

# LF Gresham House Equity Funds

LF Gresham House UK Multi Cap Income Fund  
LF Gresham House UK Smaller Companies Fund

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



## AUTHORISED CORPORATE DIRECTOR ('ACD')

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(Authorised and regulated by  
the Financial Conduct Authority)

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A.J. Stuart\*  
E.E. Tracey\*

## INVESTMENT MANAGER

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## REGISTRAR

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\* Non-Executive Directors of the ACD.

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## ACD'S REPORT

for the half year ended 30 June 2023

### Authorised Status

LF Gresham House Equity Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC001084 and authorised by the Financial Conduct Authority ('FCA') with effect from 18 April 2017. The Company has an unlimited duration.

The Company is a UK UCITS and the base currency of the Company and each sub-fund is pounds sterling.

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

### 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.

The above proposed changes will not impact either the ongoing management of the Company 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 Company to Waystone Group.

## ACD'S REPORT *continued*

### 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

### Important Information

With effect from 1 June 2023, the 'A' Sterling Accumulation and 'A' Sterling Income share classes were launched in the LF Gresham House UK Multi Cap Income Fund. The new share classes are currently unavailable for investment until further notice.

### Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the period.

### Securities Financing Transactions

The Company 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.

### 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://linkfundsolutions.co.uk)) and the report of the sub-funds of the Company can be found at <https://www.linkfundsolutions.co.uk/uk/gresham-house-asset-management-limited/>.

Prior to accessing the report of the sub-funds of the Company 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 Equity Funds  
31 August 2023

## DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House Equity Funds

31 August 2023

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND ACD'S REPORT

for the half year ended 30 June 2023

### Important Information

Please refer to the Important Information section on page 4.

### Investment Objective and Policy

The investment objective of LF Gresham House UK Multi Cap Income Fund ('the Fund') is to achieve income with the potential for 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 60% of the scheme property by value in the shares of small and medium sized companies that:

- (i) are incorporated, or domiciled in the UK;
- (ii) are listed or traded in the UK; and
- (iii) have a market capitalisation no greater than the smallest market constituent of the FTSE 100 Index.

The Fund may also invest directly and/or indirectly, up to 30% of the scheme property by value in the shares of large sized (have a market capitalisation greater than the smallest market constituent of the FTSE 100 Index) UK companies, investment and non-investment grade (including non-rated) sterling denominated debt securities (such as corporate bonds, government and public securities), money market instruments, deposits and cash.

The Fund may also invest directly and/or indirectly up to 10% of the scheme property by value in the shares of non-UK companies and unlisted companies.

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

Investments in collective investment schemes is limited to 10% of the scheme property by value.

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 and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Investment Manager or their associates.

The Fund may use derivatives for efficient portfolio management purposes.

The investment amounts referenced above will not apply under extraordinary market conditions. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, closure of a relevant market(s), 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.



## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA UK Equity Income sector.

The Fund's performance may be compared against the IA UK Equity Income sector. The ACD believes that this is an appropriate comparator benchmark 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 the ACD considers it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the comparator benchmark and may take positions that differ significantly from the comparator benchmark.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Multi Cap Income Fund  
31 August 2023

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

#### Investment Strategy

The Fund was launched on 30 June 2017 with a policy of investing primarily in small and mid-cap companies, as well as holding large cap companies, and an objective of delivering a return of income with a potential for capital growth. These companies are predominantly UK listed equities. In annual terms the Fund currently is targeting a high single digit percentage total return.

The Fund's investment strategy seeks to leverage the Manager's core expertise in investing in small and mid-sized UK businesses within its key sectors (consumer, technology, media and telecom, business services and healthcare & education), avoiding excessive cyclical exposure. The Fund focuses on areas of structural growth and sustainable income, seeking to find profitable, cash generative companies that offer attractive dividends and scope to grow, and employing a disciplined investment process to appraise potential investments. The Fund also looks to benefit from the wider Gresham House platform of research and investment professionals, and network of entrepreneurs, business leaders and industry specialists.

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, cash flow and dividends 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 external environment, we remain confident that our portfolio of businesses has strong fundamental characteristics, with most companies exposed to resilient structural growth and sustainable income 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 exogenous 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. 89% of updates across the portfolio have been in-line or positive.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

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 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.<sup>1</sup>

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 Value<sup>2</sup>

During the period the gross NAV of the Fund increased from £387.6m to £444.4m, of which 92.7% was invested in UK equities – 73.7% in small and mid-cap and 14.5% in large cap. The increase in NAV was driven by an upwards revaluation of the portfolio of £4.2m, along with net inflows from unit holders amounting to £53.0m. The Fund delivered a positive return of 3.0%<sup>3</sup> over the period ('C' Sterling Accumulation share class), outperforming the IA UK Equity Income Sector, which returned 0.1%<sup>3</sup>.

#### Investment Activity

Investment activity was steady during the period as inflows were predominantly deployed into follow-on investments into portfolio companies alongside two new investments, totaling £76.9m across both; the number of portfolio companies remained at 41.

In aggregate £10.1m was received from the proceeds of divestments, realising an aggregate return of negative 18.2%.

The Manager made two full exits during the period; from AssetCo (-2%), which following the River and Mercantile takeover and cash distribution had become sub-scale and no longer dividend paying; and from Currys (-52%), following a profit warning in December and a negative outlook for the Nordics business which impacted our investment thesis and triggered a full review of the holding. We note that since our full exit in early 2023, Currys' share price has deteriorated materially further and its final dividend cancelled.

Partial divestments were primarily part of a process of profit taking in strong performers, often those companies with resilient business models that had traded well and where the shares had outperformed but where the Manager felt that valuations had become stretched or where there were better opportunities to redeploy the capital.

<sup>1</sup> Peel Hunt – UK M&A Monthly – Review of H1 2023.

<sup>2</sup> Based on 12pm Valuation Point.

<sup>3</sup> Source: FE Analytics.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

#### 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 the company's resilience and potential to perform strongly despite the macro backdrop. 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".

In line with this the Fund deployed £60.4m into 21 existing portfolio companies as follow-on investments during the period. Examples included RWS Holdings, which had de-rated substantially during the period despite resilient trading performance and strong structural tailwinds (including, but not limited to, its AI training service); Ten Entertainment, which has delivered performance materially ahead of pre-COVID levels and seen analyst upgrades through the period; and Sabre Insurance, which is now demonstrating the benefit of accelerated pricing actions in 2022 given inflation in the UK motor insurance market.

Deal activity continues to remain relatively muted, with the IPO market in particular remaining subdued, alongside limited fundraising activity across the portfolio, highlighting the relative balance sheet strength of the companies we tend to invest in. The Fund did, however, add to its position in Gresham House Energy Storage Fund, the UK's largest fund investing in utility-scale battery energy storage systems, which completed an equity raise to fund its US expansion.

Two new investments were made during the first half of 2023; into Brooks Macdonald, an investment management services provider, which is well known to the Manager, and which the manager believes is materially undervalued relative to recent comparable M&A transactions in the space; and into Intermediate Capital Group, a diversified alternative asset manager with scale and attractive underlying asset class exposure.

#### Investment Performance

The Fund achieved a return of 3.0%<sup>3</sup> (based on 'C' Sterling Accumulation share class), ranking 10 out of 81 in the IA UK Equity Income Sector. A driver of the Fund's relative overperformance vs the sector was the Manager's avoidance of certain sectors (in line with the investment process) that performed badly, such as oil & gas. The Manager believes that the focus on quality fundamentals-based businesses in structurally attractive markets with robust earnings streams and application of proprietary network and investment process are key drivers of long-term performance. The Manager is committed to targeting strong long-term risk-adjusted returns through employing disciplined risk mitigation processes, leveraging proprietary

<sup>3</sup> Source: FE Analytics.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

networks, and focusing on quality businesses with sustainable income and structural capital growth dynamics across the market cap spectrum. The Fund ended the period as the top performing UK Equity Income Fund since its launch whilst ranking second lowest in terms of volatility amongst its sector peer group.

Key contributors to absolute performance during the period came from 3i Group (+17%) following excellent FY23 results demonstrating a 36% total return for the year with continued strong performance from key portfolio asset, value retailer Action; Moneysupermarket, following strong performance and corresponding analyst upgrades; and Sabre Insurance, following full-year results that illustrated Sabre's strong positioning ahead of a likely turn in the UK motor market, having already implemented the necessary pricing actions to catch up with inflation.

Detractors during the period were RWS Holdings, following interim results which reduced full-year guidance towards the lower end of market expectations (but still within the consensus range); Watkin Jones, following disappointing half-year results and forecast cuts as robust rental demand for Purpose Built Student Accommodation (PBSA) / Build to Rent (BTR) was offset by a slow recovery in investor markets for these assets; and DWF. We note that, post period-end, in July 2023, DWF announced a recommended takeover offer from Inflexion Private Equity, at a 52.7% spot premium.

#### 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.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

The elevated levels of corporate activity within the UK equity space continue 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

Investment Manager

30 August 2023

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### 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 risk free.

The Fund has been classed as 5 because its volatility has been measured as above 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.

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.

Change in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

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](http://www.linkfundsolutions.co.uk).

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### 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.

#### 'C' STERLING 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	123.09	137.77	113.51	124.21
Return before operating charges*	4.14	(8.70)	30.81	(5.97)
Operating charges	(0.51)	(1.04)	(1.11)	(0.95)
Return after operating charges	3.63	(9.74)	29.70	(6.92)
Distributions	(2.74)	(4.94)	(5.44)	(3.78)
Closing net asset value per share	123.98	123.09	137.77	113.51
* after direct transaction costs of:	0.09	0.42	0.63	0.41

#### PERFORMANCE

Return after charges	2.95%	(7.07)%	26.17%	(5.57)%
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#### OTHER INFORMATION

Closing net asset value (£'000)	63,009	47,994	25,998	9,270
Closing number of shares	50,822,859	38,991,663	18,870,892	8,166,257
Operating charges	0.80%	0.82%	0.85%	0.86%
Direct transaction costs	0.07%	0.33%	0.47%	0.37%

#### PRICES

Highest share price	131.76	140.17	141.38	129.86
Lowest share price	121.93	113.97	114.70	89.70



## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' STERLING 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	152.52	164.10	129.82	137.15
Return before operating charges*	5.13	(10.32)	35.57	(6.27)
Operating charges	(0.63)	(1.26)	(1.29)	(1.06)
Return after operating charges	4.50	(11.58)	34.28	(7.33)
Distributions	(3.41)	(5.96)	(6.31)	(4.23)
Retained distributions on accumulation shares	3.41	5.96	6.31	4.23
Closing net asset value per share	157.02	152.52	164.10	129.82
* after direct transaction costs of:	0.11	0.50	0.73	0.45

##### PERFORMANCE

Return after charges	2.95%	(7.06)%	26.41%	(5.34)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	84,578	75,025	45,004	21,738
Closing number of shares	53,863,513	49,189,317	27,425,514	16,744,110
Operating charges	0.80%	0.82%	0.85%	0.86%
Direct transaction costs	0.07%	0.33%	0.47%	0.37%

##### PRICES

Highest share price	163.25	166.94	165.44	143.37
Lowest share price	151.07	140.00	131.17	99.03

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'F' STERLING 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	124.34	138.96	114.32	124.88
Return before operating charges*	4.17	(8.78)	31.04	(5.97)
Operating charges	(0.42)	(0.86)	(0.92)	(0.79)
Return after operating charges	3.75	(9.64)	30.12	(6.76)
Distributions	(2.76)	(4.98)	(5.48)	(3.80)
Closing net asset value per share	125.33	124.34	138.96	114.32
* after direct transaction costs of:	0.09	0.42	0.63	0.41

##### PERFORMANCE

Return after charges	3.02%	(6.94)%	26.35%	(5.41)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	217,709	199,573	80,059	31,992
Closing number of shares	173,707,232	160,506,746	57,612,667	27,922,295
Operating charges	0.65%	0.67%	0.70%	0.71%
Direct transaction costs	0.07%	0.33%	0.47%	0.37%

##### PRICES

Highest share price	133.11	141.39	142.53	130.60
Lowest share price	123.21	115.10	115.53	90.23

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'F' STERLING 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	154.19	165.62	130.84	138.01
Return before operating charges*	5.18	(10.39)	35.84	(6.29)
Operating charges	(0.52)	(1.04)	(1.06)	(0.88)
Return after operating charges	4.66	(11.43)	34.78	(7.17)
Distributions	(3.45)	(6.03)	(6.37)	(4.25)
Retained distributions on accumulation shares	3.45	6.03	6.37	4.25
Closing net asset value per share	158.85	154.19	165.62	130.84
* after direct transaction costs of:	0.11	0.51	0.73	0.46

##### PERFORMANCE

Return after charges	3.02%	(6.90)%	26.58%	(5.20)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	73,858	59,732	51,716	11,858
Closing number of shares	46,494,619	38,740,550	31,224,795	9,063,613
Operating charges	0.65%	0.67%	0.69%	0.71%
Direct transaction costs	0.07%	0.33%	0.47%	0.37%

##### PRICES

Highest share price	165.05	168.49	166.98	144.29
Lowest share price	152.76	141.48	132.20	99.69

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' EURO ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 € per share	31.12.22 <sup>1</sup> € per share
Opening net asset value per share	0.9235	1.0000
Return before operating charges*	0.0656	(0.0703)
Operating charges	(0.0036)	(0.0062)
Return after operating charges	0.0620	(0.0765)
Distributions	(0.0210)	(0.0334)
Retained distributions on accumulation shares	0.0210	0.0334
Closing net asset value per share	0.9855	0.9235
* after direct transaction costs of:	0.0687	0.2700

#### PERFORMANCE

Return after charges	6.71%	(7.65)%
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#### OTHER INFORMATION

Closing net asset value (£'000)	–	–
Closing number of shares	250	250
Operating charges	0.75%	0.75% <sup>2</sup>
Direct transaction costs	0.07%	0.33% <sup>2</sup>

#### PRICES

Highest share price	1.0067	1.0374
Lowest share price	0.9283	0.8553

<sup>1</sup> From 21 February 2022.

<sup>2</sup> Annualised figure due to share class launched less than 1 year.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Distributions

	First Interim 31.03.23 pence/cents per share	Second Interim 30.06.23 pence/cents per share
<b>Share Class</b>		
'C' Sterling Income	1.3247	1.4107
'C' Sterling Accumulation	1.6412	1.7667
'F' Sterling Income	1.3387	1.4261
'F' Sterling Accumulation	1.6594	1.7871
'C' Euro Accumulation	1.0000	1.1040

#### Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	5 years
LF Gresham House UK Multi Cap Income Fund	2.96	4.10	32.66	32.78
IA UK Equity Income sector <sup>1</sup>	0.18	3.98	29.74	9.11

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Sterling 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 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.

## LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	UNITED KINGDOM – 89.51% (31.12.22 – 84.39%)		
	TECHNOLOGY – 2.92% (31.12.22 – 3.05%)		
	SOFTWARE AND COMPUTER SERVICES – 2.92% (31.12.22 – 3.05%)		
788,683	EMIS <sup>1</sup>	10,789	2.46
2,393,304	Vianet <sup>1</sup>	2,034	0.46
	TOTAL TECHNOLOGY	12,823	2.92
	TELECOMMUNICATIONS – 2.51% (31.12.22 – 2.69%)		
	TELECOMMUNICATIONS SERVICE PROVIDERS – 2.51% (31.12.22 – 2.69%)		
653,006	Telecom Plus	11,036	2.51
	TOTAL TELECOMMUNICATIONS	11,036	2.51
	HEALTH CARE – 7.41% (31.12.22 – 7.81%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 7.41% (31.12.22 – 7.81%)		
289,067	Bioventix <sup>1</sup>	10,985	2.50
27,317,484	EKF Diagnostics <sup>1</sup>	8,578	1.95
934,147	GSK	12,973	2.96
	TOTAL HEALTH CARE	32,536	7.41
	FINANCIALS – 34.79% (31.12.22 – 30.97%)		
	FINANCE AND CREDIT SERVICES – 2.18% (31.12.22 – 0.39%)		
600,000	Intermediate Capital	8,265	1.88
3,230,166	Orchard Funding <sup>1</sup>	1,324	0.30
		9,589	2.18

# LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	INVESTMENT BANKING AND BROKERAGE SERVICES – 21.63% (31.12.22 – 20.23%)		
788,341	3i	15,341	3.49
4,612,379	Argentex <sup>1</sup>	5,812	1.32
407,143	Brooks MacDonald <sup>1</sup>	8,347	1.90
1,875,304	Mattioli Woods <sup>1</sup>	11,439	2.61
6,813,456	Peel Hunt <sup>1</sup>	6,882	1.57
2,423,009	Schroders	10,593	2.41
1,764,735	Tatton Asset Management <sup>1</sup>	7,783	1.77
7,280,246	TP ICAP	11,008	2.51
10,192,067	XPS Pensions	17,785	4.05
		94,990	21.63
	CLOSED END INVESTMENTS – 4.73% (31.12.22 – 4.86%)		
8,353,975	Gresham House Energy Storage <sup>1,2,3</sup>	11,946	2.72
11,077,808	Hipgnosis Songs <sup>2</sup>	8,818	2.01
		20,764	4.73
	LIFE INSURANCE – 2.30% (31.12.22 – 3.02%)		
1,896,448	Phoenix	10,085	2.30
	NON-LIFE INSURANCE – 3.95% (31.12.22 – 2.47%)		
12,830,423	Sabre Insurance	17,372	3.95
	TOTAL FINANCIALS	152,800	34.79
	REAL ESTATE – 3.77% (31.12.22 – 3.68%)		
	REAL ESTATE INVESTMENT AND SERVICES DEVELOPMENT – 3.77% (31.12.22 – 3.68%)		
3,684,431	Belvoir Lettings <sup>1</sup>	7,737	1.76
3,145,314	Property Franchise <sup>1</sup>	8,807	2.01
	TOTAL REAL ESTATE	16,544	3.77

# LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	CONSUMER DISCRETIONARY – 18.05% (31.12.22 – 17.24%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 2.27% (31.12.22 – 2.65%)		
13,979,834	Watkin Jones <sup>1</sup>	9,982	2.27
	MEDIA – 1.61% (31.12.22 – 1.89% <sup>4</sup> )		
1,620,235	Bloomsbury Publishing	7,064	1.61
	SOFTWARE AND COMPUTER SERVICES – 3.78% (31.12.22 – 3.00% <sup>4</sup> )		
6,133,666	Moneysupermarket.com	16,598	3.78
	RETAILERS – 5.94% (31.12.22 – 6.37%)		
2,774,514	B&M European Value Retail	15,448	3.52
4,943,425	Halfords	10,648	2.42
		26,096	5.94
	TRAVEL AND LEISURE – 4.45% (31.12.22 – 3.33%)		
3,814,736	Domino's Pizza	10,529	2.40
3,215,503	Ten Entertainment	9,003	2.05
		19,532	4.45
	TOTAL CONSUMER DISCRETIONARY	79,272	18.05
	CONSUMER STAPLES – 2.59% (31.12.22 – 2.25%)		
	FOOD PRODUCERS – 2.59% (31.12.22 – 2.25%)		
8,922,514	Premier Foods	11,367	2.59
	TOTAL CONSUMER STAPLES	11,367	2.59



# LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	INDUSTRIALS – 17.47% (31.12.22 – 16.70%)		
	CONSTRUCTION & MATERIALS – 2.67% (31.12.22 – 3.04%)		
3,438,975	Balfour Beatty	11,720	2.67
	INDUSTRIAL SUPPORT SERVICES – 13.31% (31.12.22 – 12.57% <sup>5</sup> )		
1,484,879	Alpha Financial Markets Consulting <sup>1</sup>	5,717	1.30
14,299,115	DWF	8,436	1.92
9,053,534	FRP Advisory <sup>1</sup>	11,136	2.54
2,516,578	Ricardo	14,395	3.28
3,600,438	RWS Holdings <sup>1</sup>	8,475	1.93
1,494,322	Smart Metering Systems <sup>1</sup>	10,281	2.34
		58,440	13.31
	TOTAL INDUSTRIALS	70,160	15.98
	ENERGY – 1.49% (31.12.22 – 0.00%)		
	ALTERNATIVE ENERGY – 1.49% (31.12.22 – 1.09% <sup>5</sup> )		
64,201,246	Inspired <sup>1</sup>	6,549	1.49
	TOTAL ENERGY	6,549	1.49
	TOTAL UNITED KINGDOM	393,087	89.51
	BERMUDA – 1.69% (31.12.22 – 1.29%)		
14,790,496	R&Q Insurance <sup>1</sup>	7,425	1.69
	GUERNSEY – 1.93% (31.12.22 – 2.36%)		
26,515,221	Duke Royalty <sup>1</sup>	8,485	1.93

**LF GRESHAM HOUSE UK MULTI CAP INCOME FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	Portfolio of investments	408,997	93.13
	Net other assets	30,157	6.87
	Net assets	439,154	100.00

The investments are ordinary shares listed on a regulated market unless stated otherwise.

<sup>1</sup> Quoted on the Alternative Investment Market (AIM).

<sup>2</sup> Closed end fund.

<sup>3</sup> Related party holding.

<sup>4</sup> The comparative figure has been restated to match the current period presentation.  
Moneysupermarket.com has been reclassified from Media to Software and Computer Services.

<sup>5</sup> The comparative figure has been restated to match the current period presentation.  
Inspired has been reclassified from Industrial Support Services to Alternative Energy.

**LF GRESHAM HOUSE UK MULTI CAP INCOME FUND**

**ACD'S REPORT** *continued*

**SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the half year ended 30 June 2023

Total purchases for the half year £'000	76,891	Total sales for the half year £'000	8,240
	Cost		Proceeds
Major purchases	£'000	Sales	£'000
RWS Holdings	12,002	3i	4,598
Intermediate Capital	8,457	Currys	3,105
Brooks MacDonald	8,014	Assetco	537
Ten Entertainment	5,356		
EKF Diagnostics	4,995		
Gresham House Energy Storage	4,300		
Sabre Insurance	4,012		
R&Q Insurance	3,749		
EMIS	3,342		
Watkin Jones	2,927		

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

**LF GRESHAM HOUSE UK MULTI CAP INCOME FUND**  
**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)		3,767		(23,709)
Revenue	9,091		4,707	
Expenses	(1,445)		(910)	
Net revenue before taxation	7,646		3,797	
Taxation	(123)		(23)	
Net revenue after taxation		7,523		3,774
Total return before distributions		11,290		(19,935)
Distributions		(8,968)		(4,684)
Change in net assets				
attributable to shareholders				
from investment activities		2,322		(24,619)

**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		382,324		202,777
Amounts receivable on issue of shares	71,410		122,088	
Amounts payable on redemption of shares	(20,223)		(25,309)	
		51,187		96,779
Change in net assets				
attributable to shareholders				
from investment activities		2,322		(24,619)
Retained distributions on Accumulation shares		3,321		2,176
Closing net assets attributable to shareholders		439,154		277,113

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

**LF GRESHAM HOUSE UK MULTI CAP INCOME FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	408,997	336,579
Current assets		
Debtors	6,499	1,969
Cash and bank balances	27,845	48,175
<b>Total assets</b>	<b>443,341</b>	<b>386,723</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	(3,194)	(2,173)
Other creditors	(993)	(2,226)
<b>Total liabilities</b>	<b>(4,187)</b>	<b>(4,399)</b>
<b>Net assets attributable to shareholders</b>	<b>439,154</b>	<b>382,324</b>

**LF GRESHAM HOUSE UK MULTI CAP INCOME FUND**  
**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.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND ACD'S REPORT

for the half year ended 30 June 2023

### Important Information

Please refer to the Important Information section on page 4.

### Investment Objective and Policy

The LF Gresham House UK Smaller Companies Fund ('the Fund') aims to provide capital growth over the long term (in excess of 5 years).

The Fund will directly invest at least 70% of its assets in shares of smaller-sized UK companies. These are listed companies with a market capitalisation within the lowest 10% of the listed UK equities markets that are either domiciled, incorporated or have a significant portion of their business (which will be considered by reference to revenue, profits and/or assets depending on the nature of the business) in the UK.

The Fund may also invest in shares of medium and large sized UK companies, unlisted companies, collective investment schemes (which may include other funds managed by the ACD, funds to which the Investment Manager provides investment management services and associates of the ACD and Investment Manager), warrants, money market instruments, deposits, cash, or near cash.

Derivatives and forward transactions may be used for Efficient Portfolio Management purposes.

The investment policy 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, closure of a relevant market(s), 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, deposits, treasury bills, government bonds or short-term money market instruments, or have substantial holdings in cash and cash equivalents.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

#### 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 benchmark 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 the ACD considers it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the comparator benchmark and may take positions that differ significantly from the comparator benchmark.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Smaller Companies Fund  
31 August 2023



## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

#### Investment Strategy

The Fund was launched on 1 February 2019 with a focus 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.83% 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

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### INVESTMENT 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.<sup>1</sup>

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 Value<sup>2</sup>

As at 30 June 2023 the gross NAV of the Fund was £93.6m, of which 94.3% was invested in UK equities. This compared to a NAV of £68.9m at the beginning of the period. The increase in NAV was primarily due to net inflows from unit holders amounting to £26.7m, offset by a negative revaluation of the portfolio of £2.0m. The Fund generated a capital return of negative 0.6%<sup>3</sup> over the period (based on 'C' Sterling Accumulation share class) compared to the IA UK Smaller Companies sector which returned a negative 4.1%<sup>3</sup>.

#### Investment Activity

Investment activity was material during the period with the team deploying a total of £37.2m; with the number of portfolio companies increasing from 40 at the beginning of the period to 41 at the end of the period. There were 6 full exits, which were counteracted by 6 new investments. The majority of the Fund's holdings are in companies where the Manager has extensive knowledge and experience built up over many years.

In aggregate £7.9m was received from the proceeds of divestments, realising an aggregate negative return of 14.7%.

Full exits included Kape Technologies (-9.3%), Devro Plc (+56.7%), Assetco (-8.7%), Devolver Digital (-80.0%) and Liontrust (-35.0%). The majority of the full divestments were related to a change in the Manager's view of the ongoing prospects of the companies following a detailed portfolio risk review undertaken during the period, save for Kape Technologies and Devro Plc, both of which were sold as a result of takeovers.

Partial divestments were primarily part of a process of profit taking in strong performers, often those companies with resilient business models that had traded well and where the shares had outperformed but where the Manager felt that valuations had become stretched or where there were better opportunities to redeploy the capital.

<sup>1</sup> Peel Hunt – UK M&A Monthly – Review of H1 2023.

<sup>2</sup> Based on 12pm Valuation Point.

<sup>3</sup> Source: FE Analytics.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

#### 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 the company's resilience and potential to perform strongly despite the macro backdrop. 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 across many holdings, including: Learning Technologies Group, Brooks Macdonald, Team 17 Group, Ricardo, Next Fifteen Communications, Gym Group, EMIS Group, Tribal Group, Sabre Insurance and R&Q (amongst others).

Deal activity continues to remain relatively muted, with the IPO market in particular remaining subdued, alongside limited fundraising activity across the portfolio, highlighting the relative balance sheet strength of 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.

6 new investments were made during the first half of 2023, into a diverse range of businesses with strong fundamentals trading at attractive valuations. These included; Mattioli Woods, a provider of wealth management and employee benefit services; Idox, a leading supplier of specialist information management solutions and services, principally to the public sector; Elixirr, a challenger consultancy firm; Capita, an international provider of business process outsourcing services; Craneware, a leading provider of administrative and operational SaaS solutions to the US healthcare market; and Essentra, a market-leading manufacturer and distributor of components into a diverse range of industrial supply chains.

#### Investment Performance

The Fund was placed 7<sup>th</sup> out of 48 in the IA UK Smaller Companies Sector delivering a return of negative 0.6%<sup>3</sup> at 30 June 2023 (based on the 'C' Sterling Accumulation share class); outperforming the IA UK Smaller Companies sector which returned a negative 4.1%<sup>3</sup>. In a period of heightened market volatility the Fund showed resilience against a challenging macro backdrop, where small-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; Moneysupermarket, with positive trading momentum continuing into FY23; and Sabre Insurance, following full year results that illustrated Sabre's strong positioning ahead of a likely turn in the UK motor market, having already implemented the necessary pricing actions to catch up with inflation.

<sup>3</sup> Source: FE Analytics.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

Detractors during the period were Learning Technologies, having noted the challenging macro backdrop alongside full year results, leading to a trimming of outer-year forecasts; Next Fifteen Communications, despite the release of in-line FY22 results which highlighted business resilience; and Restore, following two consecutive profit warnings, driven by weakness in non-core parts of the business, which ultimately led to management stepping down; we have since fully exited the position post period end.

#### 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.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

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

Investment Manager

30 August 2023

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### 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. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. 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.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

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.

**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.

**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 shares 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](http://www.linkfundsolutions.co.uk).

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### 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.

#### 'C' STERLING 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	143.12	172.20	137.78	124.60
Return before operating charges*	(1.00)	(25.34)	37.27	15.13
Operating charges	(0.73)	(1.50)	(1.68)	(1.95)
Return after operating charges	(1.73)	(26.84)	35.59	13.18
Distributions	–	(2.24)	(1.17)	–
Closing net asset value per share	141.39	143.12	172.20	137.78
* after direct transaction costs of:	0.26	0.69	2.37	0.69

#### PERFORMANCE

Return after charges	(1.21)%	(15.59)%	25.83%	10.58%
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#### OTHER INFORMATION

Closing net asset value (£'000)	31	1	102	–
Closing number of shares	21,916	740	58,998	250
Operating charges	0.99% <sup>1</sup>	1.00% <sup>1</sup>	1.02% <sup>1</sup>	1.76%
Direct transaction costs	0.18%	0.46%	1.44%	0.62%

#### PRICES

Highest share price	155.15	175.14	181.66	139.57
Lowest share price	141.82	134.84	138.46	76.75

<sup>1</sup> From 1 November 2021, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figure of 1.00% is not exceeded.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' STERLING 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	147.52	174.83	138.98	125.02
Return before operating charges*	(1.07)	(25.79)	38.01	15.92
Operating charges	(0.76)	(1.52)	(2.16)	(1.96)
Return after operating charges	(1.83)	(27.31)	35.85	13.96
Distributions	–	(2.27)	(1.20)	–
Retained distributions on accumulation shares	–	2.27	1.20	–
Closing net asset value per share	145.69	147.52	174.83	138.98
* after direct transaction costs of:	0.27	0.70	2.39	0.70

##### PERFORMANCE

Return after charges	(1.24)%	(15.62)%	25.80%	11.17%
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##### OTHER INFORMATION

Closing net asset value (£'000)	45,690	28,743	19,565	4,624
Closing number of shares	31,360,773	19,483,526	11,191,088	3,326,745
Operating charges	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.30% <sup>1</sup>	1.76%
Direct transaction costs	0.18%	0.46%	1.44%	0.62%

##### PRICES

Highest share price	159.88	177.79	183.25	140.78
Lowest share price	146.14	136.86	139.69	77.06

<sup>1</sup> From 1 November 2021, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figure of 1.00% is not exceeded.



## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'F' STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 <sup>1</sup> pence per share
Opening net asset value per share	86.49	104.16	100.00
Return before operating charges*	(0.62)	(15.40)	5.83
Operating charges	(0.22)	(0.46)	(0.34)
Return after operating charges	(0.84)	(15.86)	5.49
Distributions	–	(1.81)	(1.33)
Closing net asset value per share	85.65	86.49	104.16
* after direct transaction costs of:	0.16	0.42	0.96

#### PERFORMANCE

Return after charges	(0.97)%	(15.23)%	5.49%
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#### OTHER INFORMATION

Closing net asset value (£'000)	7,787	6,574	2,266
Closing number of shares	9,090,611	7,600,326	2,175,729
Operating charges	0.50% <sup>3</sup>	0.50% <sup>3</sup>	0.51% <sup>2,3</sup>
Direct transaction costs	0.18%	0.46%	2.25% <sup>2</sup>

#### PRICES

Highest share price	93.80	105.95	110.28
Lowest share price	85.81	81.83	99.91

<sup>1</sup> From 13 May 2021.

<sup>2</sup> Annualised figure due to share class launched less than 1 year.

<sup>3</sup> From 1 November 2021, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figure of 0.50% is not exceeded.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'F' STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 <sup>1</sup> pence per share
Opening net asset value per share	89.37	105.45	100.00
Return before operating charges*	(0.66)	(15.62)	5.78
Operating charges	(0.23)	(0.46)	(0.33)
Return after operating charges	(0.89)	(16.08)	5.45
Distributions	–	(1.83)	(1.30)
Retained distributions on accumulation shares	–	1.83	1.30
Closing net asset value per share	88.48	89.37	105.45
* after direct transaction costs of:	0.16	0.42	0.96

##### PERFORMANCE

Return after charges	(1.00)%	(15.25)%	5.45%
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##### OTHER INFORMATION

Closing net asset value (£'000)	39,209	30,162	16,622
Closing number of shares	44,312,289	33,748,437	15,763,176
Operating charges	0.50% <sup>3</sup>	0.50% <sup>3</sup>	0.50% <sup>2,3</sup>
Direct transaction costs	0.18%	0.46%	2.25% <sup>2</sup>

##### PRICES

Highest share price	96.90	107.24	110.28
Lowest share price	88.65	82.83	99.89

<sup>1</sup> From 13 May 2021.

<sup>2</sup> Annualised figure due to share class launched less than 1 year.

<sup>3</sup> From 1 November 2021, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figure of 0.50% is not exceeded.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' EURO ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 € per share	31.12.22 <sup>1</sup> € per share
Opening net asset value per share	0.8645	1.0000
Return before operating charges*	0.0244	(0.1354)
Operating charges	(0.0041)	(0.0001)
Return after operating charges	0.0203	(0.1355)
Distributions	–	(0.0171)
Retained distributions on accumulation shares	–	0.0171
Closing net asset value per share	0.8848	0.8645
* after direct transaction costs of:	0.1611	–

##### PERFORMANCE

Return after charges	2.35%	(13.55)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	–	–
Closing number of shares	250	250
Operating charges	0.90% <sup>3</sup>	0.91% <sup>2,3</sup>
Direct transaction costs	0.18%	0.46%

##### PRICES

Highest share price	0.9326	0.9944
Lowest share price	0.8662	0.8110

<sup>1</sup> From 21 February 2022.

<sup>2</sup> Annualised figure due to share class launched less than 1 year.

<sup>3</sup> The Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figure of 1.00% is not exceeded.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch <sup>1</sup>
LF Gresham House UK Smaller Companies Fund	(0.61)	(0.98)	43.89	47.24
IA UK Smaller Companies sector <sup>2</sup>	(4.29)	(5.67)	10.07	10.01

<sup>1</sup> Launch date 1 February 2019.

<sup>2</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Sterling 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 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.

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	UNITED KINGDOM – 94.40% (31.12.22 – 89.67%)		
	TECHNOLOGY – 12.76% (31.12.22 – 10.38%)		
	SOFTWARE AND COMPUTER SERVICES – 12.76% (31.12.22 – 10.38%)		
167,866	EMIS <sup>1</sup>	2,296	2.48
4,035,372	IDOX	2,712	2.92
2,341,437	Learning Technologies	1,934	2.08
1,190,919	Moneysupermarket.com	3,223	3.48
4,274,910	Tribal <sup>1</sup>	1,667	1.80
	TOTAL TECHNOLOGY	11,832	12.76
	TELECOMMUNICATIONS – 2.50% (31.12.22 – 2.42%)		
	TELECOMMUNICATIONS SERVICE PROVIDERS – 2.50% (31.12.22 – 2.42%)		
137,172	Telecom Plus	2,318	2.50
	TOTAL TELECOMMUNICATIONS	2,318	2.50
	HEALTH CARE – 7.05% (31.12.22 – 3.69%)		
	MEDICAL EQUIPMENT AND SERVICES – 7.05% (31.12.22 – 3.69%)		
167,073	Craneware	2,222	2.40
2,043,298	Medica <sup>1</sup>	4,311	4.65
	TOTAL HEALTH CARE	6,533	7.05

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	FINANCIALS – 17.91% (31.12.22 – 16.74%)		
	INVESTMENT BANKING AND BROKERAGE SERVICES – 14.12% (31.12.22 – 13.77%)		
185,863	Brooks MacDonald <sup>1</sup>	3,810	4.11
388,049	Mattioli Woods <sup>1</sup>	2,367	2.55
1,280,353	Peel Hunt <sup>1</sup>	1,293	1.39
1,259,652	TP ICAP	1,905	2.06
2,128,479	XPS Pensions	3,714	4.01
		<u>13,089</u>	<u>14.12</u>
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.22% (31.12.22 – 0.34%)		
1,227,036	TMT Acquisition <sup>1</sup>	<u>209</u>	<u>0.22</u>
	NON-LIFE INSURANCE – 3.57% (31.12.22 – 2.63%)		
2,445,766	Sabre Insurance	<u>3,312</u>	<u>3.57</u>
	TOTAL FINANCIALS	<u>16,610</u>	<u>17.91</u>
	REAL ESTATE – 1.44% (31.12.22 – 1.82%)		
	REAL ESTATE INVESTMENT AND SERVICES DEVELOPMENT – 1.44% (31.12.22 – 1.82%)		
478,154	LSL Property Services	<u>1,339</u>	<u>1.44</u>
	TOTAL REAL ESTATE	<u>1,339</u>	<u>1.44</u>
	CONSUMER DISCRETIONARY – 20.09% (31.12.22 – 21.67%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 2.13% (31.12.22 – 2.59%)		
2,761,652	Watkin Jones <sup>1</sup>	<u>1,972</u>	<u>2.13</u>
	LEISURE GOODS – 2.81% (31.12.22 – 3.23%)		
744,295	Team17	<u>2,605</u>	<u>2.81</u>

# LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	MEDIA – 4.07% (31.12.22 – 4.29%)		
265,069	Next Fifteen Communications <sup>1</sup>	1,800	1.94
720,735	Wilmington	1,975	2.13
		<u>3,775</u>	<u>4.07</u>
	RETAILERS – 5.20% (31.12.22 – 5.88%)		
1,056,617	Halfords	2,276	2.46
1,760,695	Moonpig	2,539	2.74
		<u>4,815</u>	<u>5.20</u>
	TRAVEL AND LEISURE – 5.88% (31.12.22 – 5.68%)		
1,001,315	Loungers <sup>1</sup>	1,842	1.99
712,121	Ten Entertainment	1,994	2.15
1,771,460	The Gym	1,616	1.74
		<u>5,452</u>	<u>5.88</u>
	TOTAL CONSUMER DISCRETIONARY	<u>18,619</u>	<u>20.09</u>
	CONSUMER STAPLES – 2.44% (31.12.22 – 5.48%)		
	FOOD PRODUCERS – 2.44% (31.12.22 – 5.48%)		
1,776,195	Premier Foods	2,263	2.44
	TOTAL CONSUMER STAPLES	<u>2,263</u>	<u>2.44</u>
	INDUSTRIALS – 26.85% (31.12.22 – 23.08%)		
	CONSTRUCTION AND MATERIALS – 2.07% (31.12.22 – 2.57%)		
562,362	Balfour Beatty	1,917	2.07
	INDUSTRIAL ENGINEERING – 1.17% (31.12.22 – 1.87%)		
1,164,178	Flowtech Fluidpower <sup>1</sup>	1,083	1.17
	INDUSTRIAL SUPPORT SERVICES – 22.42% (31.12.22 – 17.57% <sup>2</sup> )		
393,729	Alpha Financial Markets Consulting <sup>1</sup>	1,516	1.63
6,647,006	Capita	1,824	1.97
979,225	Essentra	1,588	1.71
2,992,799	DWF	1,766	1.90
712,856	Elixirr International <sup>1</sup>	3,280	3.54

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
1,854,580	FRP Advisory <sup>1</sup>	2,281	2.46
567,992	Mears	1,650	1.78
781,067	Restore <sup>1</sup>	1,796	1.94
595,176	Ricardo	3,404	3.67
244,783	Smart Metering Systems <sup>1</sup>	1,684	1.82
		<u>20,789</u>	<u>22.42</u>
	TOTAL INDUSTRIALS	<u>23,789</u>	<u>25.66</u>
	ENERGY – 1.19% (31.12.22 – 0.00%)		
	ALTERNATIVE ENERGY – 1.19% (31.12.22 – 1.07% <sup>2</sup> )		
10,816,652	Inspired <sup>1</sup>	1,103	1.19
	TOTAL ENERGY	<u>1,103</u>	<u>1.19</u>
	UTILITIES – 3.36% (31.12.22 – 4.39%)		
	WASTE AND DISPOSAL SERVICES – 3.36% (31.12.22 – 4.39%)		
1,852,166	Franchise Brands <sup>1</sup>	3,112	3.36
	TOTAL UTILITIES	<u>3,112</u>	<u>3.36</u>
	TOTAL UNITED KINGDOM	<u>87,518</u>	<u>94.40</u>
	BERMUDA – 1.67% (31.12.22 – 1.28%)		
3,090,228	R&Q Insurance <sup>1</sup>	1,551	1.67
	Portfolio of investments	89,069	96.07
	Net other assets	<u>3,648</u>	<u>3.93</u>
	Net assets	<u>92,717</u>	<u>100.00</u>

The investments are ordinary shares listed on a regulated market unless stated otherwise.

<sup>1</sup> Quoted on the Alternative Investment Market (AIM).

<sup>2</sup> The comparative figure has been restated to match the current period presentation.  
Inspired has been reclassified from Industrial Support Services to Alternative Energy.



## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	38,967	Total sales for the half year £'000	6,760
	Cost		Proceeds
Major purchases	£'000	Sales	£'000
Elixirr International	3,467	Devro	2,101
Capita	3,431	Kape Technologies	1,760
IDOX	2,789	Capita	1,420
Craneware	2,517	Liontrust	1,143
Mattioli Woods	2,392	Devolver Digital	233
Learning Technologies	2,223	AssetCo	103
Essentra	1,891		
Brooks MacDonald	1,879		
Team17	1,414		
Ricardo	1,362		

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

## LF GRESHAM HOUSE UK SMALLER COMPANIES FUND

### 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 losses		(2,697)		(7,322)
Revenue	1,104		512	
Expenses	(293)		(154)	
Net revenue before taxation	811		358	
Taxation	–		–	
Net revenue after taxation		811		358
Total return before distributions		(1,886)		(6,964)
Distributions		–		–
Change in net assets				
attributable to shareholders				
from investment activities		(1,886)		(6,964)

### 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		65,480		38,555
Amounts receivable on issue of shares	32,073		15,007	
Amounts payable on redemption of shares	(2,980)		(1,649)	
		29,093		13,358
Dilution levy		30		–
Change in net assets				
attributable to shareholders				
from investment activities		(1,886)		(6,964)
Closing net assets attributable to shareholders		92,717		44,949

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

**LF GRESHAM HOUSE UK SMALLER COMPANIES FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	89,069	59,556
Current assets		
Debtors	579	124
Cash and bank balances	4,984	6,076
<b>Total assets</b>	<b>94,632</b>	<b>65,756</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	–	(137)
Other creditors	(1,915)	(139)
<b>Total liabilities</b>	<b>(1,915)</b>	<b>(276)</b>
<b>Net assets attributable to shareholders</b>	<b>92,717</b>	<b>65,480</b>

**LF GRESHAM HOUSE UK SMALLER COMPANIES FUND**  
**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 Company is £1 and the maximum share capital is £50,000,000,000.

### Structure of LF Gresham House Equity Funds

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. Investment of the assets of each of the sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant sub-fund. The sub-funds currently available are:

LF Gresham House UK Multi Cap Income Fund

LF Gresham House UK Smaller Companies Fund

In the future there may be other sub-funds of the Company.

### Classes of Shares

The Company may issue income and accumulation shares in respect of each sub-fund.

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 relevant sub-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 each of the Company's sub-funds is 12.00 noon (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

### Buying and Selling Shares

The ACD will accept orders to deal in the 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.

## GENERAL INFORMATION *continued*

### Prices

The prices of all shares are published on every dealing day on the website of the ACD: [www.linkfundsolutions.co.uk](http://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](http://www.linkfundsolutions.co.uk).

Shareholders who have any complaints about the operation of the Company 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.





 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0345 922 0044

 [linkfundsolutions.co.uk](http://linkfundsolutions.co.uk)