

# WS Gresham House UK Smaller Companies Fund

May 2024



**Gresham House**  
Specialist investment

## Fund objective

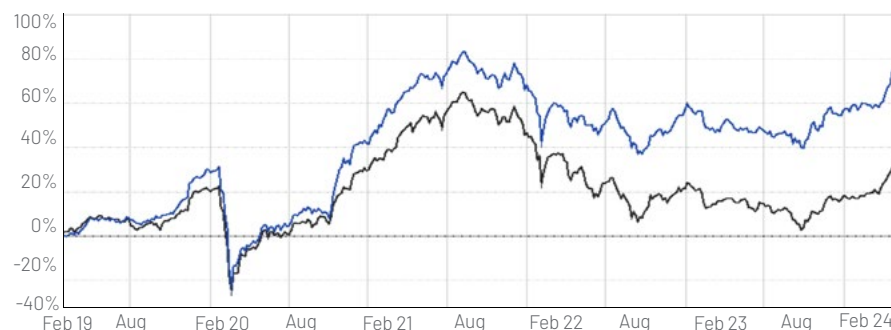
To provide capital growth over the long term (in excess of five years), after all costs and charges have been taken. **Capital invested is at risk and there is no guarantee the objective will be achieved over the time period.** The fund seeks to directly invest at least 70% of its assets in shares of smaller-sized UK companies. These are listed companies with a market capitalisation within the lowest 10% of the listed UK equities markets.

## Fund rank

FE Analytics rank 6/46 over 3 years to 31 May 2024.

## Fund performance

Source: FE Analytics based on the returns of the C share class, net of charges, since launch to 31 May 2024



- A - WS Gresham House UK Smaller Companies C Acc in GB (74.21%)
- B - IA UK Smaller Companies TR in GB (30.94%)

## Cumulative performance

Source: FE Analytics net of charges, as at 31 May 2024

Cumulative returns month ending 31 May 2024	1 month	YTD	1 year	3 years	5 years	Since launch (1 Feb 2019)
WS Gresham House UK Smaller Companies Fund	8.3%	9.6%	18.3%	0.8%	61.5%	74.2%
IA UK Smaller Companies	6.1%	10.8%	14.5%	-14.1%	20.9%	30.9%
Quartile	1	3	1	1	1	1

## Discrete performance

Source: FE Analytics net of charges, as at 31 May 2024

Discrete annual returns	YTD 2024	2023	2022	2021	2020	2019
WS Gresham House UK Smaller Companies Fund	9.6%	7.3%	-16.0%	25.5%	10.9%	-
IA UK Smaller Companies	10.8%	0.5%	-25.2%	22.9%	6.5%	25.3%

## Performance

In May 2024, the WS Gresham House UK Smaller Companies Fund increased by 8.3% compared to the 6.1% growth of the IA UK Smaller Companies sector. Positive contributors included **Keywords Studios** (+87%) due to a takeover bid by European private equity firm **EQT** at a 73% premium to the prior day closing share price; **Alpha Financial Markets** (+24%) following an indicative cash offer from global private equity firm, **Bridgepoint**, alongside confirmation that private equity firm, **Cinven**, was considering a competing bid which has since fallen away; and **Next 15 Group** (+13%) on no specific newsflow. Key detractors during the period included **Essentra** (-8.6%) despite the release of an in-line AGM trading update which indicated a sequential improvement in trading performance in Q1, with resilient operating margins and **Franchise Brands** (-7%) on no specific trading news flow.

## Fund manager



**Co-Manager**  
**Ken Wotton**

23 years' experience

## Fund information

**Launch date** 1 February 2019

**Fund size** £182.2mn

**Fund sector** IA UK Smaller Companies

**Number of holdings** 41

**Portfolio turnover rate** 21%  
(12-month period to 31 May 2024)

**Fund price** 174.21p C ACC (as at 31 May 2024)

**Pricing** 12:00 noon (GMT)

**ISA eligible** Yes

**Ratings**



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## Platforms hosting the Fund

- Aegon
- AJ Bell
- Allfunds
- Aviva
- BNY Mellon
- Embark
- FNZ
- FundsNetwork
- Hubwise
- James Hay
- Pershing Nexus
- Nucleus
- M&G
- Platform Securities
- Parmenion
- Raymond James
- 7IM
- Aberdeen Wrap
- Transact
- Wealthtime
- Zurich

**Capital at risk. Past performance is not a reliable indicator of future performance. Portfolio investments in smaller companies typically involve a higher degree of risk. Charts and graphs are provided for illustrative purposes only as there is no official benchmark for this fund.**

## Fund statistics<sup>1</sup>

Source: FE Analytics, based on three years to 31 May 2024. Volatility, Alpha, Beta, Sharpe and Info Ratio are benchmarked against the Fund's own sector average

Risk ratios month ending 31 May 2024	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Smaller Companies Fund	13.34	3.65	0.80	0.00	0.84
IA UK Smaller Companies	15.12	0.00	1.00	-0.01	0.00

## Top 10 holdings

Holding	Description	NAV
Keyword Studios	Technical and consulting services	5.2%
Moonpig Group	Internet-based business providing greeting cards/gifts	3.5%
Team 17 Group	Games label for independent developers	3.4%
XPS Pensions Group	Actuarial consultancy	3.4%
Alpha Financial Markets Consulting	Financial consulting services provider	3.2%
Craneware	Billing software analysis tools provider	3.2%
Gamma Communications	Business only mobile network	3.1%
Trustpilot Group	Digital platform for consumer reviews and insights	3.1%
Elixirr	Business management consulting firm	3.1%
Next Fifteen	PR and digital marketing agency	2.9%

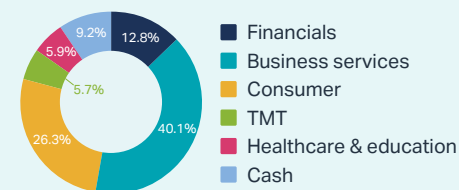
## Portfolio activity

One new investment was made into **Youngs & Co Brewery PLC**. We view the business as a quality growth compounder with a premium and well-invested primarily freehold pub estate whose entrepreneurial managers are financially incentivised to drive increased site profitability and optimise utilisation, driving compelling LFL growth. There is upside potential to forecasts through synergies following the recent acquisition of **City Pub Group**, primarily through supply chain and procurement scale benefits. Several follow-on investments were made, including into **Moonpig**, an online leader within the card and gifting market, which continues to trade at a discounted valuation; and **FRP Advisory Group**, a leading mid-market advisory and restructuring specialist, via a secondary placing at an attractive discount to the current share price. We made no exits during the period.

## Primary share class information

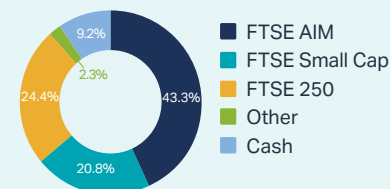
C Sterling		
Type	Acc	Inc
Minimum investment	£10,000	£10,000
Minimum top up	£1,000	£1,000
Minimum regular savings plan	n/a	n/a
Initial charge (fully discounted)	2.5%	2.5%
Annual management charge	0.75%	0.75%
Ongoing Charges	0.84%	0.84%
ISIN code	GB00BH416G53	GB00BH416F47
SEDOL code	BH416G5	BH416F4
MEX ID	LIUYA	LIOKJ

## Sector allocation



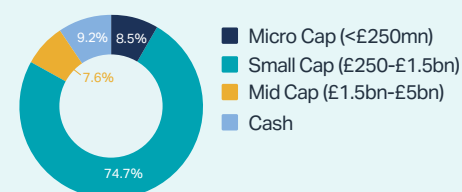
Source: Gresham House Asset Management Limited (portfolio at 31 May 2024)

## Index weighting



Source: Gresham House Asset Management Limited (portfolio at 31 May 2024)

## Market cap breakdown



Source: Gresham House Asset Management Limited (portfolio at 31 May 2024)

## 1. Fund statistics definitions

**Volatility** is a statistical measurement that, when applied to an investment fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular period.

**Alpha** is a measure of a fund's over-or-underperformance in comparison to the benchmark of the fund. Alpha represents the extra value the manager's activities have contributed, the greater the alpha, the greater the outperformance.

**Beta** is a statistical estimate of a fund's volatility in comparison to its benchmark. It depicts how sensitive the fund is to movements in the section of the market that comprises the benchmark.

**Sharpe** is the level of a fund's return over and above the return of a notional risk-free investment, such as cash or government bonds. The difference in returns is then divided by the fund's standard deviation (volatility). This is an indication of the amount of excess return generated per unit of risk. In general it is considered that the higher the Sharpe ratio, the better.

**Information ratio** is a risk-adjusted measure of actively managed fund performance. It assesses the degree to which a manager uses skill and knowledge to enhance the fund returns. The higher the information ratio, the better. It is generally considered that a figure of 0.5 reflects a good performance, 0.75 very good, and 1 outstanding.

**Capital at risk. Past performance is not a reliable indicator of future performance. Portfolio investments in smaller companies typically involve a higher degree of risk. Charts and graphs are provided for illustrative purposes only as there is no official benchmark for this fund.**

## Get in touch



**Chris Elliott**

Managing Director, Wholesale

M: +44 (0) 78279 20066

E: c.elliott@greshamhouse.com



**Andy Gibb**

Sales Director

M: +44(0) 78490 88033

E: a.gibb@greshamhouse.com



**Rees Whiteley**

Sales Manager

M: +44(0) 75975 79438

E: r.whiteley@greshamhouse.com



### Portfolio manager

#### Gresham House Asset Management Ltd (GHAM)

As the operating business of Gresham House, GHAM manages and advises funds and co-investments across a range of differentiated alternative investment strategies for third-party clients. Gresham House is a specialist asset manager and adviser with c.£8.5bn AUM.

Source: Gresham House as at 31 December 2023.

### Key risks

- The value of the Fund and the income from it is not guaranteed and may fall as well as rise. As your capital is at risk you may get back less than you originally invested
- Past performance is not a reliable indicator of future performance
- Funds investing in smaller companies may carry a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid than securities in larger companies


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 (0) 20 7382 0999

 info@greshamhouse.com

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