimum investment	£100,000	£10,000	£10,000
Minimum top up	£10,000	£1,000	£1,000
Minimum regular savings plan	N/A	N/A	N/A
Initial charge (fully discounted)	Up to 5%	Up to 2.5%	Up to 2.5%
Annual management charge	0.90%	0.90%	0.90%
Ongoing Charges	0.97%	0.97%	0.97%
ISIN code	GB00B55S9X98	GB00BV9FYS80	GB00BV9FYT97
SEDOL code	B55S9X9	BV9FYS8	BV9FYT9
MEX ID	SWBAAJ	CGAAOU	CGAAOV

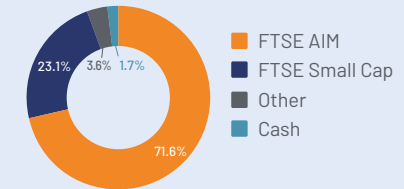
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## Sector allocation



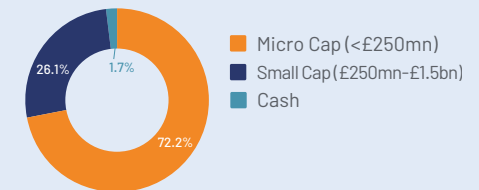
Source: Gresham House Asset Management Limited (portfolio at 31 January 2024)

## Index weighting



Source: Gresham House Asset Management Limited (portfolio at 31 January 2024)

## Market cap breakdown



Source: Gresham House Asset Management Limited (portfolio at 31 January 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.

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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.£8.3bn AUM.

Source: Gresham House as at 30 June 2023.

## 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

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