

LF Gresham House UK Micro Cap Fund

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023



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

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CONTENTS

ACD's Report2
Authorised Status2
ACD's Statement.2
Investment Objective and Policy3
Benchmark.4
Securities Financing Transactions4
Task Force on Climate-related Financial Disclosures ('TCFD')5
Portfolio Manager's Report.6
Fund Information	10
Portfolio Statement	18
Summary of Material Portfolio Changes	23
Director's Statement.	24
INTERIM FINANCIAL STATEMENTS (UNAUDITED)	
Statement of Total Return	25
Statement of Change in Net Assets Attributable to Shareholders	25
Balance Sheet	26
Notes to the Interim Financial Statements.	27
General Information.	28

ACD'S REPORT

for the half year ended 30 June 2023

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 price on purchase of the 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.

ACD's Statement

Proposed Sale of Fund Solutions Business

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

ACD'S REPORT *continued*

Proposed Sale of Fund Solutions Business *continued*

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, and Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, the consequences of these and other factors continue to be felt in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries seeing inflation rates at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates, a process which is expected to continue until inflation is brought under control in their respective countries. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global, recession. With this level of economic uncertainty, it is reasonably foreseeable that markets may see further periods of instability and, consequently, volatility in asset pricing.

Investment Objective and Policy

The investment objective of the Fund is to achieve capital growth over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest directly at least 70% of the scheme property by value in the shares of UK companies. The Portfolio Manager views UK companies to be those that are incorporated or domiciled in the UK; and listed or traded on a UK stock exchange.

The Fund will invest directly and/or indirectly at least 60% of the scheme assets by value, in a combination of UK companies that are either listed/traded on the Alternative Investment Market (AIM), or that have a market capitalisation of £250 million and below. The Fund may also invest directly and/or indirectly in shares of UK companies, which have a market capitalisation above £250 million; unlisted UK companies (limited to 10% of the scheme assets by value); non-UK companies, and corporate bonds. The Fund may also hold money market instruments, deposits and cash.

As part of the equities exposure the Fund may also invest in Real Estate Investment Trusts (REITs).

ACD'S REPORT *continued*

Investment Objective and Policy *continued*

Investments in collective investment schemes is limited to 10%.

The Fund can invest across different industry sectors without limitation.

The Fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities (such as depositary receipts) and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may use derivatives for Efficient Portfolio Management purposes.

The minimum investment amount and ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash and cash equivalents.

Benchmark

The Fund's comparator benchmark is the IA UK Smaller Companies sector.

The Fund's performance may be compared against the IA UK Smaller Companies sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.

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.

ACD'S REPORT *continued*

Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The LFSL report can be found at TCFD Reporting ([linkfundsolutions.co.uk](https://www.linkfundsolutions.co.uk)) and the report of the Fund can be found at <https://www.linkfundsolutions.co.uk/uk/gresham-house-asset-management-limited/>.

Prior to accessing the report of the Fund there is a link to the 'TCFD Reporting Guide' which provides an explanation of the TCFD report.

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

31 August 2023

ACD'S REPORT *continued*
PORTFOLIO MANAGER'S REPORT
for the half year ended 30 June 2023

Investment Strategy

Since inception in May of 2009 the Fund has maintained a consistent focus throughout its life on selecting high conviction, niche growth companies to back for the prospect of long-term capital growth.

The Manager seeks to avoid excessive cyclical exposure and early-stage risk and instead focuses on areas of structural growth and segments where its sector expertise and private equity approach, alongside proprietary fundamental research, can uncover stocks that may be below the radar of many investors due to their size and limited research coverage.

Fund composition aims to reflect the Manager's high conviction style, comprising a relatively concentrated portfolio of stocks with the potential to sustainably grow profits and cash flows over the longer term.

Overview

Following a turbulent Q1 2023, which included the collapses of Silicon Valley Bank, Credit Suisse and several US regional banks in close succession, fuelling fears of widespread banking sector contagion, Q2 2023 began with softer levels of risk sentiment. However, the latter end of the quarter saw a divergence in risk appetite between UK equities and most major global markets, as domestic macroeconomic headwinds contributed towards neutral/negative performance in UK equity indices in June, in contrast to the positive performance delivered by most major global indices in the same period.

Offsetting the negative macroeconomic sentiment were a number of positive UK economic developments including growing consumer confidence, continued Sterling strengthening (in particular vs. the Dollar) and continued decline in wholesale Natural Gas prices, the latter two in particular which should help alleviate UK inflation pressure going forward.

Despite the challenging environment, we remain confident that our portfolio of businesses has strong fundamental characteristics, with most companies exposed to resilient structural growth trends or self-help opportunities and therefore able to perform well despite the wider macroeconomic uncertainty. We also continue to avoid investing in companies and sectors that we believe are disproportionately exposed to macroeconomic cycles and other exogeneous factors, for example banks, oil & gas and mineral companies.

News flow across our portfolio companies has on the whole been positive and well received by the market, with a number of trading updates demonstrating better than expected financial performance. In the year to date, c. 88% of updates across the portfolio have been in-line or positive.

The longer-term discounted valuations applied to UK equities, and in particular the smaller companies segment, remains material, and this is reflected in recent levels of takeover activity. Over the six months to June 2023, 27 Firm Offers were announced of which 85% comprised offer values of £500m or less. This

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

volume of takeover activity amongst smaller companies has not been seen since H2 2019, despite overall UK takeover volumes (of all sizes) remaining marginally below H1 2022 levels. Bid premia in the period were also elevated, averaging c. 52% in H1 2023 vs. c. 42% since 2017, providing further evidence of attractive valuations amongst UK smaller companies and despite the higher cost of capital environment today.¹

We remain selective and disciplined in our approach, seeking high-quality companies with attractive long-term sustainable capital growth characteristics at sensible valuations.

Movements in Net Asset Value²

As at 30 June 2023 the gross NAV of the Fund was £222.5m of which 99.6% was invested in equities with a concentration on micro cap companies; to note the cash position post period-end has returned to a more normalised level above 5%, following return of cash from the Medica Group takeover. This compared to a NAV of £220.2m at the beginning of the period. The increase in NAV was a combination of an upward revaluation of the portfolio of £5m alongside net outflows from unit holders amounting to £2.7m. The Fund delivered a return of 2.2%³ over the period, significantly outperforming the IA UK Smaller Companies Sector which returned a negative 4.1%³.

Investment Activity

Investment activity was steady during the period as £27.4m was deployed primarily as follow-on investments into existing portfolio companies and into one new investment; the number of portfolio companies decreased from 48 to 47.

Divestment activity was also active with a number of positions fully exited. In aggregate £13.8m was received from the proceeds of divestments realising an aggregate negative return of 52.9%.

There were two full exits from the portfolio during the period. Seraphine Group (-95%), as a result of a takeover from its largest shareholder, Mayfair Equity Partners, following a protracted period of underperformance since its 2021 IPO; and Knights Group (+36%), a legal and professional services business, where there had been a fundamental change in our view on the investment thesis.

NEW INVESTMENTS

The Manager remains cognisant of the difficult macro-backdrop and has continued to monitor the portfolio holdings closely with an embedded bottom-up risk review process. As a result of the review process, there was continued deployment of funds into current holdings within the portfolio where the Manager has confidence in each company's resilience and potential to perform strongly despite the macro backdrop.

¹ Peel Hunt – UK M&A Monthly – Review of H1 2023.

² Based on 12pm Valuation Point.

³ Source: FE Analytics.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

The heightened market volatility has created opportunities to buy into attractive long-term growth stories at compelling valuations through market purchases after widespread selling pressure. However, given the current economic environment and potential for pressure on corporate earnings, the Manager believes that selectivity and application of process is key to minimising downside risk and avoiding “value traps”.

A number of top-ups were made at attractive entry points, including: Hostelworld, Oxford Metrics, Everyman Media Group, EKF Diagnostics (amongst other smaller follow-ons), all of which had seen significant share price weakness during the first half, but where the long-term opportunities remain very attractive.

Deal activity continues to remain relatively muted, with the IPO market in particular remaining subdued, alongside limited fundraising activity across the portfolio, partially reflecting the relative balance sheet strength of the portfolio companies. The Fund did, however, add to its position in Franchise Brands, as part of an equity placing to fund a significant strategic acquisition.

One new investment was made during the first half of 2023, a small preliminary position into AssetCo, a UK based asset manager which has expanded through acquisition; the Manager views the business as undervalued on a sum-of-the-parts basis.

Investment Performance

The Fund placed 3rd out of 48 in the IA UK Smaller Companies Sector delivering a return of 2.2%³ during the period (based on 'C' Institutional Accumulation share class); significantly outperforming the IA UK Smaller Companies Sector which decreased by 4.1%³ over the same period. In a period of heightened market volatility, the Fund showed resilience against a challenging macro backdrop, where micro-cap UK stocks have been materially de-rated.

Key contributors to absolute performance during the period were; Medica Group, following the Recommended Cash Offer from IK Partners, a European private equity firm, at a 32.5% spot premium; Kooth following positive newsflow regarding its large contract win in the US; and XPS Pensions Group following well received annual results, which exceeded market expectations and led to analyst upgrades.

Detractors were Staffline, despite in-line full year results released during the period; Anexo Group, which faced share price weakness on no stock specific news, save for the announcement of the CFO resigning; and Franchise Brands, following the announcement of a discounted primary placing to fund a significant strategic acquisition.

³ Source: FE Analytics.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Outlook

The Manager's core planning assumption is that continued political and economic uncertainty will drive market volatility throughout the remainder of the year and well into next. Markets have not had to deal with rising interest rates and elevated inflation for a considerable period of time and the medium-to-long term ramifications of these for share prices are uncertain. Although recent inflation data suggest that inflation is moderating, leading to some predictions that interest rates may soften over the next year, the Manager remains cautious in its approach to investment selection.

The Manager does not seek to make major macroeconomic predictions or to tilt portfolio construction materially in any direction to mitigate or benefit from macro trends. Rather the core focus remains building a portfolio bottom up by investing in high-quality, resilient companies exposed to structural growth, key competitive advantages or self-help opportunities and maintain valuation discipline such that they could drive attractive investment returns over the medium-to-long term regardless of the economic environment.

The Manager continues to believe that stock-level volatility across the market, while creating some challenges, will provide an attractive environment for investors to back quality companies with attractive long-term structural capital growth at reasonable valuations across the market cap spectrum. The economic environment and market discontinuity will provide agile smaller businesses with strong management teams the opportunity to take market share and build strong, enduring franchises.

The elevated levels of corporate activity within the UK equity space continues to play out. The investment process and private equity lens across public markets enables identification of investment opportunities with potential strategic value that could be attractive acquisitions for both corporate and financial buyers.

The Manager continues to believe that over the long term the fundamentals-focused investment style has the potential to outperform. The Fund will maintain its focus on building a high-conviction portfolio of less cyclical, high-quality businesses with stable and growing earnings streams, and good cash flows. We believe these businesses can deliver strong returns through the market cycle regardless of the performance of the wider economy.

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

30 August 2023

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



The 'A' Accumulation, 'C' Institutional Income, 'C' Institutional Accumulation, 'D' Income, and 'D' Accumulation share classes have been classed as 5 because their volatility has been measured as above average.



The 'C' Euro Accumulation share class has been classed as 6 because its volatility has been measured as above average to high.

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 risk free.

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 may be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Concentration Risk: The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

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 2023 relates to the 6 month period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	4,556.87	6,485.28	5,194.70	4,906.03
Return before operating charges*	137.74	(1,878.31)	1,350.77	333.74
Operating charges	(23.58)	(50.10)	(60.19)	(45.07)
Return after operating charges	114.16	(1,928.41)	1,290.58	288.67
Distributions	-	(17.44)	-	-
Retained distributions on accumulation shares	-	17.44	-	-
Closing net asset value per share	4,671.03	4,556.87	6,485.28	5,194.70
* after direct transaction costs of:	1.93	3.33	4.86	8.39

PERFORMANCE

Return after charges	2.51%	(29.74)%	24.85%	5.88%
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OTHER INFORMATION

Closing net asset value (£'000)	52,361	51,081	72,699	58,231
Closing number of shares	1,120,973	1,120,973	1,120,973	1,120,973
Operating charges	0.97%	0.97%	0.96%	0.98%
Direct transaction costs	0.04%	0.06%	0.08%	0.18%

PRICES

Highest share price	4,987.40	6,688.77	6,696.21	5,293.52
Lowest share price	4,650.28	4,421.26	5,304.81	3,324.84

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	168.98	241.48	193.42	182.66
Return before operating charges*	5.11	(69.93)	50.30	12.44
Operating charges	(0.87)	(1.87)	(2.24)	(1.68)
Return after operating charges	4.24	(71.80)	48.06	10.76
Distributions	-	(0.70)	-	-
Closing net asset value per share	173.22	168.98	241.48	193.42
* after direct transaction costs of:	0.07	0.12	0.18	0.31

PERFORMANCE

Return after charges	2.51%	(29.73)%	24.85%	5.89%
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OTHER INFORMATION

Closing net asset value (£'000)	63,642	67,735	56,406	66,697
Closing number of shares	36,739,670	40,085,084	23,358,753	34,482,509
Operating charges	0.97%	0.97%	0.96%	0.98%
Direct transaction costs	0.04%	0.06%	0.08%	0.18%

PRICES

Highest share price	184.96	249.05	249.33	197.10
Lowest share price	172.45	164.62	197.52	123.80

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

**'C' INSTITUTIONAL ACCUMULATION
SHARES**

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	176.22	250.80	200.89	189.73
Return before operating charges*	5.33	(72.64)	52.24	12.90
Operating charges	(0.91)	(1.94)	(2.33)	(1.74)
Return after operating charges	4.42	(74.58)	49.91	11.16
Distributions	-	(0.63)	-	-
Retained distributions on accumulation shares	-	0.63	-	-
Closing net asset value per share	180.64	176.22	250.80	200.89
* after direct transaction costs of:	0.07	0.13	0.19	0.32

PERFORMANCE

Return after charges	2.51%	(29.74)%	24.84%	5.88%
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OTHER INFORMATION

Closing net asset value (£'000)	102,781	97,093	175,509	129,709
Closing number of shares	56,898,527	55,096,258	69,980,120	64,567,330
Operating charges	0.97%	0.97%	0.96%	0.98%
Direct transaction costs	0.04%	0.06%	0.08%	0.18%

PRICES

Highest share price	192.87	258.67	258.96	204.71
Lowest share price	179.84	170.98	205.15	128.58

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	104.16	148.81	119.12	112.43
Return before operating charges*	2.95	(43.19)	30.99	7.66
Operating charges	(0.42)	(0.97)	(1.17)	(0.86)
Return after operating charges	2.53	(44.16)	29.82	6.80
Distributions	-	(0.49)	(0.13)	(0.11)
Closing net asset value per share	106.69	104.16	148.81	119.12
* after direct transaction costs of:	0.04	0.08	0.11	0.19

PERFORMANCE

Return after charges	2.43%	(29.68)%	25.03%	6.05%
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OTHER INFORMATION

Closing net asset value (£'000)	-	-	59	65
Closing number of shares	250	250	39,372	54,433
Operating charges	0.75%	0.82%	0.81%	0.82%
Direct transaction costs	0.04%	0.06%	0.08%	0.18%

PRICES

Highest share price	113.98	153.48	153.72	121.50
Lowest share price	106.31	101.58	121.65	76.22

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	106.08	150.74	120.56	113.69
Return before operating charges*	3.20	(43.67)	31.36	7.76
Operating charges	(0.46)	(0.99)	(1.18)	(0.89)
Return after operating charges	2.74	(44.66)	30.18	6.87
Distributions	-	(0.59)	(0.17)	(0.12)
Retained distributions on accumulation shares	-	0.59	0.17	0.12
Closing net asset value per share	108.82	106.08	150.74	120.56
* after direct transaction costs of:	0.05	0.08	0.11	0.19

PERFORMANCE

Return after charges	2.58%	(29.63)%	25.03%	6.04%
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OTHER INFORMATION

Closing net asset value (£'000)	75	73	104	83
Closing number of shares	69,204	69,204	69,204	69,204
Operating charges	0.82%	0.82%	0.81%	0.83%
Direct transaction costs	0.04%	0.06%	0.08%	0.18%

PRICES

Highest share price	116.14	155.48	155.58	122.86
Lowest share price	108.26	102.90	123.12	77.08

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' EURO ACCUMULATION SHARES

	30.06.23 € per share	31.12.22 ¹ € per share
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share	0.7057	1.0000
Return before operating charges*	0.0475	(0.2881)
Operating charges	(0.0034)	(0.0062)
Return after operating charges	0.0441	(0.2943)
Distributions	-	(0.0054)
Retained distributions on accumulation shares	-	0.0054
Closing net asset value per share	0.7498	0.7057
* after direct transaction costs of:	0.0303	0.0443

PERFORMANCE

Return after charges	6.25%	(29.43)%
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OTHER INFORMATION

Closing net asset value (£'000)	-	-
Closing number of shares	250	250
Operating charges	0.90%	0.90% ²
Direct transaction costs	0.04%	0.06% ²

PRICES

Highest share price	0.7855	0.9845
Lowest share price	0.7241	0.6940

¹ From 21 February 2022.

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

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	5 years
LF Gresham House UK Micro Cap Fund	2.23	(3.95)	5.53	6.04
IA UK Smaller Companies sector ¹	(4.29)	(5.67)	10.07	(3.33)

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Institutional 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 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	DEBT SECURITIES – 1.01% (31.12.22 – 1.94%)		
£6,259,531	Hawkwing 8% 31/12/2024 ¹	1,097	0.50
£1,186,950	Silver Bullet 12% 2/6/2025 ¹	1,109	0.51
	TOTAL DEBT SECURITIES	<u>2,206</u>	<u>1.01</u>
	EQUITIES – 98.72% (31.12.22 – 86.89%)		
	UNITED KINGDOM – 95.30% (31.12.22 – 83.65%)		
	TECHNOLOGY – 14.70% (31.12.22 – 11.90%)		
	SOFTWARE AND COMPUTER SERVICES – 14.70% (31.12.22 – 11.90%)		
5,129,942	Access Intelligence	3,642	1.66
2,985,700	ActiveOps	2,389	1.09
625,307	Instem	3,877	1.77
2,405,021	Kooth	5,916	2.70
9,343,445	Netcall	9,344	4.27
4,170,166	Oxford Metrics	4,837	2.21
35,601,029	Rosslyn Data Technologies	232	0.11
6,951,194	SysGroup	1,946	0.89
	TOTAL TECHNOLOGY	<u>32,183</u>	<u>14.70</u>
	TELECOMMUNICATIONS – 0.89% (31.12.22 – 0.75%)		
	TELECOMMUNICATION SERVICE PROVIDERS – 0.89% (31.12.22 – 0.75%)		
4,345,442	Bigblu Broadband	1,956	0.89
	TOTAL TELECOMMUNICATIONS	<u>1,956</u>	<u>0.89</u>

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	HEALTH CARE – 10.59% (31.12.22 – 7.71%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 10.59% (31.12.22 – 7.71%)		
5,741,988	Diaceutics	4,823	2.20
15,670,455	EKF Diagnostics	4,921	2.25
6,371,180	Medica	13,443	6.14
	TOTAL HEALTH CARE	<u>23,187</u>	<u>10.59</u>
	FINANCIALS – 24.22% (31.12.22 – 22.15%)		
	FINANCE AND CREDIT SERVICES – 2.77% (31.12.22 – 2.28%)		
9,482,118	Trufin	6,068	2.77
155,444	Trufin Rights	1	–
		<u>6,069</u>	<u>2.77</u>
	INVESTMENT BANKING AND BROKERAGE SERVICES – 16.37% (31.12.22 – 15.30%)		
5,746,143	Argentex	7,240	3.31
2,087,483	AssetCo	835	0.38
7,280,080	Frenkel Topping	4,441	2.03
1,064,985	Mattioli Woods	6,496	2.97
1,265,959	Tatton Asset Management	5,583	2.55
6,431,880	XPS Pensions ²	11,224	5.13
		<u>35,819</u>	<u>16.37</u>
	CLOSED END INVESTMENTS – 4.86% (31.12.22 – 4.34%)		
5,636,768	AdvancedAdvT	4,622	2.11
1,943,641	Strategic Equity Capital ^{2,3}	6,006	2.75
		<u>10,628</u>	<u>4.86</u>
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.22% (31.12.22 – 0.23%)		
2,818,384	TMT Acquisition	479	0.22
	TOTAL FINANCIALS	<u>52,995</u>	<u>24.22</u>

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	CONSUMER DISCRETIONARY – 17.42% (31.12.22 – 17.35%)		
	PERSONAL GOODS – 0.00% (31.12.22 – 0.11%)	–	–
	MEDIA – 0.00% (31.12.22 – 0.00%)		
13,333,333	Hawkwing ^{2,4}	–	–
	RETAILERS – 2.68% (31.12.22 – 2.33% ⁵)		
16,742,631	Angling Direct	5,190	2.37
2,522,186	Virgin Wines	681	0.31
		<u>5,871</u>	<u>2.68</u>
	TRAVEL & LEISURE – 14.74% (31.12.22 – 9.58%)		
5,880,727	City Pub	5,410	2.47
5,530,213	Everyman Media	3,373	1.54
5,262,156	Hostelworld	6,657	3.04
2,565,265	Loungers	4,720	2.16
10,357,863	Tasty	228	0.11
2,374,879	Ten Entertainment ²	6,650	3.04
4,302,751	The Gym ²	3,924	1.79
1,573,623	Tortilla Mexican	1,290	0.59
		<u>32,252</u>	<u>14.74</u>
	TOTAL CONSUMER DISCRETIONARY	<u>38,123</u>	<u>17.42</u>
	INDUSTRIALS – 20.28% (31.12.22 – 23.79%)		
	CONSTRUCTION AND MATERIALS – 2.70% (31.12.22 – 2.28%)		
12,917,887	Costain ²	5,916	2.70
	INDUSTRIAL SUPPORT SERVICES – 17.58% (31.12.22 – 19.69% ⁶)		
899,811	Alpha Financial Markets Consulting	3,464	1.58
3,589,438	Anexo	2,118	0.97
2,804,766	Begbies Traynor	3,660	1.67
4,580,570	Driver	1,420	0.65
1,563,124	Elixirr International	7,190	3.29

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
3,891,270	Fintel	7,569	3.46
1,610,686	Ricardo ²	9,213	4.21
1,641,868	Silver Bullet Data Services	411	0.19
13,648,118	Staffline	3,412	1.56
		<u>38,457</u>	<u>17.58</u>
	TOTAL INDUSTRIALS	<u>44,373</u>	<u>20.28</u>
	ENERGY – 2.99% (31.12.22 – 0.00%)		
	ALTERNATIVE ENERGY – 2.99% (31.12.22 – 1.82% ⁶)		
64,139,184	Inspired	6,542	2.99
	TOTAL ENERGY	<u>6,542</u>	<u>2.99</u>
	UTILITIES – 4.21% (31.12.22 – 5.33% ⁵)		
	WASTE AND DISPOSAL SERVICES – 4.21% (31.12.22 – 5.33%)		
5,476,138	Franchise Brands	9,200	4.21
	TOTAL UTILITIES	<u>9,200</u>	<u>4.21</u>
	TOTAL UNITED KINGDOM	<u>208,559</u>	<u>95.30</u>
	BERMUDA – 1.85% (31.12.22 – 1.46%)		
8,061,339	R&Q Insurance	4,047	1.85
	ISRAEL – 1.57% (31.12.22 – 1.78%)		
6,891,192	Windward	3,446	1.57
	TOTAL EQUITIES	<u>216,052</u>	<u>98.72</u>

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	Portfolio of investments	218,258	99.73
	Net other assets	<u>601</u>	<u>0.27</u>
	Net assets	<u>218,859</u>	<u>100.00</u>

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

¹ Unlisted security.

² Listed on a regulated market.

³ Closed end fund.

⁴ Suspended security.

⁵ The comparative figure has been restated to match the current period presentation. Franchise Brands has been reclassified from Retailers to Waste and Disposal Services.

⁶ The comparative figure has been restated to match the current period presentation. Inspired has been reclassified from Industrial Support Services to Alternative Energy.

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	27,419	Total sales for the half year £'000	6,516
	Cost		Proceeds
Major purchases	£'000	Sales	£'000
Hostelworld	6,939	Franchise Brands	2,585
Oxford Metrics	3,938	Knights	1,383
Everyman Media	2,364	Netcall	1,170
EKF Diagnostics	1,940	Seraphine	944
R&Q Insurance	1,566	SysGroup	223
Franchise Brands	1,524	Tortilla Mexican	208
AssetCo	1,418	Begbies Traynor	3
The Gym	1,301		
Elixir International	1,146		
Trufin	1,069		

The summary of material portfolio changes represent the 10 largest purchases and all of the 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

31 August 2023

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income:				
Net capital gains/(losses)		5,490		(74,481)
Revenue	1,251		1,036	
Expenses	(1,119)		(1,242)	
Interest payable and similar charges	-		(1)	
Net revenue/(expense) before taxation	132		(207)	
Taxation	-		-	
Net revenue/(expense) after taxation		132		(207)
Total return before distributions		5,622		(74,688)
Distributions		-		-
Change in net assets attributable to shareholders from investment activities		5,622		(74,688)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		215,982		304,777
Amounts receivable on issue of shares	20,252		20,249	
Amounts payable on redemption of shares	(22,997)		(48,284)	
Change in net assets attributable to shareholders from investment activities		5,622		(28,035)
Closing net assets attributable to shareholders		218,859		202,054

The above statement shows the comparative closing net assets at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
ASSETS		
Fixed assets		
Investments	218,258	191,863
Current assets		
Debtors	811	642
Cash and cash equivalents	657	23,969
Total assets	<u>219,726</u>	<u>216,474</u>
LIABILITIES		
Creditors		
Distribution payable	-	(280)
Other creditors	(867)	(212)
Total liabilities	<u>(867)</u>	<u>(492)</u>
Net assets attributable to shareholders	<u>218,859</u>	<u>215,982</u>

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2023

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 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. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

GENERAL INFORMATION

Share Capital

The minimum share capital of the Fund is £1,000,000 and the maximum share capital is £500,000,000.

Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

The current valuation point of the Fund is at 12.00 noon (London time) on each business 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 every dealing day on the ACD's 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 Documents 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.

GENERAL INFORMATION *continued*

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.

LINKGroup

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