



Gresham House
Specialist investment

SINCE 1857

Delivering financial returns sustainably



Annual Review | For the year ended 31 December 2024

Leading the way in areas of growing asset allocation

No. 1

Commercial forestry asset manager in the UK by value¹

1. IPE Real Assets 2025

7th largest global

commercial forestry asset manager²

2. IPE Real Assets 2025 by value

No. 1

battery energy storage fund in the UK

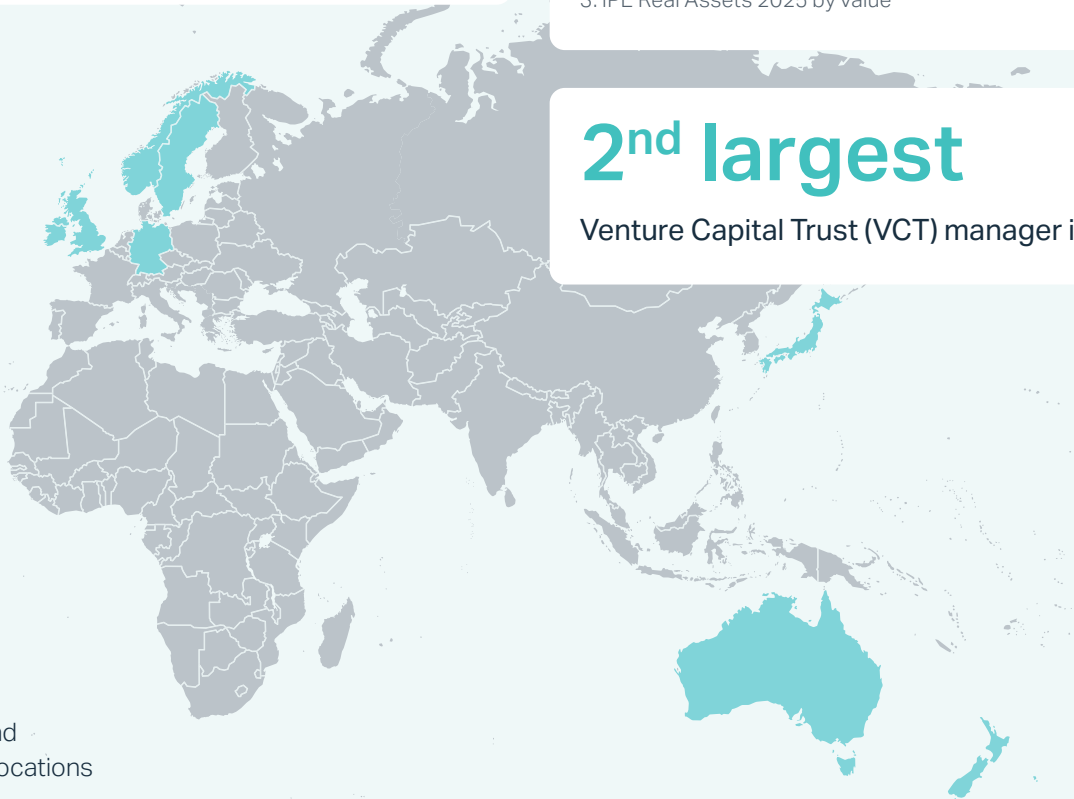
Top 10 global

natural capital manager³

3. IPE Real Assets 2025 by value

2nd largest

Venture Capital Trust (VCT) manager in the UK



Office and partner locations

Heritage - incorporated in 1857

A partnership approach - trusted by our network of financial clients globally

28% employee ownership - incentivised and aligned team with over 100 staff invested

Trusted investor - working with 20 UK local government pension schemes and global financial institutions

Innovator - developing new products and asset classes to bring to clients - Natural Capital, Battery Storage, Vertical Farming, Biodiversity Net Gain 'Habitat Banks'

Asset allocation continues to support 2024 growth

£8.7bn AUM as at 31 December 2024



4. Infrastructure includes AUM from Energy Transition and Sustainable Infrastructure divisions



£1.1bn +13% growth

Gross new business in a challenging market

£0.2bn +2% net growth

Net AUM growth

£38mn +18% EBITDA

EBITDA growth (2023: £32mn)

£200mn

net fund inflows into our UK Public Equity funds – winning market share and bucking the trend

£140mn

Successful £90mn gross fundraise for the Mobeus VCTs and £50mn gross fundraise for the Baronsmead VCTs

£125mn

Committed capital raised into Gresham House Thriving Investment Residential Secure Income LP from LGPS clients

Executing on our growth strategy

Financial highlights

£8.7bn AUM⁵
+25% CAGR 2018-2024

as at 31 Dec 2024

5. Assets Under Management is defined as the fee earning value of assets managed and advised by Gresham House.

£86.3mn
Total net core income⁷
+35% CAGR 2018-2024

for the year to 31 Dec 2024

7. Net core income includes asset management income, performance fees and dividend and interest income earned in the year.

44.0% EBITDA margin⁹

for the year to 31 Dec 2024

9. EBITDA margin is defined as net core income divided by EBITDA.

£38.0mn EBITDA⁶
+53% CAGR 2018-2024

for the year to 31 Dec 2024

6. EBITDA metric excludes interest and financing costs, depreciation and amortisation, exceptional items from acquisition costs and restructuring and acquisition-related remuneration.

25.8%
Return on capital
employed (ROCE)⁸

for the year to 31 Dec 2024

8. ROCE is defined as EBITDA plus net realised gains and development activity and fair value movements in investments, less fair value movement in contingent consideration, divided by opening net assets, adjusted for any shares issued in the year.

High-quality long-term
revenue streams

13-year weighted average
life of LP funds

Sustainability highlights¹⁰

2.2mn tCO₂e

sequestered by our forests

297,000 tCO₂e

avoided by our renewable assets

232ha

biodiversity habitat banks created

11. 31 December 2024

8,541

underserved homes connected to the internet

£100,000

raised in total for charity

242

net new jobs created across our BSIF portfolio

“Generating additionality from the sustainability agenda to deliver non-financial returns.



Rupert Robinson
Managing Director

10. Sustainability data is for the period 1 January - 31 December 2024.

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About us

At Gresham House our purpose is to support our clients to achieve their financial objectives.

We create specialist solutions to deliver long-term financial returns for investors through an investment offering centred around identified key global themes which are shaping the way in which we live.

We take a partnership approach to investing on behalf of our clients, helping them achieve their financial and sustainability objectives, delivering value through our investment performance, and collaborative approach to addressing their needs.

Leading the way

An investment with Gresham House provides access to highly differentiated and alternative assets alongside quality service provision.

Gresham House is a Top 10 global investment manager in natural capital and has significant market shares in other key areas of specialist expertise such as venture capital, energy storage and infrastructure. We are privately owned with significant ownership by our employees.

As a business we are committed to generating financial returns within a sustainability framework, and this is based on a core set of beliefs that guide our strategic objectives and corporate sustainability strategy. Our philosophy is complemented by our definitions of what sustainability means to us as an investor, as a business and employer, and as a corporate citizen.

The management team have a vision of making Gresham House the “go to” investment manager in these specialist asset classes. Our global market positions will grow organically and through selective and accretive acquisitions, alongside partner LP relationships.

www.greshamhouse.com

An investment lens focused on addressing critical global mega-trends

We partner with our clients to help them achieve their financial and sustainability objectives through investing in key long-term trends:

- 

Natural capital
offering access to a platform of return-generating natural capital with a core focus on forestry
- 

Energy transition
supporting the global transition to net-zero carbon emissions
- 

Social impact
investing in assets that provide benefits to people
- 

Growth capital
directing capital into small and growing businesses to drive growth and productivity gains



“Generating strong financial returns for clients from areas of growing asset allocation is our focus.”

 **Tony Dalwood**
Chief Executive

Generating financial returns through investment in long-term themes that shape our world

2024 was our first full year under the private ownership of Searchlight Capital Partners. We have increased employee ownership, which now stands at 28% and our commitment to financial returns, clients, sustainability, and performance continues to underpin everything we do.

Despite a global slowdown in the fundraising environment, we were pleased to see continued momentum in 2024 with a well-defined strategy and a clear path of growth across all our asset classes. Gresham House has significant global and regional market shares in asset classes that are witnessing continued increases in asset allocation. We are ranked seventh in forestry and tenth in natural capital globally by value. We are the largest battery storage manager and are the second largest venture capital trust (VCT) investor in the UK. In addition, our sustainable infrastructure business has established scalable positions in areas such as rural broadband access, vertical indoor farming and nursery education.

We remain ambitious and confident that Gresham House will continue to drive the delivery of its financial and strategic goals with an unwavering focus on investment performance. We continue in our aim to scale internationally and through the creation of new solutions for clients, particularly in natural capital, forestry and infrastructure. We are a Group that has successfully partnered with clients both through creating investment solutions and via strategic partnerships.

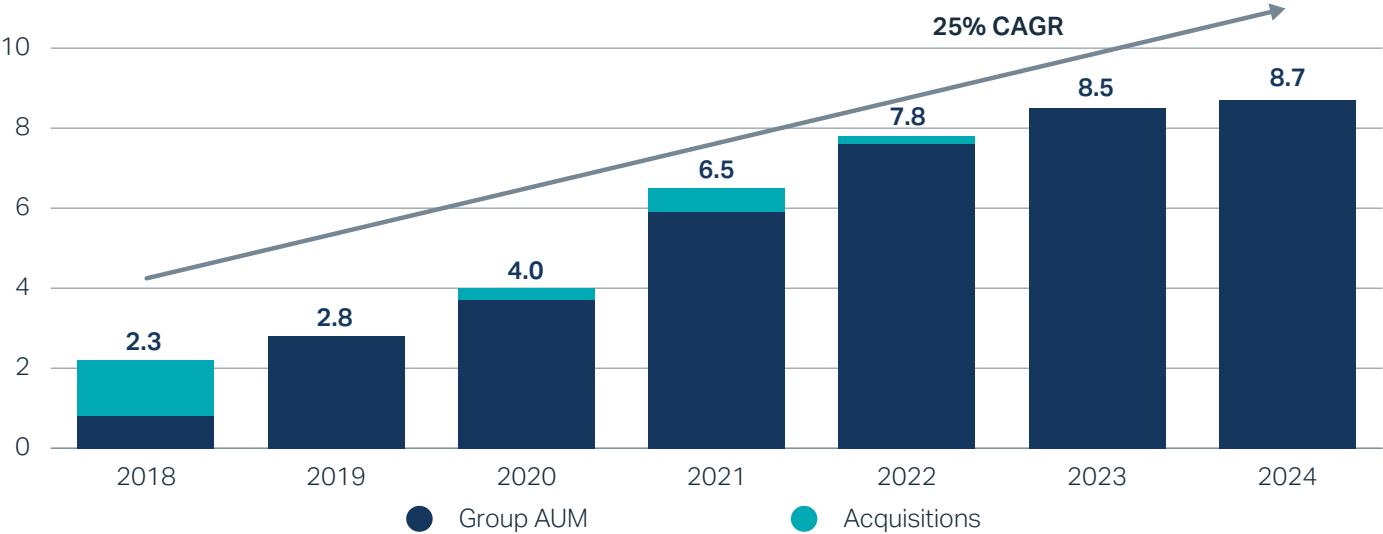
As we seek to internationalise our investment offering, we have set out our Value Creation Plan to deliver our strategic plan, GH30, to drive AUM to £20 billion by 2030 and increase revenues to £200 million through organic and acquisitive growth. We also established the Management Equity Plan through which over 100 employees and management (almost 50% of employees) have invested their own capital into the business, emphasising the ambition and alignment within the business.

Our successful period as a quoted company on AIM following the management buy-in of 2014 delivered AUM growth from virtually nothing to nearly £9 billion in less than ten years. This was supported by several partner relationships with LP investors, some of whom were significant shareholders of Gresham House, the management company. The alignment and relationship generated both financial and strategic benefits for these partners. Now that employees own 28% of Gresham House ordinary shares, we remain keen to align with partner relationships again on the next phase of our growth journey.

It is worth remembering what has been achieved since the management buy-in of Gresham House in late 2014. The Group has been transformed from a loss-making investment trust into a profitable, leading specialist alternative asset manager focused on generating financial returns for clients by investing in long-term global themes that are shaping our world. Our investment expertise covers natural capital, real estate, infrastructure and strategic equity. The opportunity to develop the Group as a private company started in December 2023. The ambitions remain the same.

Strong AUM growth

AUM Growth Chart 2018 – 2024 (£ Billion)



Highlights

Today, Gresham House actively manages £8.7 billion of assets, across a geographic footprint that spans Europe and Australasia, on behalf of institutions, charities and endowments, family offices, private individuals, and their advisers.

As a specialist investment manager our aim is to generate attractive risk-adjusted returns and we focus our investments around long-term global themes that are shaping the world in which we live, partnering with our clients to help them achieve their financial and sustainability objectives:

- Natural capital - providing our clients with access to a platform of return-generating land-based and climate-positive assets with established track records in forestry, carbon and biodiversity
- Energy transition - supporting our clients' decarbonisation ambitions and the global transition to net-zero carbon emissions
- Social impact - investing in a range of assets that provide benefits to people, from broadening digital access to providing affordable housing options, as well as local or regional investment solutions
- Growth capital - directing capital into small and growing businesses that aim to generate long-term growth as well as driving productivity gains

Commitment to strong investment returns with sustainable themes

As a sustainable investor, we remain committed to delivering strong financial returns for our clients while aligning with their sustainability objectives. Sustainability considerations are integrated across all the Group's investment strategies, and we continue to play a leading role in shaping the evolving dialogue around natural capital and the energy transition. Building on our deep expertise in sustainable forestry and infrastructure, we are expanding our product offering to include ecosystem services and regenerative agriculture as global clients increase allocations to these areas.

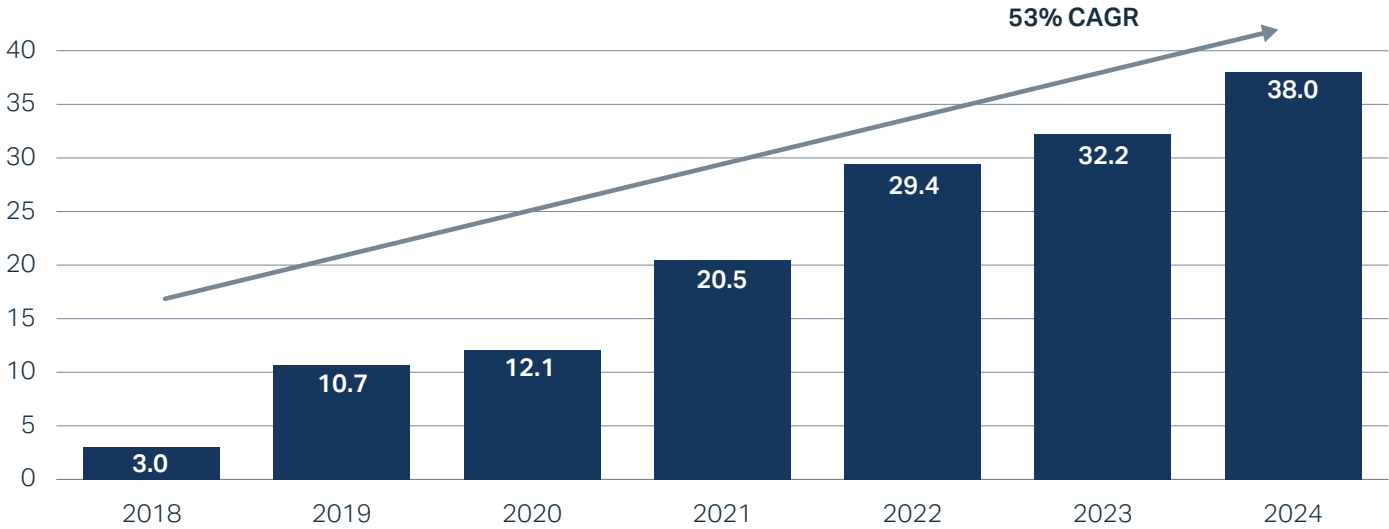
As part of our commitment to market leadership, we have adopted the UK Sustainability Disclosure Requirement (UK SDR) launching our first SDR-compliant Sustainability Impact fund - Gresham House Thriving Investments Residential Secure Income LP. This initiative reflects our proactive approach to responsible investment and our dedication to transparency in sustainable finance. Our efforts in sustainability and impact investing have also been widely recognised, with the Group receiving multiple industry awards, including Sustainability Manager of the Year and Impact Manager of the Year at the UK Local Government Chronicle Investment Awards 2024, reaffirming our position as a leader in this space.

International growth

Our international growth ambitions continue to develop and there is increasing engagement with institutions in Australia, Canada and Japan in relation to international forestry, natural capital and the global energy transition. Conversations are progressing and we hope to see new investments in 2025 from institutions in these countries. We are particularly keen to partner with long-term capital as we have done successfully over the last ten years.

Sustained value creation

EBITDA growth 2018 - 2024 (£ Million)



EBITDA metric excludes interest and financing costs, depreciation and amortisation, exceptional items from acquisition costs and restructuring and acquisition-related remuneration.

Outlook 2025 and beyond

The macroeconomic and geopolitical changes currently evident globally are affecting investment decision making by many LPs. Despite this, allocations to our real asset and strategic equity platforms continues to grow. There is building recognition that strong investment returns need not be compromised by investing into sustainable investment themes. The additional portfolio benefits from diversification, inflation linkage, lower relative volatility plus non-financial additionality makes the asset class areas where Gresham House invests highly valuable. We are excited by the pipeline of opportunities set to develop in 2025 and beyond with solutions across real assets and private equity. Our Value Creation Plan to deliver the GH30 five-year roadmap provides a well-defined strategy and a clear path to growth across all our asset classes.

We have recruited in key positions across the business to develop our investment offering and to drive our international growth plans.

With clients at the centre of our universe, their ambitions alongside Gresham House's are aligned - we focus on client financial returns with additionality.

Our long-term commitment remains focused on helping clients achieve their investment objectives while expanding our business in a sustainable manner.



Tony Dalwood
Chief Executive

In 2024, we appointed a distribution partner in Germany following research to identify markets that are likely to be the most receptive to our product offering. The German market presents good opportunities and we have additionally identified the Nordics as a source of potential investors. We will continue to work with our partners in both these areas to expand our reach.

Gresham House brand

The Gresham House group has benefitted from independence to establish highly differentiated investment strategies. The brand has evolved to mean stability, long-termism and delivery.

With our strong global and regional market positions, we continue to focus on our capabilities as a specialist investor. We are well-positioned to offer clients a broad range of options to suit varied and often complex needs, through highly differentiated strategies in areas of growing asset allocation.

We continue to evolve, develop and grow the brand, not only here in the UK and Ireland but increasingly internationally in Australia, Japan, Germany and the Nordics.

Our purpose is to help clients achieve their financial objectives by generating attractive risk-adjusted returns through specialist investment solutions focused on long-term themes which shape the way in which we live.

The Gresham House brand is growing, and we are ensuring our proposition is prominent in the market place at events and conferences, with thought leadership insights available on our website and a growing media presence.

Our people

With a culture of empowerment, individual flair and entrepreneurial thinking we are able to attract and retain the brightest talent in the industry. We encourage individualism, dynamism and ambition within Gresham House. At the core of our offering for clients, is an ambitious, diligent and highly experienced team.

Whether fund managers, salespeople, personal assistants or legal advisers, our people always bring something special to the table. We have continued to strengthen our team with the strategic recruitment of leading talent in investment, distribution and sustainability.

The culture empowers our team to design and implement alternative investment solutions in support of a more sustainable future, and it also encourages commitment to the business' overall goals. It has been really pleasing to see almost 50% of employees invest their own capital into the business through our Management Equity Plan, highlighting the alignment and focus on growing the business in its next stage of development. This has resulted in an employee ownership of 28% of the ordinary shares in the company.

Our heritage

Gresham House has a rich heritage as one of the oldest companies in the UK still operating today, having first been incorporated in 1857 with company number 871.

In 2014, CEO Tony Dalwood, led a management buy-in of Gresham House. The management team, that had worked together previously including Rupert Robinson, had the objective of creating a leading specialist alternative asset management business. Since then, the experienced and long-standing leadership team has delivered the transformation of the business, growing from a standing start to £8.7bn in assets under management for a diversified client base both in the UK and internationally.

In December 2023, the company was acquired by Searchlight Capital Partners LLP delivering a total return to Gresham House shareholders of over 300% since 2014. The FTSE AIM All Share and FTSE All Share indices delivered a total shareholder return of just 18% and 55% over the same period. It was delisted from the London Stock Exchange's Alternative Investment Market (AIM) having first been listed in July 1950.



The acquisition of Gresham House by Searchlight delivered a total return to shareholders since the 2014 management buy-in of over 300%.

Tony Dalwood
Chief Executive



Dec 2014
Management buy-in of shell investment trust



Nov 2016
Acquired a Scottish forestry asset manager in 2016, **Aitchesse**, with **£192mn AUM**



October 2017
Acquired **Hazel Capital** in 2017, a **renewable asset manager with £167mn AUM**, predominately across wind and solar



May 2018
Acquired an English-based forestry asset manager, **FIM**, with **£698mn AUM**



Nov 2018
Acquired the fund management businesses of **Livingbridge VC LLP**, adding **£476mn of AUM**



Mar 2020
Launched GH25 - strategic five-year plan - and acquired **TradeRisks** (Social Housing), adding **£184mn AUM**



Jun 2021
Acquired **Appian Asset Management** in June 2021, adding **£303mn AUM**



Sep 2021
Acquired Mobeus VCT contracts, with **£369mn AUM**



Mar 2022
Acquired **Burlington Real Estate**, building AUM by **£243mn**



Dec 2023
Acquired by **Searchlight Capital Partners LLP** and delisted from AIM



Sep 2024
Launched **GH30** strategic value creation plan



Since 1857

The company takes its name from the family of Sir Thomas Gresham, the City of London grandee, philanthropist and founder of the Royal Exchange and Gresham College.

The name is synonymous with the City's rich history and is ever-present, not least in the important Gresham Street in the City of London, which is also named in the family's memory. The iconic grasshopper logo still present in our logo today was present on the family crest.

Leveraging our specialist investment capability to invest in critical long-term global themes



As an active manager specialising in alternative investments with a sustainable positive impact, our focus is on the delivery of financial performance and service excellence for our clients both globally and regionally.

We target financial returns through specialist investment in long-term global themes that are shaping the world in which we live. Themes that are critical to humanity and where the opportunity for investment innovation to drive financial and non-financial returns for our clients and stakeholders has never been more evident.

Within these we offer sustainable investments across a range of strategies, with expertise covering natural capital, real estate, infrastructure and strategic equity.

We partner with our clients to help them achieve their financial and sustainability objectives through investing in key mega-trends:

- **Natural capital** - providing our clients with access to a platform of return-generating land-based and climate-positive assets with established track records
- **Energy transition** - supporting our clients' decarbonisation ambitions and the global transition to net-zero carbon emissions
- **Social impact** - investing in a range of assets that provide benefits to people, from broadening digital access to providing affordable housing options, as well as local or regional investment solutions
- **Growth capital** - directing capital into small and growing businesses that aim to generate long-term growth as well as driving productivity gains

Natural capital

- Top 10 natural capital manager globally by value
- 7th largest commercial forestry manager globally by value
- No. 1 largest commercial forestry manager in the UK

Gresham House is one of the top ten largest natural capital managers globally and is investing in an increasing range of scalable and profitable land-based assets. We provide our clients with a platform of financial return-generating natural capital assets with established track records, including sustainable forestry, sustainable agriculture, carbon forestry and biodiversity creation. Each asset has different risk and return profiles with positive environmental outcomes. We work with our clients to provide access to these options to create their natural capital portfolios which promote the transition towards a more sustainable economy.

Our natural capital platform allows us to work with our clients to design funds and tailored solutions that meet their natural capital requirements. We offer clients the opportunity to access investments via funds and segregated accounts, including in sustainable forestry, carbon credits, biodiversity net gain units through our habitat bank investments, as well as sustainable agriculture with our vertical farming investments.

At the end of the year, we welcomed Eoin McDonald (formerly Senior Portfolio Manager at Nuveen) as Global Natural Capital Director to drive the delivery of our Natural Capital solutions for investors.

Energy transition

No.1 largest UK battery storage manager

Renewables, including wind, solar and battery energy storage have a vital role to play in the energy transition to provide cleaner, cheaper energy as well as helping to build energy security for the country. We continue to support the UK's transition to renewable energy by supporting the long-term decarbonisation of the grid. Gresham House Energy Storage Fund plc (GRID) is the largest fund of its kind in the UK and invests in a portfolio of utility-scale battery energy storage systems in the UK and Ireland.

Despite a challenging backdrop for the sector and for investment trusts more generally, GRID expects full year portfolio revenues for 2024 to outperform full year 2023 portfolio revenues. The fund made a ground-breaking tolling agreement with a subsidiary of Octopus Energy for two-year fixed-price contracts for approximately half of its 1,072MW target portfolio, which started in a phased manner from 1 July 2024. Separately, we are progressing our international energy transition plans, seeking to use our experience and intellectual property to scale where there remains a clear market growth opportunity. Other value-add initiatives for our investors are also underway as part of creating shareholder value from asset management.

Our international ambitions to utilise our intellectual property, experience and distribution platform is progressing on our strategic development agenda.

Social impact

3,716 careers supported by our Sustainable Infrastructure 'BSIF' portfolio

Local and regional solutions that generate positive outcomes are a key part of our investment offering. As more investors are looking to make investments that benefit and enhance their local area, in May 2024 we were able to facilitate investments for Gloucestershire and Devon Pension Funds into local shared ownership projects which will deliver new affordable housing for local residents in their respective counties. These commitments will not only provide investors with stable and secure long-term income returns that contractually rise with inflation but will also fulfil a key societal need by lowering the lifetime cost of housing for those on lower to middle incomes, such as young families and key workers, by making new energy efficient homes affordable and accessible.

“

As the UK’s second largest VCT manager, we invest in businesses for their long-term growth potential, in key sectors that both create jobs and develops skills, in turn driving efficiencies and value for the economy.

Trevor Hope
CIO VCTs, Gresham House



Growth capital

2nd largest VCT manager in the UK

As the second largest Venture Capital Trust (VCT) provider in the UK, our investments are helping to support growth and productivity improvements for the wider UK economy. We are proud of Gresham House Ventures’ position in contributing to economic growth through scale-up capital. Strong investment returns for clients remain the long-term focus.

We concentrate our efforts on sectors, markets and companies benefiting from long-term structural growth in order to benefit our investors and investees.

Our investments into companies are typically made across multiple funding rounds. This allows us to invest further capital, with increased conviction in the potential investment return, as the business grows, achieves agreed milestones, and matures over time.

The Mobeus VCTs, shortly to be renamed the Gresham House VCTs, successfully raised £90mn in their September and October fundraising, following £50mn raised as part of the Baronsmead VCTs’ fundraising earlier in the year.

In summary

We are increasingly taking our intellectual property and investment management expertise into international jurisdictions.

As a signatory to the UN-supported Principles for Responsible Investment, we are committed to operating responsibly and sustainably. We believe taking the long view in delivering sustainable investment solutions will continue to be a growing factor in the strength of our market positioning.

- We offer funds, direct investments and tailored solutions, including co-investment, across a range of sustainable investment strategies
- We have created a specialist asset management business in the growing sustainable alternative investment space, focused on delivering strong financial returns alongside social and environmental objectives for both clients and shareholders
- The growing institutionalisation and globalisation of these specialist asset classes is clear

Our GH30 strategic framework

On track to deliver our value creation plan. GH30 is our strategic framework to grow the business over the next five years and beyond, aligning ourselves with our clients over the long term.

It is a continuation of our successfully executed GH25 plan and encapsulates financial and strategic targets. Through the delivery of these targets, we aim to deliver a business with an AUM of £20 billion and an EBITDA of £90 million by 2030.

Alignment of our investment teams with clients over the long term is important to achieving clients’ financial returns and to providing consistency in delivery. This will include long-term incentive schemes, such as carried interest and performance fees, that are successful only when clients’ target returns are delivered.



Financial targets

£20bn

AUM

1%

Gross fee margin

£90mn

EBITDA¹²

45%

Margins

20%

ROCE¹³

12. EBITDA metric excludes interest and financing costs, depreciation and amortisation, exceptional items from acquisition costs and restructuring and acquisition-related remuneration

13. ROCE is defined as EBITDA plus net realised gains and development activity and fair value movements in investments, less fair value movement in contingent consideration, divided by opening net assets, adjusted for any shares issued in the year

Strategic targets

Superior investment performance

75% of funds exceeding investment target returns

Market leadership

The manager of choice for sustainable investment client solutions

International presence

Grow AUM and deploy capital internationally

M&A

Delivery of accretive M&A, in line with financial targets

Strategic targets by business unit

Natural Capital

Recognised top 5 global forestry and natural capital manager

Energy Transition

A market leader in global battery energy storage

Sustainable Infrastructure

Successful fund closes for BSIF III and BSIF IV totalling over £2 billion in new capital

Real Estate

Significant growth in UK residential client offering across shared ownership, retirement and build-to-rent and expansion of specialist Irish real estate offering

Public Equity

To be recognised as the leading specialist UK and Ireland equity franchise

Private Equity

Grow VCT funds to £1.2 billion+ and to raise c.£250 million in non-VCT funds

Generating value through financial returns and our focus on sustainability



Putting our clients at the centre of what we do

We provide investment solutions to a wide range of clients including: Government entities, institutional investors, wealth managers, financial advisers, individual investors, family offices, charities, and endowments.

Gresham House’s diversified mix of real asset strategies and equity strategies enables us to deliver the financial returns our clients seek, by investing in long-term themes shaping the world in which we live. We partner with clients to ensure our investment solutions meet their financial and sustainability requirements, often by creating bespoke solutions.

Importantly, Gresham House and its employees typically invest alongside our clients in our funds to provide a greater alignment of interests.

We are proud to work with a growing number of the UK’s largest institutional investors including 20 Local Government Pension Schemes (LGPS) across our Real Asset strategies. Increasingly, we are attracting international investors, including in Australia, Japan and Germany.

In our Strategic Equity division, we are proud to have bucked the trend of outflows from UK equities in 2024 by continuing to attract inflows into our UK equity funds as well as being included on national wealth management central coverage lists, including those of RBC Brewin Dolphin, Rathbones, Charles Stanley and Evelyn Partners.

Institutional clients

Institutional investors require solutions that meet their financial objectives first and foremost, but they also want investments that make positive contributions to the environment and to society.

We use our unique position of investing in alternative assets to develop investment solutions that meet clients’ specific sustainability outcomes and drive transformative change, including:

- Supporting their net-zero and climate targets
- Investing in place-based solutions within their local regions
- Developing natural capital investment solutions
- Providing social impact investments

An important aspect of our relationships with current and prospective clients is the provision of education around our investment solutions and site visits to bring the investments to life. In 2024, Gresham House hosted five site visits for 42 institutional investors and advisors, including from local government pension schemes (LGPS), Endowments, Asset Managers and Investment Consultants.

Wholesale clients

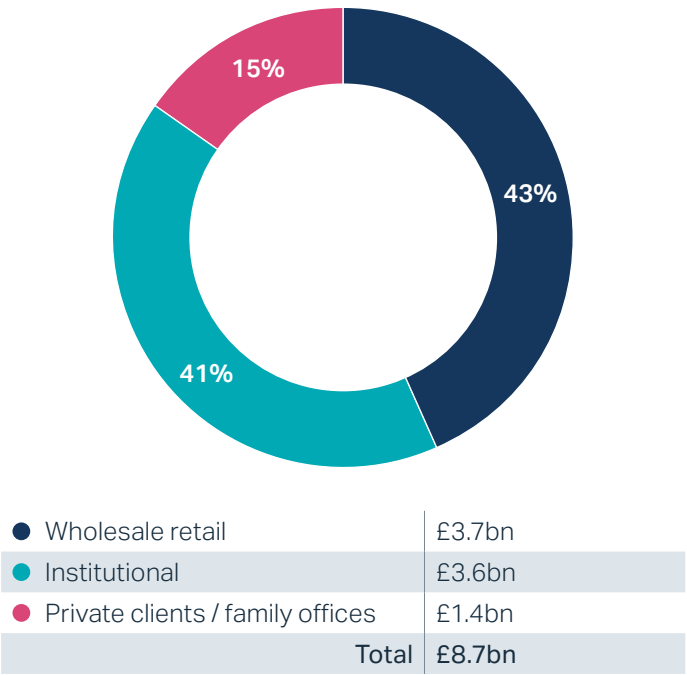
Our wholesale investors are attracted to our specialist and differentiated investment approach.

Our long-term investment philosophy for the Group’s Strategic Equity offering applies private equity techniques to investing in public markets. Our funds seek to invest in companies that are robust and resilient, that operate in structurally attractive markets or have a niche, differentiated proposition, and are less exposed to external factors. Our fundamental approach to building high conviction, concentrated portfolios is based on the deep analysis of specific companies.

Private clients and family offices

Many of Gresham House’s private and family office clients have had investments managed by the company and its predecessors for decades. Such longstanding relationships are an endorsement of Gresham House’s client service ethos. We have a long track record of assisting with the implementation of intergenerational wealth transfers. Clients who made initial investments into forestry several years, or even decades, ago have often subsequently further diversified their sustainable investment portfolios by making allocations to other Gresham House strategies.

AUM by client channel



Our people, our best assets









28% employee ownership of the Group indicates the belief and alignment in our ambition



It is the people in our business who are critical to our success, it is their knowledge, their creativity, their responsibility and their focus that have driven the success that we have achieved and will drive the future growth of the business.

At the heart of this is our culture, a culture of innovation, embracing new ideas, meeting challenges head on and encouraging people to “make a difference”.

This is underpinned by the six core values that we hold:

- | | |
|--|--|
|  Ambition |  Dynamism |
|  Authenticity |  Empowerment |
|  Collaboration |  Meritocracy |

Our culture enables us to design and implement innovative investment solutions capable of building a sustainable future and ensuring environmental, social and governance considerations remain front and centre in our thinking.

We place great importance on ensuring all new joiners feel fully integrated and valued, and that they are clear on how their role contributes to our success and growth. We have implemented a co-ordinated, in-person induction programme for all new joiners to the business.

When welcoming new employees to Gresham House, it is important that they fully understand our values and culture, and that they feel they belong and are provided with the knowledge and skills to fulfil their role as effectively and proficiently as possible by ensuring they know key elements of the business and how to operate and navigate.

We feel that this sets our people up to be successful for clients, Gresham House and importantly their own careers.

Our Corporate Sustainability Strategy

The sustainable investment landscape is evolving at pace, driven by regulatory developments, investor expectations, and the urgency of addressing climate and biodiversity challenges.

Our Corporate Sustainability strategy ensures we remain at the forefront of these changes, integrating sustainability into our investments, operations and corporate culture.

Built around three core pillars – our role as a sustainable investor, responsible business and employer, and engaged corporate citizen – this strategy underpins our commitment to delivering strong long-term financial and sustainability outcomes.

By integrating sustainability principles into decision-making, we seek to drive value creation for our investors while contributing positively to the broader economy and environment.

We have maintained our commitment to sustainability through the progress we have made against our Corporate Sustainability Strategy.



Looking ahead

2025 is a pivotal year for Gresham House as we build on our sustainability momentum.

By embedding sustainability across governance, investment decision-making, and corporate culture, we will enhance long-term value creation for investors while contributing positively to the economy, society, and the environment.

Sustainable Investor



Integrating sustainability into our investment strategies to generate long-term financial and environmental returns

- Scaling natural capital solutions
- Investing in the energy transition
- Driving social impact

Progress and Priorities for 2025

- Launched our first Article 9-compliant fund under SFDR
- Introduced our first Impact Fund under UK SDR
- Appointed a Director of Global Natural Capital to expand our nature-based investment strategy
- Led the market with a place-based impact report in partnership with The Good Economy

In 2025, we aim to

- Develop a firm-wide Net Zero & Nature strategy with asset-class-specific pathways
- Publish our first Taskforce on Nature-related Financial Disclosures (TNFD) report
- Align our Sustainable Investment Report with ISSB standards
- Scale our nature and biodiversity solutions across global markets

Sustainable Business & Employer



Embedding sustainability in our operations and workplace to enhance resilience, inclusivity, and employee well-being

- Strengthening diversity, equity, and inclusion (DEI)
- Reducing our corporate carbon footprint
- Enhancing employee health, well-being, and professional development

Progress and Priorities for 2025

- Hosted internal sustainability knowledge-sharing sessions on climate risk and greenwashing
- Onboarded a new carbon data platform to track emissions across our operations and investments
- Delivered DEI training on unconscious bias and menopause in the workplace
- Developed an ESG value creation strategy in partnership with Searchlight Capital

In 2025, we aim to

- Enhance our climate risk assessment framework
- Improve data-driven sustainability reporting for internal and external stakeholders
- Support employee well-being and professional development

Sustainable Corporate Citizen



Driving meaningful engagement beyond our business through partnerships and community impact

- Expanding our charity and community partnerships
- Increasing employee volunteering and matched giving
- Supporting financial literacy and climate awareness initiatives

Progress and Priorities for 2025

- Employees participated in fundraising events like the London Marathon and Barry's Bootcamp Challenge
- 11% of employees contributed through our Give as You Earn Scheme, with Gresham House matching up to £50 per month, contributing £20,800 in 2024

In 2025, we aim to

- Continue employee volunteering and community partnerships
- Explore engagement with charities focused on environmental and social impact
- Introduce climate and nature literacy initiatives

2024 in numbers

Sustainable Investor

Commitment to Sustainability	2023	2024
Assets under management (£bn)	8.5	8.7
UK SDR Impact (# funds)	0	1
SFDR Article 8 and 9 (# funds)	4	6
PRi Assessment ¹⁴	4 or 5 stars	4 or 5 stars

Strategic Equity	2023	2024
Public Equity		
Management teams met by our UK team (%)	100	100
ESG engagements	108	95
Private Equity		
Unquoted portfolio companies engaged with (%)	100	100
Portfolio company Boards attended as a member or observer (%)	78	81

Real Assets	2023	2024
Natural Capital		
Trees planted (mn)	6.4	8.1
Carbon sequestered by forests (mn tCO ₂ e)	1.9	2.2
Energy Transition		
Renewable energy generation (GWh)	418	680
Operational battery energy storage capacity (MW)	690	845
Sustainable Infrastructure		
Total hectares supporting nature recovery completed	469	794
Premises passed with "ready for service" full fibre/ gigabit-capable broadband	168,475	300,065
Real Estate		
New homes constructed	126	170
Portfolio EPC rating B or above (%)	41	52

14. Gresham House received 4 or 5 stars, out of a maximum of 5 stars, for all submitted modules

Sustainable Business & Employer

Our People	2023	2024
Women in senior management (%)	35	36
Ethnic minority employees (%)	19	17
Employee advocacy score (%)	74	69

Climate Change	2023	2024
Operational emissions (Scope 1 & 2, tCO ₂ e)	137	157
Operational carbon intensity (Scope 1 & 2 tCO ₂ e/FTE)	0.6	0.7
Energy consumption (MWh)	594	690

Sustainable Corporate Citizen

Charitable Giving	2023	2024
Corporate charitable giving (£'000)	59	59
Employees using Give as You Earn (%)	11	11

“

By embedding sustainability across governance, investment decision-making, and corporate culture, we will enhance long-term value creation for investors.

Hyewon Kong
Director, Sustainable Investment

Investment performance

As a specialist investment manager, we provide a differentiated range of specialist investments from real assets to public and private equity. Our focus is on delivering returns over the long term.

In real assets, we look to provide uncorrelated returns to equity markets as well as diversified sources of income, while in strategic equity we target superior long-term returns.

It is pleasing to highlight that our strategies continue to deliver outperformance against their target IRRs, while in strategic equity our specialist UK equity funds continue to perform well over the long term.

Within our VCT offering, the Mobeus VCTs have delivered strong outperformance relative to the competition over the medium to long term, while the Baronsmead VCTs, which are one of the only hybrid VCTs in the market, have delivered good absolute returns over the long term.



Real Assets

	Avg. annual net returns since inception ¹⁵	Avg. target IRR ¹⁶
Forestry	11.4%	7-10%
	Annualised NAV TR	Target IRR
Energy Transition (battery storage) ¹⁷	6.3%	8%
Energy Transition (private onshore wind fund) ¹⁸	11.5%	7.25%
	Avg. net IRR to date	Target IRR
Sustainable Infrastructure ¹⁹	12.7%	8-10%
	Annualised NAV TR ²⁰	Target IRR
Real Estate	-6.7%	8%

15. Gresham House. Long-term annual returns (net of all fees and costs) for long-established Gresham House UK forestry funds from inception to 31 December 2024. Blended performance may not be representative of any one product

16. Target IRR range across long-established forestry funds

17. GRID plc Annualised NAV TR as at 31 December 2024

18. Gresham House. Long-term annual returns (net of all fees and costs) for long-established Gresham House private wind fund, holding four onshore wind farms from inception to 31 May 2024

19. BSIF II net IRR to 31 December 2024 (unaudited). Second vintage of the Sustainable Infrastructure strategy is the most representative of the portfolio of platform investments

20. ReSI plc NAV as at 31 December 2024

Public Equity

Cumulative performance – Public Equity ²¹	1-year	3-years	5-years	10-years	Since launch
WS Gresham House UK Multi Cap Income Fund	2.1%	6.5%	27.1%	n/a	76.3%
IA UK Equity Income sector average	8.7%	14.4%	20.9%	n/a	35.4%
Sector quartile rank	4	4	2	n/a	1
WS Gresham House UK Micro Cap Fund	8.7%	-20.2%	6.6%	106.0%	429.2%
IA UK Smaller Companies sector average	6.7%	-19.8%	5.0%	83.4%	357.0%
Sector quartile rank	2	2	2	2	3
WS Gresham House UK Smaller Companies Fund	9.5%	-1.3%	37.4%	n/a	74.0%
IA UK Smaller Companies sector average	6.7%	-19.8%	5.0%	n/a	26.0%
Sector quartile rank	2	1	1	n/a	1
Strategic Equity Capital plc (share price) ²²	3.3%	4.4%	35.1%	71.1%	82.6%
AIC UK Smaller Companies	8.1%	-16.6%	6.5%	73.3%	48.5%
Sector quartile rank	2	1	1	2	1

Cumulative performance – Public Equity (Ireland) ²³	1-year	3-years	5-years	10-years	Since launch
Gresham House Global Multi-Asset Fund	4.9%	11.3%	26.5%	52.8%	101.3%
Gresham House Global Thematic Multi-Asset Fund	7.2%	2.5%	28.2%	n/a	42.0%
Gresham House Global Equity Fund	5.6%	17.9%	36.1%	99.9%	191.7%
Gresham House Global Small Company Fund	2.1%	-18.6%	1.3%	29.0%	89.7%
Gresham House Euro Liquidity Fund	2.7%	2.2%	0.1%	-0.3%	3.8%

Cumulative performance – Real Estate (Ireland)	1-year	3-years	5-years	10-years	Since launch
Gresham House Commercial Property Fund	4.7%	2.7%	6.7%	n/a	35.5%

VCTs




Cumulative NAV Total Return performance – VCTs ²⁴	1-year	3-years	5-years	10-years
Mobeus Income & Growth VCT plc	0.4%	-11.3%	58.4%	132.3%
Sector quartile rank	2	3	1	1
The Income & Growth VCT plc	0.5%	-10.1%	66.6%	121.9%
Sector quartile rank	2	3	1	1
Baronsmead Venture Trust plc	1.9%	-14.3%	3.5%	31.7%
Sector quartile rank	2	3	3	3
Baronsmead Second Venture Trust plc	0.9%	-15.9%	3.7%	30.3%
Sector quartile rank	2	3	3	3
VCT sector average	-0.9%	-12.4%	11.9%	52.7%

Past performance is not necessarily a guide to future performance. Capital at risk.

21. FE Analytics, as at 31 December 2024
22. Gresham House was appointed investment manager to Strategic Equity Capital plc effective as 21 May 2020
23. Gresham House, Ireland as at 31 December 2024
24. AIC prepared by Morningstar: NAV Total Return (dividends reinvested) as at 31 December 2024



Real Assets

-  Natural capital
-  Energy transition
-  Social impact

Protection from inflation through proven, sustainable, asset-backed investments

Gresham House’s Real Assets strategy targets sustainable yield and long-term capital growth for clients, through investment in a variety of tangible assets. Comprising natural capital and forestry, real estate, renewables, battery energy storage, and sustainable infrastructure asset classes, our Real Assets division aims to provide investors with protection from inflation and portfolio diversification via proven, sustainable alternative investments.

Natural Capital £3.4bn AUM as at 31 Dec 2024



Olly Hughes
Managing Director, Forestry

At the centre of our Natural Capital platform for investors, Gresham House’s Forestry division is the seventh largest forestry investment manager in the world by value, providing a range of sustainable investment solutions across a number of geographies for institutions and private investors.

The team covers the UK, Ireland and Australasia. We continue to build our international platform and focus our ambitions on building portfolios of assets across the UK, Ireland, northern Europe, Australia and New Zealand.

Forestry assets are a key part of our wider development into natural capital. We will continue to increase our levels of afforestation and thereby build our assets into wider natural capital portfolios delivering a combination of core forestry return bolstered by additional natural capital returns in the form of carbon, biodiversity and other new payments for ecosystem services.

Our strong returns over the long term show the attraction of the forestry asset class to drive portfolio performance.

Real Assets

AUM £6.2bn
as at 31 December 2024

Market opportunity

As global investors look to increase their allocation to natural capital, we are now well positioned to provide specialist investment opportunities and management to a wide array of investors ranging from institutional pension funds and insurance companies to family offices and high net worth individuals.

Our forestry, agriculture and nature-based solutions teams add value in a variety of ways. These include asset management and sourcing off-market deals. We continue to evolve and our proposition delivers a conservative opportunity to generate long-term stable returns driven by a core timber commodity proposition, but also seeks to maximise the optionality of additional value drivers, predominantly in the form of compliance and voluntary carbon credits and wider biodiversity and land-based environmental payments.

These newer markets are gaining momentum and credibility, by combining a careful combination of traditional return aligned with up-sides from newer more volatile markets we are well placed to increase our assets under management from a growing universe of investors.

Key highlights

The Forestry team has progressed this year by consolidating its market position in the UK and Ireland and continued to expand globally. While primary fundraising has been challenging across the wider real assets sector, we have expanded the Gresham House proposition internationally for increased fundraising in 2025.


Over the course of 2024, the team has continued to manage our asset portfolio to ensure that we maximise long-term capital growth while maintaining a sensible and meaningful level of cash distribution. While timber markets showed some slowdown in 2023 and early 2024, we have now seen volumes and pricing return to the longer-term positive trend.

In 2024 we also harvested a record amount of timber in the UK, harvesting over 1.3 million tonnes generating over £65 million of income for our funds and private client accounts. This was over 30% higher than our previous harvesting volume record.

We have also spent a considerable amount of time to ensure our funds and management processes adhere to the highest levels of sustainable management, with our international fund offering adhering to SFDR Article 9 status and our current UK fund offering SDR ‘Impact’ status.



Infrastructure £2.0bn AUM as at 31 Dec 2024



Ben Guest
Managing Director, Energy Transition

The Gresham House Energy Transition team aims to support the shift from finite resources by harnessing the power of renewables and battery energy storage systems (BESS). We focus on sustainable, transformative technologies that we believe offer the potential for strong financial returns, while supporting the transition to a more sustainable world. Our investments are made in three key technologies (solar, wind and BESS), all of which help to decarbonise electricity supply at a time of increasing demand.

The Energy Transition team manages a number of different fund vehicles for different investor types, with combined assets under management of £1.1 billion at the end of 2024. The most significant of our investments is Gresham House Energy Storage Fund plc (GRID) which is the largest owner and operator of utility-scale battery energy storage systems in the UK with the operational portfolio representing 17.5%²⁵ of the market. The next largest owner holds 8.2%²⁶ of operational projects. Our Energy Transition team also manages a number of operational ground-mounted solar parks within both public and private investment products, as well as onshore wind farms in the UK through LP and unlisted structures.

25. Modo BESS Index Q4 2024
26. Modo BESS Index Q4 2024

Market opportunity

The battery energy storage portfolio we manage within GRID consists of 30 owned sites across Great Britain, of which 27 are operational today, with a capacity of 945MW / 1,307MWh. GRID is planning to begin works on a further 300MWh of duration extensions on existing assets and build a further 694MW / 1,388MWh of new projects through 2025-2027. This is within the wider UK market opportunity which is set to reach 20GW by 2030,²⁷ highlighting the huge potential and growth opportunity that exists and which the team are working hard to capitalise on.

Key highlights from 2024

- Operational capacity in MW rose 22% year over year to 845MW as of 31 December 2024 (690MW as of 31 December 2023) with four projects energised in the year and operational capacity in MWh increased 53% to 1,207MWh (788MWh as of 31 December 2023)
- GRID closed a landmark tolling arrangement with Octopus Energy in June 2024, contracting 568MW / 920MWh for two years with many of the assets starting the tolling arrangement in the second half of 2024
- GRID also set out its three-year plan that aims to drive further growth in operational capacity with a further c.300MWh of augmentations planned in the near term and six new projects adding 694MW / 1,388MWh over the next three years

27. National Grid ESO, “Future Energy Scenarios”, p.195, July 2023



Peter Bachmann
Managing Director,
Sustainable Infrastructure

Our Sustainable Infrastructure strategy takes a multi-thematic approach and targets robust financial returns while directly addressing key environmental and societal challenges. It provides innovative, real asset based solutions that aim to support the creation of a more sustainable future. The BSIF strategy is committed to generating these positive impacts while also pursuing sustainable growth and strong risk-adjusted financial returns. Investors can gain exposure to this strategy through our flagship BSIF series of Limited Partnership Funds, our regional co-investment funds and sector-specific direct investment funds.

The six target Sustainable Infrastructure subsectors we make greenfield investments in are:

- Decarbonisation – developing the infrastructure needed to ensure the lowest cost migration to a low-carbon economy;
- Digital inclusion – improving access, connectivity and productivity for all parts of society;
- Health & education – enhancing access to higher-quality services that are often underprovided by governments;
- Regeneration – restoring nature and enhancing biodiversity through nature-based solutions;
- Resource efficiency – optimising the use of limited environmental resources; and
- Waste solutions – providing circular solutions to convert waste into valuable products.

Our investment strategy targets smaller companies with proof-of-concept infrastructure businesses that require initial investments of sub-£50 million. Designed to target an underfunded segment of the market, this strategy capitalises on opportunities where there is less competition and specialist expertise is necessary to successfully develop and build new assets at this scale. Our goal is to grow these businesses into scalable platforms, enabling us to deploy larger capital commitments across our funds, achieve economies of scale, and drive long-term sustainable business value growth.

The long-term opportunity for Sustainable Infrastructure is substantial, as the world transitions to a low-carbon economy driven by corporate sustainability goals, government regulations, and increasing urbanisation. The BSIF strategy focuses on investments that address some of society’s most pressing challenges such as climate change, food security and human wellbeing. Given the ongoing need for these solutions, the infrastructure businesses we invest in are poised for decades of sustained growth.

The BSIF portfolio currently includes 12 well-diversified platform investments. During the year, we deployed £156 million in capital, which included significant investments in our decarbonisation, digital inclusion and regeneration themes. The underlying platform businesses continued to expand over 2024 supporting the creation of 242 net new jobs and boosting revenue with over 57% combined growth across the portfolio. Additionally, we launched a third vintage of the BSIF strategy, raising £175 million to deploy into portfolio companies.

Highlights across the BSIF portfolio for 2024 included:

- Regeneration: the Environment Bank established its market leading position in the first year of the UK’s Biodiversity Net Gain market, securing over 2,000 hectares of habitat banks and supporting clients to achieve a net gain from nature on their development projects in England in accordance with the Environment Act. The business was also named the Biodiversity Champion at the Reuters Sustainability awards and was invited to speak at the UN’s Biodiversity COP 16 in Colombia;
- Waste solutions: construction commenced on Fornax’s first site in the North East, where the UK’s first net zero “R1” high-temperature clinical and hazardous waste incinerator will be developed. The facility will also deliver a local district heat network. It represents a critical infrastructure project for the UK, addressing a long-standing gap in investment over the last 20 years where this facility will enable future customers such as the NHS, pharmaceutical industries and other heavy industries to hit their pathway to net zero for their waste disposal; and
- Digital inclusion: Wildanet won its third Project Gigabit contract cementing its position as the number one provider of rural broadband in Cornwall and Go-Fibre won the first Scottish Project Gigabit contract securing over £26 million of funding to expand its network in rural Scotland. Together, these businesses have now connected over 160,000 new premises ready for service (RFS) to provide gigabit speed internet into rural locations across Cornwall/Devon and Scottish borders via Wildanet and GoFibre respectively. Telcom was also awarded the mandate by Cardiff Council to deliver a new full-fibre network connecting residents and businesses across Cardiff and bridging the digital divide.



**Current pipeline
£3.0bn of investment**

UK market opportunity £1.0tn²⁸

28. Estimated investible universe across the six target subsectors of Resource efficiency, Digital inclusion, Regeneration, Waste solutions, Decarbonisation and Health & education which includes our 12 portfolio investments to date as well as our pipeline of new investment opportunities



Real Estate
£0.8bn AUM as at 31 Dec 2024



Sandeep Patel
Finance Director and Head of Real Estate
Portfolio Management, Housing

Investing in two important trends:

- Improving the quality of, and institutionalising, the UK's five million privately rented homes; and
- Providing affordable homeownership options.

Gresham House, through its three investment vehicles, is well placed to meet this demand for good quality, affordable housing in the UK with long-term investment strategies focused on listed and unlisted specialist investment funds. All our investments are predicated on providing high-quality, fairly priced homes that are affordable to the majority of the UK's population. We have an established track record as early investors since 2017 in both mass market rental accommodation (3,600 homes managed) and shared ownership (2,100 homes managed).

During 2024, demonstrating our commitment to place clients and residents' interests as central considerations, we made significant material changes comprising:

- ReSI LP: We have formed a partnership with Thriving Investments, the socially conscious fund manager which is part of the Places for People (PfP) group and is focused on the UK Living sector to create a new UK-leading affordable housing fund management platform. The partnership manages Gresham House Residential Secure Income LP, a UK shared ownership strategy, which has since been renamed Gresham House Thriving Investments Residential Secure Income Limited Partnership.

- ReSI plc: With a modest market size of c.£100 million and an inability to grow to an economically efficient size to bolster shareholder return we, as Fund Manager in concert with the board proposed an orderly realisation of assets and return of capital to shareholders.
- BSIF Housing: We have proactively taken the decision to bring in-house property management across our build-to-rent estate. This will enable a better provision of services to our residents while reducing operational costs and bolstering return for our clients.

The Thriving Investments and Gresham House partnership creates a shared ownership platform of scale, with the combined resources and complementary skills of both companies enabling the best possible outcomes for investors and residents, whilst providing a strong pipeline for growth. The partnership aligns with Thriving Investments' (and PfP's) mission to increase the provision of affordable housing in the UK.

For our core client base of Local Government Pension Schemes (LGPS), directing funds towards investments in build-to-rent and shared ownership has the potential to deliver the dual benefit of return on investment and accelerating the levelling-up agenda to empower regional communities.

We aim to be a best-in-class provider of affordable housing and drive an improvement in standards across the sector, in order to deliver best in class returns. For example, the Shared Ownership Customer Charter and a Shared Ownership Environmental Charter, which we developed in 2020 remain unique in the shared ownership sector and provide benefits to both shared owners and our investors.



John Bruder
Head of Real Estate, Gresham House Ireland

In Ireland, we provide investment management and advisory services in respect of Irish commercial real estate primarily in the office, retail and industrial sectors.

Our property fund, the Gresham House Commercial Property Fund is focused on investing in properties in suburban Dublin and major regional centres which offer good value and high running income yields, while carrying low leverage. This fund has consistently produced above average returns and has been confirmed by MSCI as the best performing Irish property fund over the four years to 2023. The fund was ranked first out of the eight funds which comprise the Irish Index, for the 12-month period to the end December 2024.

In addition to the property fund, we advise and manage a number of segregated portfolios on behalf of private, corporate as well as local and international institutional clients. Our inhouse expertise and services include Asset, Property and Development Management. The total AUM of our commercial property division was €277 million at the end of December 2024.

The prospect for commercial property in Ireland for 2025 is positive; with lowering interest rates, vacancy rates in the sector having peaked, the value adjustment leaving commercial real estate offering attractive relative risk-adjusted returns to investors, and the continuing trend of getting employees back to the office. We see multiple growth opportunities for the sector with much of the commercial property stock in the Irish market requiring upgrading to meet tighter environmental legislation. Our team has all the requisite skills to be at the forefront of this renovation surge.



Your partner for local investing in the UK

Managing 6,000 homes across the UK

Strategic Equity

 Productive Growth capital

 Social impact



An investment philosophy based on applying a private equity approach to investing in both public and private companies. The UK arm of the Gresham House Strategic Equity division targets superior long-term returns in a range of public and private equity investments, by employing a balanced portfolio approach with individual investments focused on extracting value from thematic drivers and sectors undergoing dynamic change.

The equity investment teams actively engage with companies' management teams and apply rigorous due diligence to develop a deep understanding of each company.

The Strategic Equity division consists of the following strategies:

- Public Equity:
 - Strategic Public Equity
 - UK Micro Cap, UK Multi Cap Income and UK Smaller Companies

Our product offering

Enterprise value	<£20mn	£20-30mn	£30-100mn	£100-250mn	£250mn-1bn	>£1bn
 Private Equity	Gresham House Private Equity Release Strategy					
	Mobeus VCTs					
	Baronsmead VCTs					
 Public Equity			Strategic Equity Capital plc			
			WS Gresham House UK Micro Cap Fund	WS Gresham House UK Smaller Companies Fund		
			WS Gresham House UK Multi Cap Income Fund			

Strategic Equity

AUM £2.5bn
as at 31 December 2024

- Private Equity:
 - Venture Capital
 - Growth Capital
 - Private Equity

The division has a unique suite of investment fund products that invest across the business lifecycle from relatively early-stage private growth businesses within the Baronsmead and Mobeus VCTs; in micro-cap and small-cap public companies in our public equity funds; and right through to more mature businesses in the FTSE 100 within our WS Gresham House UK Multi Cap Income Fund, which has the flexibility to seek the best income and growth opportunities right across the market cap spectrum. The breadth of touchpoints with companies of all sizes, public and private, gives the team an excellent perspective of the UK market and enables them to share insights, a talent network and expertise to enhance the overall investment process.

Our Strategic Equity team is focused on its core principles of seeking out resilient businesses with strong management teams and sustainable competitive advantage in areas of the market seeing structural growth. The team's investment process is designed to deliver attractive through-the-cycle returns regardless of short-term economic conditions. Periods of market and economic discontinuity often produce attractive long-term investment opportunities for those investors prepared to undertake the hard work to unearth them and then support those companies to deliver their strategies to create value.



Ken Wotton
Managing Director, Public Equity

Our Public Equity division is a specialist UK equity investment manager, running high-conviction long-only portfolios solely focused on UK publicly listed businesses. The team's heritage is strongly rooted within smaller companies and applies a highly differentiated private equity approach to public markets with the aim to deliver superior long-term risk-adjusted returns. This includes an Investment Committee consisting of individuals with successful track records over more than 25 years.

Our investment philosophy centres on rigorous fundamentals-based due diligence, a capital preservation focus, and an engaged approach with our investee company stakeholders to drive value creation and recovery opportunities. The team has considerable experience in public markets and leverages a powerful, proprietary expert network across a well invested platform. The team's expertise at the smaller end of the public markets enables them to apply their differentiated specialist investment approach to an underserved part of the market. This has delivered strong growth in AUM for the division over the past four years.

The UK equity market presents a compelling long-term investment opportunity with high-quality businesses trading at depressed valuations, particularly within the smaller company segment. There is a wide range of investment opportunities offering long-term structural growth, resilient business models and attractive profitability and cash generation. The current material undervaluation of UK small cap is stark when compared to global equities, to UK large cap equities and to private companies.

During 2024, the Public Equity funds saw significant growth in AUM of over £200 million despite a challenging backdrop for UK equities which saw total net outflows of £9.5 billion.²⁹



Joe O'Carroll
CEO, Gresham House Ireland

In Ireland we manage a number of open-ended, actively managed, funds:

- Global Multi-Asset Fund – a 5-star rated fund (Morningstar) invested across a range of assets including equities, bonds, cash, and alternative assets such as property, forestry, and infrastructure
- Global Thematic Multi-Asset Fund is invested across a similar range of assets as our Multi-Asset Fund but with the application of ethical exclusions and a thematic focus
- Global Equity Fund, a value-biased fund focused on large-cap equities within developed markets
- Global Small Company Fund is focused on international small and mid-cap equities

Total AUM for these funds was €376 million at the end of December 2024. During 2024, a number of changes were made to the team structure as we prepare for accelerated growth in 2025. Increased market volatility in 2025 is expected to bring value investing into favour with a wider cohort of investors and our funds have a long-term, proven track record of meeting target returns. Investment in technology continues as we seek to improve client reporting.

29. Calastone Fund Flow index



Much Better Adventures (MBA) is an online travel company specialising in active outdoor adventure holidays.

Gresham House Ventures made a £5 million commitment, investing on behalf of the Baronsmead and Mobeus VCTs, in December 2024.



Trevor Hope
CIO, VCTs

Overview

Gresham House’s Private Equity strategy is delivered through the Gresham House Ventures platform, utilising Venture Capital Trust (VCT) and Private Equity capital. As the second largest VCT provider in the UK, with a combined £0.9 billion of assets, we are an active investment partner to over 60 companies.

Gresham House Ventures comprises a team of experienced investors, providing flexible growth and secondary capital to exceptional management teams. We target innovative or differentiated products or services within fast growing businesses with positive and sustainable unit economics.

Our investment team’s track record, plus historical experience of navigating major market declines and recessionary periods provides a good platform for identifying, executing and managing high-quality investments which can become winners in a rebounding economy.

Longer-term market opportunity

The provision of growth capital is via two well-known VCT brands, Baronsmead and Mobeus. Baronsmead, with a Net Asset Value of £430 million at 31 December 2024, is the largest VCT in the market, deploying capital into both public and private companies and Mobeus, with a Net Asset Value of £410 million, focuses solely on unquoted companies. Alongside these funds, Gresham House Ventures also has the ability, via its Gresham House Private Equity Release LLP fund, to provide secondary capital to established Gresham House VCT portfolio companies while also pursuing some direct opportunities.

The Baronsmead VCTs launched in 1995 and 1998 and the Mobeus VCTs launched in 2000 and 2004. Since launch to 31 December 2024, the Baronsmead and Mobeus VCTs, on a NAV total return basis, have achieved returns ranging from 224.8% to 316.7% for shareholders, excluding the benefit of income tax relief. For a further breakdown of performance please refer to **page 30**.

Past performance is not necessarily a guide to future performance. Capital at risk.



Key highlights from 2024

The Baronsmead and Mobeus VCTs raised £140 million new capital from investors during the year and are seeking a further £30 million in 2025 (with a potential over-allotment for a further £20 million). During the year, the four Mobeus VCTs were merged into two which will achieve cost savings, administrative efficiency and simplicity for the benefit of its shareholders. In the near future, these funds will be re-named the “Gresham House VCTs”.

Over the course of 2024, we have invested £52.6 million across private and public companies, comprising £31.7 million into seven new portfolio companies and provided £20.9 million follow on funding across 19 existing portfolio companies. These new investments covered the technology, cybersecurity and travel sectors.

Gresham House’s Private Equity division and the experienced investors and portfolio managers within our Gresham House Ventures team, are well placed to drive growth in AUM through its popular fundraisings and consistent investment performance.

Governance at Gresham House

Effective governance provides the framework that allows us to be a successful investment partner to our clients and stakeholders.

It ensures that decision-making processes are transparent, accountable, and aligned with our long-term goals. Strong governance fosters trust among stakeholders, mitigates risks, and enhances operational efficiency. In an ever-evolving business environment, adherence to governance principles is essential for regulatory compliance, good business conduct, and maintaining a competitive edge. We highlight here the significance of governance within our company that supports responsible management and drive our success.

As per the FCA's prudential rulebook, Gresham House Limited is the parent entity of Gresham House Asset Management Limited. The entities which have been identified as within the regulatory perimeter, forming part of the investment firm group, are:



Entity	Summary of activities
Gresham House Holding Limited	A holding company, with investments in financial sector entities. Gresham House staff are employed by Gresham House Holdings Limited, with staffing costs allocated to Group entities.
Gresham House Asset Management Limited	Gresham House Asset Management Limited (GHAM) is regulated as a Collective Portfolio Management Investment Firm (CPMI Firm), as the firm is regulated both under the Alternative Investment Portfolio Managers Directive (AIFMD) and as a MIFIDPRU Investment firm. GHAM provides investment management, fund management, investment advisory and unregulated services across a range of portfolios covering the following strategies: <ul style="list-style-type: none">Real EstateNatural CapitalSustainable InfrastructureEnergy TransitionStrategic Equity (including both public and private equity) 'Asset management' – being the management of physical property (e.g. related to management of woodland as part of GHAM's forestry business line). GHAM's managing activities include the direct management of vehicles (AIFs, UCISs) as the AIFM, delegated portfolio management for other AIFs, UCITS and NURS funds, and commercial management of assets (unregulated).
Gresham House Investment Management (Guernsey) Limited	A Guernsey general partner, regulated by the Guernsey Financial Services Commission. As such, we have concluded that the entity meets the definition of a financial institution.
Gresham House Asset Management Ireland Limited	Authorised as an AIFM in Ireland (EU).

With the support of the Group Management Committee, the Group Board is responsible for the overall direction and management of the Group.

The Group Board is ultimately responsible for the effective management of risks across the Group and considers the effective management of these risks and opportunities as central to the achievement of its long-term objectives.

The Group Board sets the Group's risk strategy and risk appetite after considering recommendations received from the Group Audit Committee. It performs oversight activity to ensure risk is being monitored and controlled effectively, is responsible for ensuring that the Group as a whole and regulated subsidiaries maintain sufficient capital and liquidity resources to meet regulatory capital and liquidity requirements. To support its growth and strategic objectives, and promote an overall culture of effective risk management throughout the business.

The Group Board has three committees: Audit, Remuneration, and Investment. The Group Audit Committee meets at least biannually to review and, where required, challenge the Group's management of risks and any significant changes to the profile of risks including actions being taken to mitigate or control key risk exposures.

The Group Audit Committee considers Group wide risks at least biannually and as part of its remit, oversees the overall risk management framework effectiveness and corporate governance statements relating to risk management. The Group Audit Committee reviews and, where required, challenges Risk Owners' management of risks and any significant changes to the profile of risks including actions being taken to mitigate or control key risk exposures. This means that actions requested by the Group Audit Committee are tracked to completion at subsequent meetings. A feedback loop exists to ensure that where the Group Audit Committee requests additional analysis, this is followed through to completion and the Group Audit Committee confirms satisfaction with the enhancements made.

The Group Audit Committee reviews policies and processes for identifying and assessing risk and challenges the disclosures on key risks and management's responses to them while evaluating risk opportunities and risk mitigation structures across the business.

The Group Board delegates risk oversight responsibilities in line with defined risk appetite and risk strategy to the Boards of the individual Group companies, to promote focused oversight of the specific activities and services provided by each entity (in particular the regulated asset management businesses).

Day-to-day risk management activities are the responsibility of the executives and senior management team. All material risks within the Group are assigned to Risk Owners; Portfolio Managers are responsible for the management of the risks facing investment funds in line with those funds' rules and governing documents.

Regulated subsidiaries

Subsidiary entities within the Group are responsible for implementing risk management arrangements and ensuring that their risk exposure is managed in line with the Groups' overall business objectives and within its stated risk appetite. Regulated financial services are provided in the UK by GHAM; the GHAM Board provides oversight and approval of the process for identifying, evaluating, managing, and reporting the significant risks faced by GHAM, and which GHAM may represent for the Group.

GHAM is categorised as a "not a small-and-non interconnected investment firm" (non-SNI) below the threshold requirements set out in the FCA's MIFIDPRU 7.1.4, and as such GHAM is not required to establish a risk committee, remuneration committee, or nominations committee.

- GHAM's on-balance sheet assets and off-balance sheet items over the preceding 4-year period are a rolling average of £300 million or less and
- GHAM does not operate a trading book business of over £150 million, or derivatives book business of over £100 million

The GHAM Board meets quarterly, and receives an update on risk profile, incidents and breaches, updates in the compliance environment, capital adequacy, and other relevant metrics and management information. The GHAM Board of Directors are the members of the Group Management Committee (GMC), the Divisional Heads, and the senior management of GHAM.

Senior management

Day-to-day risk management activities are the responsibility of the senior management team. The GMC, comprising the Chief Executive Officer, Chief Financial Officer, Managing Director, Chief Legal Officer, and Chief Operating and Technology Officer, is responsible for the allocation of resources and overseeing the day-to-day operations of the organisation.

All GMC members are GHAM Board Directors. The CEO, CFO and Managing Director are also Group Board Directors. The management team are supported by their functional teams, as well as cross-functional committees where required.

- Executive / Management committees: chaired by a GMC member and comprising individuals with responsibility for the day-to-day operations across Gresham House. These committees are operational in nature and focus on implementing the strategic direction set by the Board, handling routine matters, coordinate activities across different departments, and ensure that the organisation's objectives are met efficiently and effectively
- Working Groups: cross-functional forum, typically supporting an Executive / Management committee by preparing inputs and completing actions delegated from the Executive / Management committee

Risk management

Effective risk management

Effective risk management is an intrinsic part of delivering alternative investment solutions; our comprehensive approach to risk management embeds sound practices into both the management of funds on behalf of end-investors and the management of Gresham House's internal business operations on behalf of our stakeholders. Effective risk management is key to our success and embedded within the Group's strategic drivers and our culture.

The Board is responsible for the effective management of risks across the business. Risks and opportunities are integral to the business model and the Board oversees the parameters of acceptable risk taking while encouraging a culture of risk ownership and accountability.

Our Risk Management Policy sets out our risk governance structure and arrangements for identifying, measuring, monitoring, and managing risk across all aspects of our business, ensuring the on-going management of residual risks across all our divisions.

How we manage risk

Our risk framework has been designed to ensure the prompt and accurate identification, assessment and management of internal and external risks as well as evaluation of emerging risks pertinent to the Group. During 2024, the Board reviewed and approved the annual refresh of the Risk Management Policy and key risk management outputs, including the Group Risk Register. There were no material changes to the risk tolerances of the business, however the Group Risk Register was updated to reflect changes in Group structure, including TradeRisks Limited (TRL) and Resi Capital Management Limited (RCML) wind-down, and the macroeconomic environment's impact on certain divisions and funds within the business.

The Gresham House Group approach to risk management encompasses the arrangements for the management of enterprise-wide risks, and the specific investment risks relevant for each fund.

Risk governance - the Board of Directors is responsible for setting our business strategy and the overall management of risk within the Group. Our risk governance structure is comprised of Board and executive committees, risk culture management, second line oversight functions, and risk ownership roles and responsibilities. The Audit Committee considers Group-wide risks at least on a biannual basis and makes recommendations to the Board. The Board also allocates responsibilities for the management of identified risks.

The Group has in place a functional and hierarchical separation of its risk management oversight and business units, where business units include a portfolio management function. Risk ownership and risk oversight are fully segregated across the Group.

Risk culture - the Board sets the right tone at the top by supporting a sense of risk ownership and collective responsibility for risk management across the employee base. A strong risk culture is promoted throughout the Group. Roles and responsibilities for all employees with regard to the Group's risk management systems and internal controls are documented within the Group Risk Management Policy and are overseen by the Board and the senior management team in accordance with the Senior Managers and Certification Regime (SMCR). The Board and senior management team are supported by regular reporting from the second line risk management team.

Risk identification and prioritisation - the identification of the strategic objectives of the Group as a whole and supporting business processes include identification and assessment of risk events that might impede the achievement of business objectives or delivery of business processes.

Our risk identification process delivers a defined risk taxonomy which is used to establish the impact and likelihood of a risk materialising and the potential dimensions of the exposures the Group faces. Our risk prioritisation reflects an understanding of risk exposures relative to each other and the efficient application of resources within the Group.

Risk appetite, tolerance and limits - the Board sets the Group's corporate strategy, which inherently reflects the Group's appetite for risk. This strategy is operationalised at divisional and product levels, supported by documented Risk Registers that include risk indicators and reporting thresholds. This approach aims to enhance our decision-making capacity and to reflect the agreed business strategy, the business operational systems and controls, risk appetite and tolerance, capital resources and thresholds needed to provide early warning signs of a possible approach of our risk appetite.

Risk management and mitigation controls - as part of the risk assessment process, controls and mitigation strategies are documented for each material risk, with risk owners taking ownership of the maintenance and operation of designed mitigation controls. The second line risk function supports the risk and control self-assessment performed by risk owners to capture risks, oversee and challenge scenario analysis (where combinations of risk factors are assumed to vary) and stress testing outputs.



Risk ownership - as part of our SMCR responsibilities, we have allocated risk ownership responsibilities to our senior management team and appropriate delegation of the identified risks cascades down to risk owners across our business units to ensure risks identified are effectively monitored and reported. We also ensure that risk owners have the skills, resources, knowledge and expertise to manage our business risks.

Risk reporting - risk reporting is an integral part of the risk framework and takes place at different levels throughout the business units, including corporate and portfolio management functions.

Each regulated entity and investment fund systematically identifies their material, relevant risks and has a risk monitoring and reporting framework in place against defined thresholds. Fund level risk reporting is aggregated at the legal entity level, which in turn reports to the Audit Committee and the Board, providing the Board members with information necessary to assess the management of risks in line with strategic objectives, agreed risk tolerances and the effectiveness of the control environment.

The Board and the Audit Committee meet at least biannually to review and, where required, challenge the Group's management of risks and any significant changes to the profile of risks, including actions being taken to mitigate or control key risk exposures.

ESG risk management - our approach to sustainability is a key part of our strategy and our ability to deliver sustainable investment considerations is applied across the investment process for all asset classes. It involves the integration of ESG factors through due diligence screening, engagement, governance and risk management, therefore helping to formulate a granular picture of the asset, informing a coherent engagement strategy which is agreed by each of our investment committees.

Our proprietary ESG Decision Tool is embedded in our investment decision-making and ongoing portfolio monitoring, systematically assessing new and existing assets against material ESG risks, opportunities and impacts throughout the investment lifecycle.

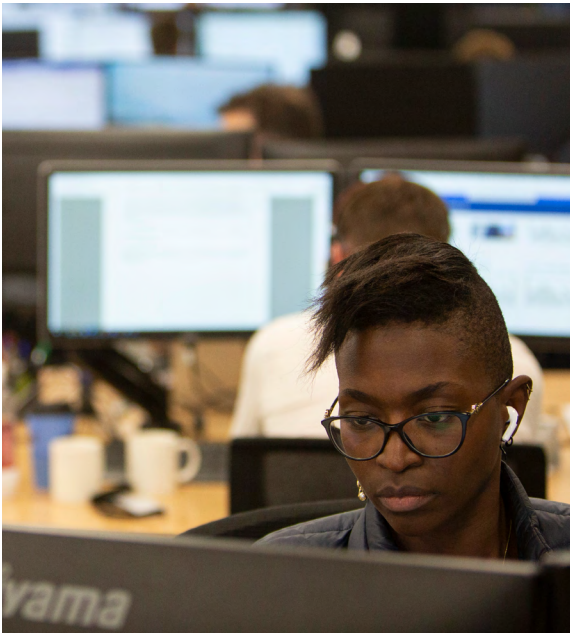
Pillar II Capital Adequacy assessment

The regulated entities within the Group undergo an annual capital adequacy risk assessment exercise that ensures identified risks are quantified and the adequate capital maintained to cover the identified risks. This exercise considers but it is not limited to:

- current and forward-looking assessment of the risks and financial position of the entities over a multi-year horizon;
- applicable financial and non-financial risks and the effectiveness of internal controls to manage the likelihood and/or impact of those risks; and
- capital requirements to ensure the financial stability of the entities under base case and stressed scenarios.

Following the introduction of the FCA's Investment Firm Prudential Regime (IFPR), the Group's UK regulated investment manager produces an Internal Capital Adequacy and Risk Assessment (ICARA) document which is similar to the Internal Capital Adequacy Assessment Process (ICAAP) which Gresham House Ireland completes. Both the ICARA and ICAAP require regulated investment firms to demonstrate that adequate risk management has been undertaken.

The Group regulated entities' ICAAP and ICARA outputs, submitted to their respective regulators, outline the harm scenarios considered and the output of our liquidity, capital adequacy, and operational resilience stress testing. In addition to assessing the financial resources required to mitigate the harms posed by the firm, management has also considered the adequacy of the firm's broader risk management processes and the Pillar II process itself. The Group is satisfied that these processes are operating as intended.



Open and planned new funds overview

	Name	Investment	Geography	Vehicle
Energy Transition	Gresham House Energy Storage Fund plc (GRID)	Battery Energy Storage Systems (BESS)	UK	Investment Trust
	Gresham House Global Energy Storage Fund II Strategy	Solar, BESS, Wind, Energy Efficiency	North America 30%-50%; EU 20%-40%; UK 10%-25%; Australia 0-10%	Limited Partnership
Real Estate	Gresham House Thriving Investments Residential Secure Income LP	Shared Ownership	UK	Limited Partnership
	Gresham House Commercial Property Fund	Office, retail and industrial properties	Ireland	ICAV
Natural Capital	Gresham House Forest Fund VI LP	Mature forestry and woodland creation	UK	Limited Partnership
	Gresham House Sustainable International Forestry Fund Strategy	70% commercial forestry, 30% forest carbon with a focus on new planting	UK, Europe EEA, Australasia, US	Limited Partnership
	Gresham House Irish Strategic Forestry Fund	Mature forestry + Woodland creation	Ireland	Limited Partnership
Sustainable Infrastructure	Gresham House British Sustainable Infrastructure Fund I, II & III	Resource Efficiency, Decarbonisation, Waste Solutions, Regeneration, Health & Education and Digital Inclusion	80% UK, 20% outside	Limited Partnership
	Gresham House Biodiversity Co-invest LP	Habitat banks (Regeneration)	UK	Limited Partnership
	Digital Infrastructure Co-invest Strategy	Altnet (Digital Inclusion)	UK	Limited Partnership
	Future of Food Infrastructure Co-invest Strategy	Hydroponic Farming (Resource Efficiency)	UK	Limited Partnership
Private Equity & VCTs	Gresham House Private Equity Release ILP	Early-stage growth companies	UK & Ireland	Limited Partnership
	Baronsmead Venture Trust plc	Early-stage growth companies	UK	VCT
	Baronsmead Second Venture Trust plc	Early-stage growth companies	UK	VCT
	The Income & Growth VCT plc	Early-stage growth companies	UK	VCT
	Mobeus Income & Growth VCT plc	Early-stage growth companies	UK	VCT
Public Equity	WS Gresham House UK Micro Cap Fund	UK equities	UK	OEIC
	WS Gresham House UK Multi Cap Income Fund	UK equities	UK	OEIC
	WS Gresham House UK Smaller Companies Fund	UK equities	UK	OEIC
	Strategic Equity Capital plc	UK equities	UK	Investment Trust

London

-

Oxford

-

Edinburgh

-

Dublin

-

Frankfurt

-

Stockholm

-

Melbourne

-

Tokyo



Gresham House
Specialist investment

