

LF Gresham House UK Micro Cap Fund

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2019



AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER ('AIFM')

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ACD'S REPORT

for the half year ended 30 June 2019

Authorised Status

LF Gresham House UK Micro Cap Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales, under registered number IC714 and authorised by the Financial Conduct Authority ('FCA') with effect from 19 February 2009. The Fund has an unlimited duration.

The Fund is a Non-UCITS retail scheme and the base currency of the Fund is pounds sterling or such other currency as may be the lawful currency of the United Kingdom from time to time.

Shareholders are not liable for the debts of the Fund. Shareholders are not liable to make any further payments to the Fund after they have paid the purchase price of shares.

The AIFM is the legal person appointed on behalf of the Fund and which (through this appointment) is responsible for managing the Fund in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Interim Unaudited Report and Financial Statements include the AIFM as applicable.

Investment Objective and Policy

The objective of the Fund is to achieve long term capital growth through investment primarily in equities of UK companies. Investment in the main will be in an actively managed portfolio of equities of smaller UK companies traded on AIM and other UK markets which are considered to have potential for capital growth. The Fund may also invest directly in gilts, money market instruments, deposits, warrants, international equities, bonds, collective investment schemes and other assets permitted by the FCA Handbook.

Derivatives and forward transactions may be used for Efficient Portfolio Management. However, in addition, derivatives and forward transactions may be used for investment purposes on the giving of 60 days' notice to shareholders.

Securities Financing Transactions

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund
30 August 2019

ACD'S REPORT *continued*
PORTFOLIO MANAGER'S REPORT
for the half year ended 30 June 2019

Movements in Net Asset Value

As at 30 June 2019 the gross NAV of the Company was £169.5m of which 94.6% was invested in the portfolio of micro cap equities. This compared to a NAV of £160.6m at the beginning of the period. The increase in NAV was primarily the result of a positive revaluation of the portfolio of £8.9m, offset slightly by net cash outflows of £0.3m. The portfolio delivered an absolute return of 2.3% in Q1 during a period of relatively benign market conditions, following the late 2018 sell off in UK equities. However, Q2 delivered a strong rebound in performance as sentiment driven volatility receded and the Company reported a positive performance of 6.3% for the 6 month period.

Investment Activity

New investment activity was strong during the period as cash was deployed into a combination of new positions and follow on investments into existing portfolio companies. During the period the number of portfolio companies increased from 45 to 46, a total of £30.4m was invested. Divestment activity was also buoyant with a number of positions fully exited. In aggregate £27.3m was received from the proceeds of divestments.

The level and quality of equity issuance in the UK micro cap segment remained relatively strong during the period despite the looming geopolitical and economic uncertainty. A key differentiating feature of the Fund's investment process remains its ability to leverage the wider Gresham House platform and private equity resource and network to evaluate new opportunities.

The Manager believes it is strongly positioned amongst UK smaller companies fund managers to effectively evaluate new companies being admitted to the market through an Initial Public Offering (IPO). In line with this area of strength the Fund participated in 3 IPOs during the period: Diaceutics, a pharmaceutical data services and analytics provider; Loungers, a café-bar operator; and Argentex, a corporate foreign exchange solutions provider. Across all three IPOs the Manager leveraged the wider private equity network to triangulate insight and diligently appraise each opportunity, in order to drive conviction in the investment cases.

The Fund also made notable new investments into SysGroup, a managed IT services and cloud hosting provider; Tatton Asset Management, an outsourced discretionary fund management services provider to the IFA sector; and Bonhill, a B2B media company focused on the financial services and technology sectors.

There were 7 full exits during the period, highlights of which were Watkin Jones, a developer and manager of UK student accommodation, which performed well during our ownership and reached our long term target price, producing a positive return of 70%; Tax Systems, a provider of corporate tax software and services, which was subject to a recommended takeover offer from Bowmark private equity, realising a 51% return; and Tarsus, an international B2B media group, after receiving a recommended takeover offer at a material premium to the market price generating an overall positive return of 51%. We also fully exited Nexus infrastructure, a provider of infrastructure services to the UK housebuilding and commercial sectors, following a profit warning due to delay and changes to customer build programmes.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Investment Performance

The Fund's NAV per share increased by 6.3% during the period (based on 'C' Accumulation share class). This compares to the IA UK Smaller Companies Sector which was up 11.9%¹ over the same period. The Fund maintained a top quartile position out of 50 funds in the IA UK Smaller Companies Sector over the 1 year period to June 2019.

The period was characterised by an increase in market volatility during Q2 2019 following a more benign first few months of the year, driven by increasing macro economic and political uncertainty both within the UK domestic market and internationally. This sharply impacted some of the more highly rated momentum focused areas of UK small cap which the Fund typically seeks to avoid. The improvement in the Fund's relative performance within the IA UK Smaller Companies Sector during this period provided a positive validation of the more defensive investment style of the Manager, focusing on profitable quality growth businesses with strong management teams and sustainable market positions and also trading on moderate valuation multiples.

The major negative performer during the period was Staffline after announcing a material profit warning in part driven by Brexit uncertainty. Unexpectedly this manifested itself due to a tight labour market driving a defensive switch by Staffline's clients from employing temporary workers to creating permanent positions in order to secure supply. This was followed by a discounted equity placing in which we participated in order to strengthen the company's balance sheet.

Of the positive performers the highlights were Ergomed, following a positive preliminary results announcement and trading update announcing upgrades to market expectations; Knights, which announced strong half year results and two acquisitions, in line with stated strategy at IPO; and Tarsus, following the announcement of a recommended takeover offer from Charterhouse Capital Partners.

Outlook

The Fund continues to seek new monies in order to take advantage of the many opportunities observed within the Fund's target universe. Since its original launch in May 2009 the Fund has demonstrated an ability to deliver robust absolute and relative returns, particularly in more volatile market conditions. A testament to this is that the Fund has returned a positive absolute return in every calendar year since launch.

¹ Source: FE Analytics.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Macro and geopolitical uncertainty seems likely to continue to weigh on sentiment from time to time during the remainder of the year. This could result in periodic spikes in market volatility which have the potential to present investment opportunities for the Fund at attractive prices. Capital raising activity amongst small and micro cap UK listed companies was subdued during the first half of the year and early indications suggest this could continue through Q3 as the new October 2019 Brexit deadline starts to come into closer proximity. This environment should allow the Fund to deploy capital in attractive companies with the capability to grow earnings even in a less favorable economic climate.

The Fund will continue to seek selective opportunities to invest in attractive niche growth companies in the Manager's focus sectors with the potential to deliver attractive capital gains over the long term.

Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Portfolio Manager

24 July 2019

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is a risk free investment.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means that they may be more difficult to buy and sell. Their prices may also be subject to short term swings.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of asset. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2019 relates to the 6 month period ending 30 June 2019. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2019, expressed as an annualised percentage of the average net asset value.

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
Opening net asset value per share	4,063.74	4,020.46	3,141.02	3,015.32
Return before operating charges*	274.84	85.80	915.77	155.84
Operating charges	(21.04)	(42.52)	(36.33)	(30.14)
Return after operating charges	253.80	43.28	879.44	125.70
Distributions	(22.48)	(34.66)	(15.13)	(29.11)
Retained distributions on accumulation shares	22.48	34.66	15.13	29.11
Closing net asset value per share	4,317.54	4,063.74	4,020.46	3,141.02
* after direct transaction costs of:	2.49	6.11	6.21	6.25

PERFORMANCE

Return after charges	6.25%	1.08%	28.00%	4.17%
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OTHER INFORMATION

Closing net asset value (£'000)	48,420	45,573	45,109	35,187
Closing number of shares	1,121,465	1,121,465	1,121,984	1,120,228
Operating charges	0.98%	0.98%	0.99%	1.01%
Direct transaction costs	0.06%	0.14%	0.17%	0.21%

PRICES

Highest share price	4,490.40	4,670.71	4,069.89	3,196.43
Lowest share price	4,105.35	3,990.87	3,215.51	2,666.70

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'B' RETAIL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
Opening net asset value per share	152.76	152.46	119.83	115.75
Return before operating charges*	10.26	3.21	35.04	6.02
Operating charges	(1.27)	(2.59)	(2.22)	(1.58)
Return after operating charges	8.99	0.62	32.82	4.44
Distributions	(0.30)	(0.32)	(0.19)	(0.36)
Closing net asset value per share	161.45	152.76	152.46	119.83
* after direct transaction costs of:	0.09	0.23	0.24	0.24

PERFORMANCE

Return after charges	5.88%	0.41%	27.39%	3.83%
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OTHER INFORMATION

Closing net asset value (£'000)	–	–	–	–
Closing number of shares	250	250	250	250
Operating charges	1.58%	1.58%	1.59%	1.61%
Direct transaction costs	0.06%	0.14%	0.17%	0.21%

PRICES

Highest share price	168.26	175.94	154.34	121.95
Lowest share price	154.09	151.24	122.67	101.87

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'B' RETAIL ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
Opening net asset value per share	153.53	152.84	120.14	116.22
Return before operating charges*	10.35	3.29	34.92	5.80
Operating charges	(1.28)	(2.60)	(2.22)	(1.88)
Return after operating charges	9.07	0.69	32.70	3.92
Distributions	(0.33)	(0.38)	–	(0.36)
Retained distributions on accumulation shares	0.33	0.38	–	0.36
Closing net asset value per share	162.60	153.53	152.84	120.14
* after direct transaction costs of:	0.09	0.23	0.24	0.24

PERFORMANCE

Return after charges	5.91%	0.45%	27.22%	3.37%
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OTHER INFORMATION

Closing net asset value (£'000)	3	3	3	2
Closing number of shares	1,998	1,968	1,968	1,968
Operating charges	1.58%	1.58%	1.59%	1.61%
Direct transaction costs	0.06%	0.14%	0.17%	0.21%

PRICES

Highest share price	169.16	176.78	154.73	122.26
Lowest share price	154.91	151.62	122.98	102.29

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
Opening net asset value per share	152.47	152.10	119.33	115.75
Return before operating charges*	10.31	3.33	34.78	5.86
Operating charges	(0.79)	(1.60)	(1.38)	(1.15)
Return after operating charges	9.52	1.73	33.40	4.71
Distributions	(0.84)	(1.36)	(0.63)	(1.13)
Closing net asset value per share	161.15	152.47	152.10	119.33
* after direct transaction costs of:	0.09	0.23	0.24	0.24

PERFORMANCE

Return after charges	6.24%	1.14%	27.99%	4.07%
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OTHER INFORMATION

Closing net asset value (£'000)	37,046	28,144	19,485	3,190
Closing number of shares	22,987,621	18,459,271	12,810,838	2,673,326
Operating charges	0.98%	0.98%	0.99%	1.01%
Direct transaction costs	0.06%	0.14%	0.17%	0.21%

PRICES

Highest share price	168.48	175.78	154.17	121.72
Lowest share price	154.04	150.98	122.17	101.55

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
Opening net asset value per share	157.15	155.48	121.47	116.60
Return before operating charges*	10.63	3.31	35.41	6.03
Operating charges	(0.81)	(1.64)	(1.40)	(1.16)
Return after operating charges	9.82	1.67	34.01	4.87
Distributions	(0.87)	(1.36)	(0.59)	(1.15)
Retained distributions on accumulation shares	0.87	1.36	0.59	1.15
Closing net asset value per share	166.97	157.15	155.48	121.47
* after direct transaction costs of:	0.10	0.24	0.24	0.24

PERFORMANCE

Return after charges	6.25%	1.07%	28.00%	4.18%
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OTHER INFORMATION

Closing net asset value (£'000)	82,956	66,530	39,995	24,720
Closing number of shares	49,683,245	42,333,792	25,723,597	20,350,594
Operating charges	0.98%	0.98%	0.99%	1.01%
Direct transaction costs	0.06%	0.14%	0.17%	0.21%

PRICES

Highest share price	173.65	180.63	157.39	123.61
Lowest share price	158.76	154.34	124.35	103.13

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18¹ pence per share
Opening net asset value per share	93.88	100.00
Return before operating charges*	6.35	(5.88)
Operating charges	(0.41)	(0.13)
Return after operating charges	5.94	(6.01)
Distributions	(0.64)	(0.11)
Closing net asset value per share	99.18	93.88
* after direct transaction costs of:	0.06	0.14

PERFORMANCE

Return after charges	6.33%	(6.01)%
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OTHER INFORMATION

Closing net asset value (£'000)	974	20,317
Closing number of shares	982,443	21,641,953
Operating charges	0.83%	0.83% ²
Direct transaction costs	0.06%	0.14%

PRICES

Highest share price	103.81	101.27
Lowest share price	94.87	95.13

¹ From 2 November 2018.

² Annualised figure due to share class launched less than 1 year.

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.19 pence per share	31.12.18¹ pence per share
Opening net asset value per share	94.01	100.00
Return before operating charges*	6.38	(5.86)
Operating charges	(0.41)	(0.13)
Return after operating charges	5.97	(5.99)
Distributions	(0.63)	(0.12)
Retained distributions on accumulation shares	0.63	0.12
Closing net asset value per share	99.98	94.01
* after direct transaction costs of:	0.06	0.14

PERFORMANCE

Return after charges	6.35%	(5.99)%
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OTHER INFORMATION

Closing net asset value (£'000)	72	–
Closing number of shares	72,171	250
Operating charges	0.83%	0.83% ²
Direct transaction costs	0.06%	0.14%

PRICES

Highest share price	103.98	101.27
Lowest share price	95.02	95.14

¹ From 2 November 2018.

² Annualised figure due to share class launched less than 1 year.

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 June 2019 (%)

	6 months	1 year	3 years	5 years
LF Gresham House UK Micro Cap Fund	6.26	(1.92)	59.73	71.71

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

ACD'S REPORT *continued*
PORTFOLIO STATEMENT
as at 30 June 2019

Holding	Portfolio of Investments	Value £'000	30.06.19 %
	UNITED KINGDOM – 94.58% (31.12.18 – 92.50%)		
	INDUSTRIALS – 26.71% (31.12.18 – 29.84%)		
	CONSTRUCTION & MATERIALS – 2.00% (31.12.18 – 2.94%)		
1,525,648	Norcros	3,387	2.00
	INDUSTRIAL GOODS & SERVICES – 3.05% (31.12.18 – 3.81%)		
39,755,843	Inspired Energy	5,168	3.05
	INDUSTRIAL TRANSPORTATION – 2.25% (31.12.18 – 3.53%)		
833,650	Avation ¹	2,184	1.29
1,913,702	Gama Aviation	1,627	0.96
		3,811	2.25
	SUPPORT SERVICES – 19.41% (31.12.18 – 19.56%)		
1,886,872	Alpha Financial Markets Consulting	4,227	2.49
1,722,658	Charles Taylor Consulting ¹	3,859	2.28
2,750,000	Driver	1,568	0.93
3,614,000	Filta ¹	6,288	3.71
2,921,970	Knights	7,480	4.41
1,710,500	Restore	6,756	3.99
525,950	Staffline	622	0.37
2,069,000	Staffline (Placing)	2,069	1.22
131,487	Staffline <i>Rights</i> 13/7/2019	24	0.01
		32,893	19.41
	TOTAL INDUSTRIALS	45,259	26.71

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2019

Holding	Portfolio of Investments	Value £'000	30.06.19 %
	CONSUMER GOODS – 4.32% (31.12.18 – 7.35%)		
	FOOD PRODUCERS – 1.08% (31.12.18 – 1.76%)		
2,770,475	Finsbury Food	1,829	1.08
	HOUSEHOLD GOODS & HOME CONSTRUCTION – 3.24% (31.12.18 – 5.59%)		
907,500	IG Design	5,499	3.24
237,782	Mar City ²	–	–
		<u>5,499</u>	<u>3.24</u>
	TOTAL CONSUMER GOODS	<u>7,328</u>	<u>4.32</u>
	CONSUMER SERVICES – 17.55% (31.12.18 – 20.02%)		
	GENERAL RETAILERS – 3.91% (31.12.18 – 4.51%)		
3,568,000	Angling Direct	2,498	1.48
2,549,699	Franchise Brands	2,065	1.22
1,712,329	Mind Gym	2,055	1.21
		<u>6,618</u>	<u>3.91</u>
	MEDIA – 5.62% (31.12.18 – 9.51%)		
1,190,476	Bonhill	929	0.55
2,404,242	S4 Capital ¹	3,895	2.30
2,098,703	TEN Entertainment	4,701	2.77
		<u>9,525</u>	<u>5.62</u>
	TRAVEL & LEISURE – 8.02% (31.12.18 – 6.00%)		
12,489,852	Arena Events ¹	4,933	2.91
1,660,000	City Pub	3,320	1.96
2,188,000	Loungers	4,726	2.79
12,403,485	Tasty	620	0.36
		<u>13,599</u>	<u>8.02</u>
	TOTAL CONSUMER SERVICES	<u>29,742</u>	<u>17.55</u>

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2019

Holding	Portfolio of Investments	Value £'000	30.06.19 %
	TELECOMMUNICATIONS – 1.67% (31.12.18 – 1.68%)		
	MOBILE TELECOMMUNICATIONS – 1.67% (31.12.18 – 1.68%)		
2,703,644	Bigblu Broadband	2,839	1.67
	TOTAL TELECOMMUNICATIONS	2,839	1.67
	FINANCIALS – 21.35% (31.12.18 – 16.44%)		
	FINANCIAL SERVICES – 20.37% (31.12.18 – 15.28%)		
4,320,949	Argentex	5,721	3.37
2,742,000	Impax Asset Management	7,403	4.37
829,145	JTC ¹	3,076	1.81
1,022,970	Mattioli Woods	8,081	4.77
641,888	Mortgage Advice Bureau	3,659	2.16
729,033	Tatton Asset Management	1,604	0.95
5,129,607	XPS Pensions ¹	4,976	2.94
		34,520	20.37
	EQUITY INVESTMENT INSTRUMENTS – 0.81% (31.12.18 – 0.95%)		
1,660,281	Orchard Funding	1,378	0.81
	NON EQUITY INVESTMENT INSTRUMENTS – 0.17% (31.12.18 – 0.21%)		
3,000,000	Hertsford Capital ¹	285	0.17
	TOTAL FINANCIALS	36,183	21.35
	HEALTH CARE – 7.35% (31.12.18 – 4.47%)		
	HEALTH CARE EQUIPMENT & SERVICES – 1.63% (31.12.18 – 1.76%)		
6,570,000	Venture Life	2,759	1.63

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2019

Holding	Portfolio of Investments	Value £'000	30.06.19 %
	PHARMACEUTICALS & BIOTECHNOLOGY – 5.72% (31.12.18 – 2.71%)		
1,947,500	Diaceutics	1,656	0.98
2,829,000	Ergomed	8,034	4.74
		9,690	5.72
	TOTAL HEALTH CARE	12,449	7.35
	TECHNOLOGY – 15.63% (31.12.18 – 12.70%)		
	SOFTWARE & COMPUTER SERVICES – 15.63% (31.12.18 – 12.70%)		
16,788,254	Adept4	50	0.03
2,258,601	Brady	1,287	0.76
7,944,552	CentralNic	4,846	2.86
810,000	GRC International	389	0.23
2,385,451	Ideagen	3,697	2.18
2,001,419	IMImobile	6,405	3.78
31,639,629	Nasstar	3,417	2.02
4,353,707	Oxford Metrics	4,093	2.41
5,620,386	SysGroup	2,304	1.36
		26,488	15.63
	TOTAL TECHNOLOGY	26,488	15.63
	TOTAL UNITED KINGDOM	160,288	94.58
	Portfolio of investments	160,288	94.58
	Net other assets	9,183	5.42
	Net assets	169,471	100.00

The investments are ordinary shares quoted on the Alternative Investment Market (AIM) unless stated otherwise.

¹ Listed on a regulated market.

² Delisted security.

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2019

Total purchases for the half year £'000	30,429	Total sales for the half year £'000	27,454
	Cost £'000		Proceeds £'000
Major purchases		Major sales	
Argentex	4,580	Tarsus	6,401
Loungers	4,376	Watkin Jones	4,140
SysGroup	2,136	Wilmington	3,567
Restore	2,130	Tax Systems	2,771
Staffline (Placing)	2,069	S4 Capital	2,196
IMImobile	1,653	Knights	1,915
XPS Pensions	1,620	Nexus Infrastructure	1,581
Tatton Asset Management	1,548	Avation	1,413
Diaceutics	1,480	City Pub	1,317
Ideagen	1,427	Nasstar	600

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

30 August 2019

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2019

	£'000	30.06.19 £'000	£'000	30.06.18 £'000
Income:				
Net capital gains		8,792		10,926
Revenue	1,698		1,295	
Expenses	(813)		(580)	
Interest payable and similar charges	(5)		–	
Net revenue before taxation	880		715	
Taxation	–		–	
Net revenue after taxation		880		715
Total return before distributions		9,672		11,641
Distributions		(880)		(715)
Change in net assets attributable to shareholders from investment activities		8,792		10,926

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2019

	£'000	30.06.19 £'000	£'000	30.06.18 £'000
Opening net assets attributable to shareholders		160,567		104,592
Amounts receivable on issue of shares	25,474		22,604	
Amounts payable on redemption of shares	(26,430)		(2,428)	
		(956)		20,176
Dilution levy		384		–
Change in net assets attributable to shareholders from investment activities		8,792		10,926
Retained distributions on Accumulation shares		684		597
Closing net assets attributable to shareholders		169,471		136,291

The above statement shows the comparative closing net assets at 30 June 2018 whereas the current accounting period commenced 1 January 2019.

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 June 2019

	30.06.19 £'000	31.12.18 £'000
ASSETS		
Fixed assets		
Investments	160,288	148,525
Current assets		
Debtors	8,330	447
Cash and bank balances	4,911	12,091
Total assets	<u>173,529</u>	<u>161,063</u>
LIABILITIES		
Creditors		
Distribution payable	(200)	(111)
Other creditors	(3,858)	(385)
Total liabilities	<u>(4,058)</u>	<u>(496)</u>
Net assets attributable to shareholders	<u>169,471</u>	<u>160,567</u>

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 June 2019

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, as amended.

GENERAL INFORMATION

Valuation Point

The valuation point of the Fund is at 12.00 noon (London time) on each dealing day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling Shares

The ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 922 0044.

Prices

The prices of all shares are published on the website: www.linkfundsolutions.co.uk. The prices of shares may also be obtained by calling 0345 922 0044 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.



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