

WS Gresham House UK Smaller Companies Fund

February 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

FE Analytics rank 5/46 over 3 years to 29 February 2024.

Fund performance

Source: FE Analytics based on the returns of the C share class, net of charges, since launch to 29 February 2024



● A - WS Gresham House UK Smaller Companies C Acc in GB (57.1%) ● B - IA UK Smaller Companies TR in GB (16.2%)

Cumulative performance

Source: FE Analytics, net of charges, as at 29 February 2024

Cumulative returns month ending 29 February 2024	1 month	3 months	YTD	1 year	3 years	5 years	Since launch (1 Feb 2019)
WS Gresham House UK Smaller Companies Fund	-0.4%	5.8%	-1.2%	0.6%	5.2%	57.3%	57.1%
IA UK Smaller Companies	-1.5%	5.3%	-1.6%	-4.0%	-13.0%	15.1%	16.2%
Quartile	2	2	2	1	1	1	1

Discrete performance

Source: FE Analytics, net of charges, as at 29 February 2024

Discrete annual returns	YTD 2024	2023	2022	2021	2020	2019
WS Gresham House UK Smaller Companies Fund	-1.2%	7.3%	-16.0%	25.5%	10.9%	-
IA UK Smaller Companies	-1.6%	0.5%	-25.2%	22.9%	6.5%	25.3%

Performance

Performance in the WS Gresham House UK Smaller Companies Fund decreased by 0.4% during the month, outperforming the IA UK Smaller Companies sector which decreased by 1.5%.

Key positive contributions came from **XPS Pensions Group** (+11%), following a trading statement which confirmed expectations of achieving full-year results at least in line with previously upgraded guidance; **Wilmington Group** (+14%) following strong interim results which showed double-digit recurring revenue growth; and **Trustpilot** (+6%) on no specific news.

The largest detractors to performance were **Team17 Group** (-15%) following one broker downgrading their recommendation from 'overweight' to 'neutral'; and **Keywords Studios** (-10%) on news that Klarna launched an OpenAI-powered customer service assistant, deemed a competitive threat to Keywords' player support division. However, the Manager views the read across as limited, with the broader investment thesis intact, underpinned by the longer-term structural shift towards outsourcing in the video game industry.

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



Manager
Ken Wotton
23 years' experience

Fund information

Launch date 1 February 2019

Fund size £131.4mn

Fund sector IA UK Smaller Companies

Number of holdings 39

Portfolio turnover rate 24%

(12-month period to 29 February 2024)

Fund price 157.06p C Acc (as at 29 February 2024)

Pricing 12:00 noon (GMT)

ISA eligible Yes

Ratings



Platforms hosting the Fund

- 7iM
- Aegon
- AJ Bell
- Allfunds
- Asentric
- Aviva
- BNY Mellon
- CoFunds
- FundsNetwork
- Hargreaves Lansdown
- Hubwise
- James Hay
- Novia
- Nucleus
- Platform Securities
- Praemium
- Raymond James
- SECCL
- Seven
- Standard Life Wrap
- Transact
- Wealthtime

Fund statistics¹

Source: FE Analytics, based on three years to 29 February 2024. Volatility, Alpha, Beta, Sharpe and Info Ratio are benchmarked against the Fund's own sector average

Risk ratios month ending 29 February 2024	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Smaller Companies Fund	13.38	4.76	0.80	0.00	1.03
IA UK Smaller Companies	15.32	0.00	1.00	-0.01	0.00

Top 10 holdings

Holding	Description	NAV
XPS Pensions Group	Actuarial consultancy	4.1%
Trustpilot	Digital platform for consumer reviews	3.6%
Elixirr	Business management consulting firm	3.4%
Franchise Brands	A collection of market-leading franchise businesses	3.2%
Keywords Studios	Technical and consulting services provider	3.1%
Gamma Communications	Business only mobile network	3.0%
Moonpig Group	Internet-based business providing greeting cards/ gifts	3.0%
Sabre Insurance	Insurance services provider	3.0%
Smart Metering Systems	UK smart meter provider	2.8%
TP ICAP	Brokering services provider	2.8%

Portfolio activity

The Fund made one new investment during the period, into **CVS Group**, an integrated veterinary services business which the Manager believes benefits from structural growth tailwinds, alongside internal levers to drive margin expansion, which is trading at an attractive valuation due to the Competition and Markets Authority (CMA) initiating a review of the sector, the outcome of which we do not expect to materially impact the business value over the long term.

The Fund made several selective follow-on investments, including into **Ascential**, a leading international media company which recently disposed of two non-core business segments, leaving a pure-play events business with market leading brands, that trades at an attractive valuation relative to recent precedent transactions; **Keywords Studios**, the leading player in the global video game outsourcing market with an experienced management team who have delivered consistent earnings growth and cash generation since IPO through execution on a clear organic and inorganic growth strategy; and **Moonpig Group**, an online leader within the card and gifting market, which continues to drive organic growth from its current customer base, and despite exhibiting resilience through the cycle continues to trade at a discounted valuation.

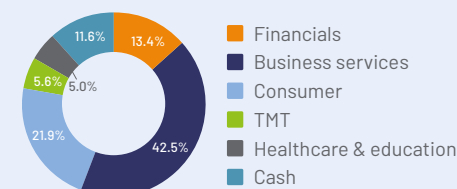
The Fund made no full exits during the period.

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	0.85%	0.85%
ISIN code	GB00BH416G53	GB00BH416F47
SEDOL code	BH416G5	BH416F4
MEXID	LIUYA	LIOKJ

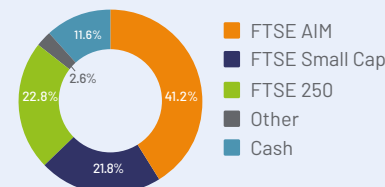
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Sector allocation



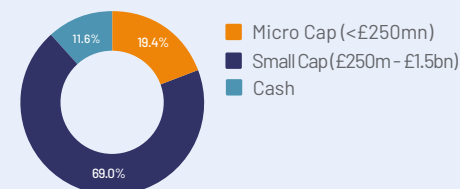
Source: Gresham House Asset Management Limited (portfolio at 29 February 2024)

Index weighting



Source: Gresham House Asset Management Limited (portfolio at 29 February 2024)

Market cap breakdown



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.£8.5bn AUM.

Source: Gresham House as at 31 December 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

Important information

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