



WS Gresham House UK Micro Cap Fund

(Formerly LF Gresham House UK Micro Cap Fund)

Annual Report and Financial Statements
for the year ended 31 December 2023



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

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* Non-Executive Directors of the ACD.

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ACD'S REPORT

for the year ended 31 December 2023

Authorised Status

WS 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 Annual Report and Financial Statements include the AIFM as applicable.

ACD's Statement

Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, that has led to inflationary pressures globally. Add to this the Israeli-Hamas conflict, that commenced in October 2023, and we are faced with consequences 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, over recent times, been progressively increasing interest rates. One might suggest we are now close to the peak of interest rates as inflation, in most economies, is heading in a downward trajectory. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global, recession or whether a 'soft-landing' is attainable.

Important Information

With effect from 9 October 2023, the following changes occurred:

- The ACD of the Fund changed from Link Fund Solutions Limited ('LFSL') to Waystone Management (UK) Limited ('WMUK');
- The Fund name changed to WS Gresham House UK Micro Cap Fund;
- The head office and registered office of the Fund changed to 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB; and
- The website for the publication of prices and obtaining documents of the Fund changed to www.waystone.com.

ACD'S REPORT continued

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).

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.

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 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.

Remuneration Disclosure

On 9 October 2023 the ACD of the Fund changed. These report and accounts are being produced by the Fund's current ACD and the disclosures below relate to the most recent period for which audited information in respect of the current ACD is available, being the year ended 31 December 2022.

Investors' attention is drawn to the following:

1. The remuneration arising in respect of the accounting period for which these report and accounts are being prepared related to the Fund's previous ACD. We understand that the previous ACD discloses information in respect of that remuneration on its website.
2. The change of ACD was part of a wider corporate transaction whereby substantially all the previous ACD's funds were transferred to the current ACD. As a result circa £83 billion of funds under management were transferred to the current ACD. The effects of this transaction in terms of remuneration will be reported to investors in due course once more recent audited accounts for the current ACD are available.

REMUNERATION

The ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive.

The fixed remuneration paid by the ACD to its staff in respect of all funds that it manages in the year ended 31 December 2022 was £823,929 and was shared amongst 12 members of staff (31.12.21: £751,344; 12 members of staff). The fixed remuneration paid by the ACD to the Remuneration Code Staff for the year ended 31 December 2022 was £292,500, shared amongst 3 employees. All 12 ACD staff members were fully or partially involved in the activities of the Fund. The ACD did not pay any variable remuneration. The ACD staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Fund or any other alternative investment fund the ACD is the AIFM of. None of the ACD's staff actions had a material impact on the risk profile of the Fund.

ACD'S REPORT continued

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.

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 report can be found at TCFD Reporting (fundsolutions.net/tcfd-reporting) and the report of the Fund can be found at <https://www.fundsolutions.net/uk/gresham-house-asset-management-limited/ws-gresham-house-uk-micro-cap-fund/tcfd-reporting/>.

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.

Value Assessment

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Fund provides value to investors. The outcome of the latest assessment is available on the ACD's website.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Micro Cap Fund
26 April 2024

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 December 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 focuses on areas of structural growth opportunity and avoids cyclical industries including banks, mining, and oil and gas due to the inherent volatility of earnings. The Manager utilises the wider Gresham House platform of research and investment professionals, as well as a network of entrepreneurs, business leaders and industry specialists, to gain a competitive edge over peers in uncovering and analysing UK small-cap stocks which 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

Investors entered 2023 during a period of high and sustained inflation, rising interest rates, and depressed UK equity market valuations. In Q1 2023, the collapses of Silicon Valley Bank, Credit Suisse, and numerous US regional banks weighed heavily on market sentiment, driving UK equity market indices lower. Although fears of global banking contagion subsided in early Q2 2023, stock market gains were reversed in May and June as persistent UK inflation relative to other G20 economies led to the UK base rate surpassing 5% for the first time since 2008.

Market volatility continued into Q3 2023 as improved UK CPI data in July was counteracted by weaker PMI and consumer spending data in August. On 3 August 2023, the Bank of England raised the UK base rate to 5.25%, marking the highest level for 15 years. Thereafter, UK equity market performance was broadly flat as we entered Q4 2023, although markets received nascent disinflationary trends well. In October, news of geopolitical instability in the Middle East marked another iteration of negative sentiment, and UK markets fell. However, 2023 ended more positively; markets rose in November and December as global investors priced in expectations of falling interest rates in 2024.

During the period, UK equity market valuations – notably those of smaller companies – continued to lag global comparators, particularly those in the US. The Manager believes that the M&A dynamic which unfolded in 2023 provides evidence of asymmetry. The majority of M&A bids made during the period were valued at below £500m¹, and despite a stark rise in the cost of debt, the average takeover premium grew to 52% compared to a five-year average of 40%. These pointers highlight the valuation discount presently applied to UK smaller companies as we enter 2024.

¹ Peel Hunt, 'UK M&A: accelerating pace of exits'.

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Market conditions remain volatile and global circumstances uncertain, nevertheless the Manager is confident in the high-quality fundamentals of the portfolio regardless of broader economic or geopolitical developments. The Manager believes that the portfolio companies are led by experienced and capable management teams who pursue clear and effective growth strategies, often within structurally growing markets. Moreover, the Manager has conviction in the strong competitive positions and high barriers to entry generally characterising the Fund holdings. A combination of these factors underpins the Manager's confidence in the ability of portfolio companies to grow earnings and generate cash.

In reflection of these fundamental characteristics, news flow across our portfolio companies was largely positive throughout 2023 despite challenging market conditions. During the period, c.89% of Fund's investee company updates were in-line or positive.

We remain highly selective and disciplined in our investment approach, seeking companies with attractive long-term fundamentals at sensible valuations.

Movements in Net Asset Value

As of 31 December 2023 the gross NAV of the Fund was £190.8m² of which 98.0% was invested in equities with a concentration in micro-cap companies, with 2.0% cash. Cash levels are expected to rise following the takeovers of Ten Entertainment Group and City Pub Group in early 2024. This compared to a NAV of £220.2m² at the beginning of the period. The decrease in NAV was due to net outflows from shareholders amounting to £37.8m, counteracting a positive revaluation of the portfolio by £8.4m. The Fund delivered a positive return of 5.0% over the period, significantly outperforming the IA UK Smaller Companies sector which returned 0.4%.

Investment Activity

Investment activity was steady during the period as £36.3m was deployed primarily as follow-on investments into existing portfolio companies and into one new investment. However, the number of portfolio companies decreased from 50 to 44 as activity was weighted to divestments from non-core holdings.

The Fund made one new investment during the period, into lomart, an integrated data centre and cloud services provider. The Manager deems this business as fundamentally undervalued despite its highly competitive customer value proposition and significant organic growth potential, supported by structural growth themes.

The Manager fully exited eight portfolio positions during the period, including two exits due to private takeovers: Seraphine Group (-2.4% CTR) was purchased by its largest shareholder, Mayfair Equity Partners, following a period of protracted underperformance since its 2021 IPO; and Medica Group (+1.6% CTR) was taken private by European private equity firm, IK partners, at a 32.5% premium to the prior day closing price.

² Based on 12pm Valuation Point.

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Occasionally during the period, a fundamental change to the initial investment thesis prompted the Manager to exit Fund positions. Examples include Knights Group (+2.0% CTR), a legal and professional services firm which experienced elevated staff churn post-COVID alongside weak cash generation; Tortilla plc (-0.8% CTR), where inflationary challenges exerted sustained pressure on operating margins, alongside topline pressure from the squeeze on consumer discretionary spend; and Oxford Metrics (-0.5% CTR), where a change in management triggered a broader review of the thesis.

Investment Performance

The Fund placed 8th out of 48 in the IA UK Smaller Companies sector delivering a return of 5.0% during the period (based on C Institutional Accumulation share class); significantly outperforming the IA UK Smaller Companies sector by 4.7% 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 its takeover by IK Partners; Ten Entertainment following a recommended cash offer from US private equity firm, Trive Capital; and City Pub Group following its acquisition by Young's plc, a large UK pub operator, at a 46% premium to the prior day closing share price.

While the Fund is not explicitly positioned to benefit from private takeover activity, the Manager employs a private equity approach to investing in public markets; one which frequently aligns with private equity houses driving M&A activity in the UK market. Particularly, the Manager shares a focus on resilient financial characteristics such as earnings visibility, high margins, and free cash flow generation, while also preferring structurally growing markets and leading competitive positions. In 2023, this alignment in investment philosophy was an important driver of Fund performance, although the Manager evaluates portfolio companies and investment opportunities based on their potential for long-term capital growth over many years, not the likelihood of short-term takeover.

Key detractors to aggregate Fund performance during the period included R&Q Insurance Holdings (-2.2% CTR), following the proposed sale of the company's Program Management, or "Accredited", business at a valuation materially below market expectations; and Argentex (-1.0% CTR), following a full-year profit warning.

Outlook

The Manager works under the assumption that geopolitical and macroeconomic uncertainties such as inflation, interest rates, and regional conflicts will continue to drive periods of market volatility in 2024. While present conditions are generating mispricing opportunities across the UK market – particularly in the field of smaller companies – the Manager is sharply focused on resilient businesses with high-quality fundamentals so as to avoid potential 'value traps'. Equally, it is the Manager's view that a prudent bottom-up investment

ACD'S REPORT continued**PORTFOLIO MANAGER'S REPORT** continued

approach mitigates risk by avoiding uncertain assumptions about broad macroeconomic and geopolitical factors. Regardless of these, the Manager believes the long-term capital growth potential of the portfolio is well underpinned by quality company management teams; clear strategies; structural market opportunities; strong competitive positions; and attractive financial characteristics.

The Manager expects M&A activity to remain a prominent feature of the UK market as long as equity valuations remain subdued. In the US and Europe, mid-to-large leveraged buyout firms and strategic corporate buyers are looking to offset the higher cost of debt by purchasing UK-listed businesses at discounts to intrinsic value. The evidence from 2023 suggests the private equity gaze is firmly fixed on UK smaller companies, where the discrepancy between trading multiples and company fundamentals is most stark. As the number of precedent M&A transactions grows, the Manager cautiously expects investors to bridge the gap between stock market valuations and UK company fundamentals. While this dynamic could drive a broader re-rating of UK equities, the Manager has actively positioned the Fund to meet its stated mandate through organic earnings growth and cash generation with no expected re-rating from currently depressed levels.

The Manager also welcomes the increasing momentum and a building consensus behind proposals to reform government policy towards UK equity markets, especially at the smaller end of the market cap spectrum. In 2023, low liquidity in smaller UK quoted companies has suppressed valuations, often despite evidence of strong earnings performance and strategic progress. Broad-based support for a British ISA and reforms to UK listing rules under the Mansion House compact represent potential routes to attracting more capital to the UK market. These measures would not only provide a material uplift to valuations but would also support the ability of UK companies to invest in the domestic economy, create new jobs, and bolster economic growth over the longer term.

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

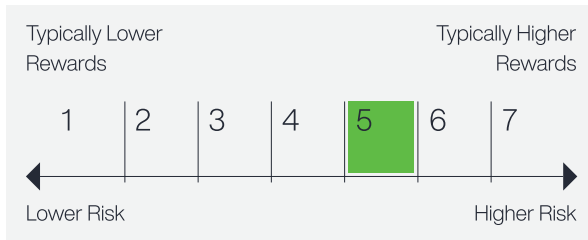
GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Portfolio Manager

31 January 2024

ACD'S REPORT continued
FUND INFORMATION

Risk and Reward Profile



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



During the year, the D Income share class changed from 5 to 6. The D Income and the C Euro Accumulation share classes have been classed as 6 because their 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.

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. The lowest number on the scale does not mean that a fund is risk free.

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 more information about the Fund's risks, please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

ACD'S REPORT continued**FUND INFORMATION** continued**Comparative Tables****A ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 pence per share	31.12.22 pence per share	31.12.21 pence per share
Opening net asset value per share	4,556.87	6,485.28	5,194.70
Return before operating charges*	305.20	(1,878.31)	1,350.77
Operating charges	(46.57)	(50.10)	(60.19)
Return after operating charges	258.63	(1,928.41)	1,290.58
Distributions	(27.76)	(17.44)	-
Retained distributions on accumulation shares	27.76	17.44	-
Closing net asset value per share	4,815.50	4,556.87	6,485.28
* after direct transaction costs of:	3.17	3.33	4.86

PERFORMANCE

Return after charges	5.68%	(29.74)%	24.85%
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OTHER INFORMATION

Closing net asset value (£'000)	53,968	51,081	72,699
Closing number of shares	1,120,723	1,120,973	1,120,973
Operating charges	0.98%	0.97%	0.96%
Direct transaction costs	0.06%	0.06%	0.08%

PRICES

Highest share price	4,987.40	6,688.77	6,696.21
Lowest share price	4,309.46	4,421.26	5,304.81

ACD'S REPORT continued**FUND INFORMATION** continued**Comparative Tables** continued**C INSTITUTIONAL ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 pence per share	31.12.22 pence per share	31.12.21 pence per share
Opening net asset value per share	176.22	250.80	200.89
Return before operating charges*	11.81	(72.64)	52.24
Operating charges	(1.80)	(1.94)	(2.33)
Return after operating charges	10.01	(74.58)	49.91
Distributions	(1.08)	(0.63)	-
Retained distributions on accumulation shares	1.08	0.63	-
Closing net asset value per share	186.23	176.22	250.80
* after direct transaction costs of:	0.12	0.13	0.19

PERFORMANCE

Return after charges	5.68%	(29.74)%	24.84%
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OTHER INFORMATION

Closing net asset value (£'000)	87,067	97,093	175,509
Closing number of shares	46,753,348	55,096,258	69,980,120
Operating charges	0.98%	0.97%	0.96%
Direct transaction costs	0.06%	0.06%	0.08%

PRICES

Highest share price	192.87	258.67	258.96
Lowest share price	166.66	170.98	205.15

ACD'S REPORT continued**FUND INFORMATION** continued**Comparative Tables** continued**C INSTITUTIONAL INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 pence per share	31.12.22 pence per share	31.12.21 pence per share
Opening net asset value per share	168.98	241.48	193.42
Return before operating charges*	11.34	(69.93)	50.30
Operating charges	(1.73)	(1.87)	(2.24)
Return after operating charges	9.61	(71.80)	48.06
Distributions	(1.03)	(0.70)	–
Closing net asset value per share	177.56	168.98	241.48
* after direct transaction costs of:	0.12	0.12	0.18

PERFORMANCE

Return after charges	5.69%	(29.73)%	24.85%
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OTHER INFORMATION

Closing net asset value (£'000)	47,079	67,735	56,406
Closing number of shares	26,515,051	40,085,084	23,358,753
Operating charges	0.98%	0.97%	0.96%
Direct transaction costs	0.06%	0.06%	0.08%

PRICES

Highest share price	184.96	249.05	249.33
Lowest share price	159.82	164.62	197.52

ACD'S REPORT continued**FUND INFORMATION** continued**Comparative Tables** continued**C EURO ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 € per share	31.12.22¹ € per share
Opening net asset value per share	0.7057	1.0000
Return before operating charges*	0.0679	(0.2881)
Operating charges	(0.0068)	(0.0062)
Return after operating charges	0.0611	(0.2943)
Distributions	(0.0080)	(0.0054)
Retained distributions on accumulation shares	0.0080	0.0054
Closing net asset value per share	0.7668	0.7057
* after direct transaction costs of:	0.0503	0.0443

PERFORMANCE

Return after charges	8.66%	(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	0.06%	0.06% ²

PRICES

Highest share price	0.7855	0.9845
Lowest share price	0.6808	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**Comparative Tables** continued**D ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 pence per share	31.12.22 pence per share	31.12.21 pence per share
Opening net asset value per share	106.08	150.74	120.56
Return before operating charges*	7.11	(43.67)	31.36
Operating charges	(0.92)	(0.99)	(1.18)
Return after operating charges	6.19	(44.66)	30.18
Distributions	(0.81)	(0.59)	(0.17)
Retained distributions on accumulation shares	0.81	0.59	0.17
Closing net asset value per share	112.27	106.08	150.74
* after direct transaction costs of:	0.07	0.08	0.11

PERFORMANCE

Return after charges	5.84%	(29.63)%	25.03%
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OTHER INFORMATION

Closing net asset value (£'000)	78	73	104
Closing number of shares	68,954	69,204	69,204
Operating charges	0.83%	0.82%	0.81%
Direct transaction costs	0.06%	0.06%	0.08%

PRICES

Highest share price	116.14	155.48	155.58
Lowest share price	100.45	102.90	123.12

ACD'S REPORT continued**FUND INFORMATION** continued**Comparative Tables** continued**D INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.12.23 pence per share	31.12.22 pence per share	31.12.21 pence per share
Opening net asset value per share	104.16	148.81	119.12
Return before operating charges*	6.52	(43.19)	30.99
Operating charges	(0.81)	(0.97)	(1.17)
Return after operating charges	5.71	(44.16)	29.82
Distributions	(0.39)	(0.49)	(0.13)
Closing net asset value per share	109.48	104.16	148.81
* after direct transaction costs of:	0.07	0.08	0.11

PERFORMANCE

Return after charges	5.48%	(29.68)%	25.03%
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OTHER INFORMATION

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

PRICES

Highest share price	113.98	153.48	153.72
Lowest share price	98.37	101.58	121.65

ACD'S REPORT continued**FUND INFORMATION** continued**Fund Performance to 31 December 2023 (%)**

	1 year	3 years	5 years
WS Gresham House UK Micro Cap Fund	5.04	(7.92)	18.03
IA UK Smaller Companies sector ¹	0.37	(9.93)	20.89

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 year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 49 and 50.

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 31 December 2023

Holding	Portfolio of Investments	Value £'000	31.12.23 %
	DEBT SECURITIES – 0.76% (31.12.22 – 1.94%)		
£6,259,531	Hawkwing 8% 31/12/2024 ¹	274	0.15
£1,186,950	Silver Bullet 12% 2/6/2025 ¹	1,142	0.61
	TOTAL DEBT SECURITIES	<u>1,416</u>	<u>0.76</u>
	EQUITIES – 97.33% (31.12.22 – 86.89%)		
	UNITED KINGDOM – 93.94% (31.12.22 – 83.65%)		
	TECHNOLOGY – 16.97% (31.12.22 – 13.83% ²)		
	SOFTWARE AND COMPUTER SERVICES – 16.97% (31.12.22 – 13.83% ²)		
5,095,825	Access Intelligence	2,701	1.43
2,966,053	ActiveOps	2,669	1.42
5,636,768	AdvancedAdvT	4,622	2.46
3,657,382	Iomart	5,574	2.96
2,007,040	Kooth	5,901	3.14
9,285,674	Netcall	8,171	4.34
6,965,755	SysGroup	2,299	1.22
	TOTAL TECHNOLOGY	<u>31,937</u>	<u>16.97</u>
	TELECOMMUNICATIONS – 0.73% (31.12.22 – 0.75%)		
	TELECOMMUNICATION SERVICE PROVIDERS – 0.73% (31.12.22 – 0.75%)		
4,317,930	Bigblu Broadband	1,382	0.73
	TOTAL TELECOMMUNICATIONS	<u>1,382</u>	<u>0.73</u>

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2023

Holding	Portfolio of Investments	Value £'000	31.12.23 %
	HEALTH CARE – 4.77% (31.12.22 – 7.71%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 4.77% (31.12.22 – 7.71%)		
5,704,778	Diaceutics	4,906	2.61
12,918,455	EKF Diagnostics	4,057	2.16
	TOTAL HEALTH CARE	<u>8,963</u>	<u>4.77</u>
	FINANCIALS – 19.50% (31.12.22 – 20.22% ²)		
	FINANCE AND CREDIT SERVICES – 2.68% (31.12.22 – 2.28%)		
10,488,284	Trufin	<u>5,034</u>	<u>2.68</u>
	INVESTMENT BANKING AND BROKERAGE SERVICES – 13.39% (31.12.22 – 15.30%)		
4,509,944	Argentex	3,879	2.06
7,212,459	Frenkel Topping	4,111	2.18
765,147	Mattioli Woods	4,667	2.48
721,542	Tatton Asset Management	3,839	2.04
3,737,770	XPS Pensions ²	8,709	4.63
		<u>25,205</u>	<u>13.39</u>
	CLOSED END INVESTMENTS – 3.24% (31.12.22 – 2.41% ²)		
1,931,066	Strategic Equity Capital ^{3,4}	<u>6,102</u>	<u>3.24</u>
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.19% (31.12.22 – 0.23%)		
2,800,120	TMT Acquisition	364	0.19
	TOTAL FINANCIALS	<u>36,705</u>	<u>19.50</u>

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2023

Holding	Portfolio of Investments	Value £'000	31.12.23 %
	CONSUMER DISCRETIONARY – 20.61% (31.12.22 – 12.02% ⁵)		
	PERSONAL GOODS – 0.00% (31.12.22 – 0.11%)	—	—
13,333,333	MEDIA – 0.00% (31.12.22 – 0.00%) Hawking ^{3,6}	—	—
16,638,275	RETAILERS – 4.13% (31.12.22 – 2.33% ⁵) Angling Direct	6,822	3.62
2,506,537	Virgin Wines	952	0.51
		<u>7,774</u>	<u>4.13</u>
	TRAVEL & LEISURE – 16.48% (31.12.22 – 9.58%)		
4,747,643	City Pub	6,552	3.48
5,494,375	Everyman Media	3,462	1.84
5,228,780	Hostelworld	7,111	3.78
2,307,033	Loungers	5,168	2.75
10,290,740	Tasty	103	0.06
1,118,039	Ten Entertainment ³	4,606	2.45
3,772,118	The Gym ³	3,998	2.12
		<u>31,000</u>	<u>16.48</u>
	TOTAL CONSUMER DISCRETIONARY	<u>38,774</u>	<u>20.61</u>
	INDUSTRIALS – 24.80% (31.12.22 – 21.97% ⁷)		
	CONSTRUCTION AND MATERIALS – 4.16% (31.12.22 – 2.28%)		
12,337,084	Costain ³	7,822	4.16

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2023

Holding	Portfolio of Investments	Value £'000	31.12.23 %
	INDUSTRIAL SUPPORT SERVICES – 20.64% (31.12.22 – 19.69% ⁷)		
894,264	Alpha Financial Markets Consulting	3,488	1.85
3,564,516	Anexo	2,388	1.27
3,201,320	Begbies Traynor	3,746	1.99
4,550,886	Driver	1,229	0.65
1,467,075	Elixir International	9,022	4.79
3,127,556	Fintel	7,662	4.07
1,333,606	Ricardo ²	6,535	3.47
1,641,868	Silver Bullet Data Services	1,806	0.96
13,556,998	Staffline	2,996	1.59
		<u>38,872</u>	<u>20.64</u>
	TOTAL INDUSTRIALS	<u>46,694</u>	<u>24.80</u>
	ENERGY – 2.46% (31.12.22 – 1.82% ⁷)		
	ALTERNATIVE ENERGY – 2.46% (31.12.22 – 1.82% ⁷)		
6,439,263	Inspired	4,636	2.46
	TOTAL ENERGY	<u>4,636</u>	<u>2.46</u>
	UTILITIES – 4.10% (31.12.22 – 5.33% ⁵)		
	WASTE AND DISPOSAL SERVICES – 4.10% (31.12.22 – 5.33% ⁵)		
4,820,267	Franchise Brands	7,712	4.10
	TOTAL UTILITIES	<u>7,712</u>	<u>4.10</u>
	TOTAL UNITED KINGDOM	<u>176,803</u>	<u>93.94</u>
	BERMUDA – 0.41% (31.12.22 – 1.46%)		
8,019,217	R&Q Insurance	762	0.41

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2023

Holding	Portfolio of Investments	Value £'000	31.12.23 %
	ISRAEL – 2.98% (31.12.22 – 1.78%)		
6,850,523	Windward	5,617	2.98
	TOTAL EQUITIES	<u>183,182</u>	<u>97.33</u>
	Portfolio of investments	184,598	98.09
	Net other assets	<u>3,594</u>	<u>1.91</u>
	Net assets	<u>188,192</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares quoted on the Alternative Investment Market (AIM) unless stated otherwise.

¹ Unlisted security.

² The comparative figure has been restated to match the current period presentation. AdvancedAdvT has been reclassified from Closed End Investments to Software and Computer Services.

³ Listed on a regulated market.

⁴ Closed end fund.

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 Suspended security.

⁷ 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 year ended 31 December 2023

Total purchases for the year £'000 (note 16)	36,376	Total sales for the year £'000 (note 16)	53,711
Major purchases	Cost £'000	Major sales	Proceeds £'000
Iomart	6,968	Medica	13,507
Hostelworld	6,939	XPS Pensions	5,278
Oxford Metrics	3,938	Instem	3,776
Everyman Media	2,364	Franchise Brands	3,591
EKF Diagnostics	1,940	Ten Entertainment	3,443
Trufin	1,753	Oxford Metrics	3,362
R&Q Insurance	1,566	Tatton Asset Management	2,675
Franchise Brands	1,524	Kooth	2,059
AssetCo	1,418	Mattioli Woods	1,705
The Gym	1,301	Fintel	1,437

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

A.M. BERRY

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Micro Cap Fund
26 April 2024

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund and of the net revenue/expense and net capital gains/losses on the property of the Fund for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to wind up the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Fund in accordance with its Instrument of Incorporation, the Prospectus, the COLL and FUND Sourcebook.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Fund's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried in accordance with the Regulations;
- the value of shares of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Depositary has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Fund.

REPORT OF THE DEPOSITARY

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's shares and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of WS Gresham House UK Micro Cap Fund
26 April 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND')

Opinion

We have audited the financial statements of the Fund for the year ended 31 December 2023 which comprise the *Statement of Total Return*, the *Statement of Change in Net Assets Attributable to Shareholders*, the *Balance Sheet*, the *Related Notes and Distribution Tables* for the Fund and the accounting policies set out on pages 35 to 37.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of the Fund as at 31 December 2023 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Fund will continue in operation.

Fraud and Breaches of Laws and Regulations – Ability to Detect

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors as to the Fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Portfolio Manager.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

Other Information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's (Waystone Management (UK) Limited) Responsibilities

As explained more fully in their statement set out on page 25 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

This report is made solely to the Fund's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Fund's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

GRANT ARCHER FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR

Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
26 April 2024

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	£'000	31.12.23 £'000	£'000	31.12.22 £'000
Income:					
Net capital gains/(losses)	3		10,068		(88,406)
Revenue	4	3,321		3,061	
Expenses	5	(2,110)		(2,282)	
Interest payable and similar charges	7	(1)		(1)	
Net revenue before taxation		1,210		778	
Taxation	6	-		-	
Net revenue after taxation			1,210		778
Total return before distributions			11,278		(87,628)
Distributions	8		(1,210)		(778)
Change in net assets attributable to shareholders from investment activities			10,068		(88,406)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 December 2023

	£'000	31.12.23 £'000	£'000	31.12.22 £'000
Opening net assets attributable to shareholders		215,982		304,777
Amounts receivable on issue of shares	25,079		61,414	
Amounts payable on redemption of shares	(63,752)		(62,345)	
		(38,673)		(931)
Change in net assets attributable to shareholders from investment activities		10,068		(88,406)
Retained distributions on Accumulation shares		815		542
Closing net assets attributable to shareholders		188,192		215,982

FINANCIAL STATEMENTS continued**BALANCE SHEET**

as at 31 December 2023

	Notes	31.12.23 £'000	31.12.22 £'000
ASSETS			
Fixed assets			
Investments		184,598	191,863
Current assets			
Debtors	9	423	642
Cash and cash equivalents	10	4,130	23,969
Total assets		<u>189,151</u>	<u>216,474</u>
LIABILITIES			
Creditors			
Distribution payable	11	(273)	(280)
Other creditors	11	(686)	(212)
Total liabilities		<u>(959)</u>	<u>(492)</u>
Net assets attributable to shareholders		<u>188,192</u>	<u>215,982</u>

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting Policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below.

(A) BASIS OF ACCOUNTING

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.

(B) RECOGNITION OF REVENUE

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Revenue on debt securities is accounted for on an effective yield basis.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is deemed more appropriate by the ACD.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

(G) EXCHANGE RATES

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

(H) DILUTION LEVY

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on the Fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

(I) PORTFOLIO TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Fund.

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.12.23 £'000	31.12.22 £'000
Non-derivative securities	10,070	(88,403)
Transaction charges	(2)	(3)
Net capital gains/(losses)	<u>10,068</u>	<u>(88,406)</u>

The net capital gains figure includes realised losses of £3,744,000 and unrealised losses of £28,227,000 (31.12.22: includes realised gains of £3,603,000 and unrealised losses of £42,041,000). The realised losses on investments in the current year include amounts previously recognised as unrealised losses in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

4. Revenue

	31.12.23 £'000	31.12.22 £'000
Non-taxable dividends	2,927	2,422
Interest on debt securities	(53)	555
Bank interest	447	84
Total revenue	<u>3,321</u>	<u>3,061</u>

5. Expenses

	31.12.23 £'000	31.12.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,948	2,118
Legal and professional fees	14	13
Typesetting costs	2	1
Registration fees	73	75
	<u>2,037</u>	<u>2,207</u>

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

	31.12.23 £'000	31.12.22 £'000
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	54	57
Safe custody and other bank charges	9	8
	63	65
Other expenses:		
Audit fees	10	9
Legal and professional fees	-	1
	10	10
Total expenses	<u>2,110</u>	<u>2,282</u>

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Taxation

	31.12.23 £'000	31.12.22 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	-	-
Current tax charge	-	-
Deferred tax – origination and reversal of timing differences (note 6c)	-	-
Total taxation (note 6b)	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.22: 20%). The difference is explained below:

	31.12.23 £'000	31.12.22 £'000
Net revenue before taxation	<u>1,210</u>	<u>778</u>
Corporation tax at 20%	242	156

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

	31.12.23 £'000	31.12.22 £'000
Effects of:		
Non-taxable dividends	(585)	(484)
Prior year adjustment	(1)	(1)
Unutilised excess management expenses	344	329
Corporation tax charge	-	-
Total tax charge (note 6a)	-	-

c) Deferred tax

At the year end there is a potential deferred tax asset of £3,029,000 (31.12.22: £2,685,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

7. Interest Payable and Similar Charges

	31.12.23 £'000	31.12.22 £'000
Interest payable	1	1
Total interest payable and similar charges	1	1

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.12.23 £'000	31.12.22 £'000
Interim	-	-
Final	1,088	822
	1,088	822
Add: Revenue deducted on redemption of shares	143	11
Deduct: Revenue received on issue of shares	(21)	(55)
Net distributions for the year	1,210	778

Details of the distributions per share are set out in the table on pages 49 and 50.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

9. Debtors

	31.12.23 £'000	31.12.22 £'000
Amounts receivable for issue of shares	15	299
Sales awaiting settlement	106	-
Accrued revenue:		
Non-taxable dividends	77	66
Interest from debt securities	220	272
	297	338
Taxation recoverable:		
Overseas withholding tax	5	5
Total debtors	423	642

10. Cash and Cash Equivalents

	31.12.23 £'000	31.12.22 £'000
Bank balances	4,130	23,969
Total cash and cash equivalents	4,130	23,969

11. Creditors

	31.12.23 £'000	31.12.22 £'000
Distribution payable	273	280
Other Creditors		
Amounts payable for redemption of shares	518	22

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

	31.12.23 £'000	31.12.22 £'000
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	142	167
Legal and professional fees	1	1
Typesetting costs	1	1
Registration fees	7	6
	151	175
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	4	4
Transaction charges	1	1
Safe custody and other bank charges	2	1
	7	6
Other expenses	10	9
Total other creditors	<u>686</u>	<u>212</u>

12. Related Party Transactions

The Annual Management Charge and legal and professional fees payable to Waystone Management (UK) Limited ('WMUK') ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 33 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 1,421 (31.12.22: 1,094) of the Fund's shares at the balance sheet date.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholders held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited	13.94% (31.12.22: 20.09%)
Transact Nominees Limited	22.22% (31.12.22: 21.39%)

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.22: none).

14. Shares in Issue

	A Accumulation	C Institutional Accumulation	C Institutional Income
Annual Management Charge	0.90%	0.90%	0.90%
Opening shares in issue	1,120,973	55,096,258	40,085,084
Issues	–	12,172,022	1,383,827
Redemptions	(250)	(20,512,567)	(14,956,326)
Conversions	–	(2,365)	2,466
Closing shares in issue	<u>1,120,723</u>	<u>46,753,348</u>	<u>26,515,051</u>

	C Euro Accumulation	D Accumulation	D Income
Annual Management Charge	0.90%	0.75%	0.75%
Opening shares in issue	250	69,204	250
Redemptions	–	(250)	–
Closing shares in issue	<u>250</u>	<u>68,954</u>	<u>250</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Portfolio Manager believe that the expected return compensates for the overall risk. The ACD and Portfolio Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis. As the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

The table below shows the direct interest rate risk profile:

	31.12.23 £'000	31.12.22 £'000
Fixed rate investments	1,416	4,197
Investments on which interest is not paid	<u>183,182</u>	<u>187,666</u>
Total investments	<u>184,598</u>	<u>191,863</u>

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The Fund does not have any significant exposure to foreign currency risk, and therefore no foreign currency table or sensitivity analysis has been presented.

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 December 2023, leverage under the gross method was 0.98:1 and leverage under the commitment method was 1:1 (31.12.22: 0.89:1 and 1:1 respectively).

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
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Based on this analysis 3.70% of the portfolio can be liquidated within 5 days and 9.09% within 21 working days (31.12.22: 12.45% within 5 days and 10.94% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £9,230,000 (31.12.22: £9,593,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Fund held no derivatives in the current or prior year.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

16. Portfolio Transaction Costs

31.12.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	36,183	52	46	36,281
Collective investment schemes	94	-	1	95
Purchases total	<u>36,277</u>	<u>52</u>	<u>47</u>	<u>36,376</u>
Transaction cost % of purchases total		0.14%	0.13%	
Transaction cost % of average NAV		0.02%	0.02%	
Ordinary shares	53,717	(45)	-	53,672
Collective investment schemes	39	-	-	39
Sales total	<u>53,756</u>	<u>(45)</u>	<u>-</u>	<u>53,711</u>
Transaction cost % of sales total		0.08%	-	
Transaction cost % of average NAV		0.02%	-	

Average portfolio dealing spread at 31.12.23 is 2.88% (31.12.22: 4.30%).

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.22				
Ordinary shares	29,176	36	55	29,267
Collective investment schemes	201	-	1	202
Debt securities	1,651	-	-	1,651
Purchases total	<u>31,028</u>	<u>36</u>	<u>56</u>	<u>31,120</u>
Transaction cost % of purchases total		0.12%	0.18%	
Transaction cost % of average NAV		0.02%	0.02%	
Ordinary shares	47,157	(59)	-	47,098
Collective investment schemes	167	-	-	167
Sales total	<u>47,324</u>	<u>(59)</u>	<u>-</u>	<u>47,265</u>
Transaction cost % of sales total		0.12%	-	
Transaction cost % of average NAV		0.02%	-	

The collective investment schemes include closed end funds.

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.12.23				
Investment assets	<u>183,182</u>	<u>-</u>	<u>1,416</u>	<u>184,598</u>
31.12.22				
Investment assets	<u>187,666</u>	<u>-</u>	<u>4,197</u>	<u>191,863</u>

FINANCIAL STATEMENTS continued**DISTRIBUTION TABLE**

for the year ended 31 December 2023 – per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.01.23
To	31.12.23

A ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.24	Allocated 30.04.23
Group 1	27.7591	–	27.7591	17.4380
Group 2	27.7591	0.0000	27.7591	17.4380

C INSTITUTIONAL ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.24	Allocated 30.04.23
Group 1	1.0769	–	1.0769	0.6289
Group 2	0.8517	0.2252	1.0769	0.6289

C INSTITUTIONAL INCOME SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Payable 30.04.24	Paid 30.04.23
Group 1	1.0267	–	1.0267	0.6975
Group 2	0.8104	0.2163	1.0267	0.6975

FINANCIAL STATEMENTS continued**DISTRIBUTION TABLE** continued**C EURO ACCUMULATION SHARES**

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.24	Allocated 30.04.23
Group 1	0.8000	–	0.8000	0.5400
Group 2	0.8000	0.0000	0.8000	0.5400

D ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.24	Allocated 30.04.23
Group 1	0.8128	–	0.8128	0.5870
Group 2	0.8128	0.0000	0.8128	0.5870

D INCOME SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Payable 30.04.24	Paid 30.04.23
Group 1	0.3920	–	0.3920	0.4919
Group 2	0.3920	0.0000	0.3920	0.4919

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.waystone.com. 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, and obtained from, the ACD at 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB during normal business hours on any Business Day, in addition to being available at www.waystone.com.

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. Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

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.

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