

# WS Gresham House UK Smaller Companies Fund

July 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 5/47 over 3 years to 31 July 2024.

## Fund performance

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



● A - WS Gresham House UK Smaller Companies C Acc in GB (83.0%)

● B - IA UK Smaller Companies TR in GB (34.2%)

## Cumulative performance

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

Cumulative returns month ending 31 July 2024	1 month	YTD	1 year	3 years	5 years	Since launch (1 Feb 2019)
WS Gresham House UK Smaller Companies Fund	6.2%	15.1%	23.8%	5.6%	69.0%	83.0%
IA UK Smaller Companies	4.3%	13.6%	17.2%	-14.0%	25.0%	34.2%
Quartile	1	2	1	1	1	1

## Discrete performance

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

Discrete annual returns	YTD 2024	2023	2022	2021	2020	2019
WS Gresham House UK Smaller Companies Fund	15.1%	7.3%	-16.0%	25.5%	10.9%	-
IA UK Smaller Companies	13.6%	0.5%	-25.2%	22.9%	6.5%	25.3%

## Performance

In July 2024, the WS Gresham House UK Smaller Companies Fund increased by 6.2%, outperforming the IA UK Smaller Companies sector which increased by 4.3%. Positive contributors included **Ascential** (+65.4%) following a takeover offer from Informa, at a 53% premium versus the prior day close; **Capita** (+40.4%) after the announced sale of its non-core software business for cash proceeds of c.£200m, representing more than two thirds of Capita's market capitalisation pre-announcement, shining a light on the relative undervaluation of the remaining business; and **Moonpig Group** (+13.5%) with continued share price momentum following the release of strong full year results at the end of June. Key detractors during the period included **Learning Technologies Group** (-15.9%) following a downgrade to full year expectations due to a tougher demand backdrop for non-recurring revenue streams, alongside a temporary regulatory suspension for its US business GP Strategies; and **Hostelworld** (-11.5%) despite the release of a half year trading update indicating market share gains and marketing efficiencies underpinning margin improvements, however the geographic mix weighed on average booking value.

**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 manager



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

23 years' experience

## Fund information

**Launch date** 1 February 2019

**Fund size** £199.3mn

**Fund sector** IA UK Smaller Companies

**Number of holdings** 44

**Portfolio turnover rate** 22%  
(12-month period to 31 July 2024)

**Fund price** 182.98p C Acc (as at 31 July 2024)

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

**ISA eligible** Yes

**Ratings**



## Platforms hosting the Fund

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

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

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

Risk ratios month ending 31 July 2024	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Smaller Companies Fund	13.80	5.46	0.82	0.00	1.11
IA UK Smaller Companies	15.32	0.00	1.00	-0.01	0.00

## Top 10 holdings

Holding	Description	NAV
Moonpig Group	Internet-based business greeting cards/gifts business	4.4%
XPS Pensions Group	Actuarial consultancy	3.9%
Ascential	Provides media and consultancy services	3.7%
Alpha FMC	Provides financial consulting services	3.5%
Fintel	Outsourced regulatory services provider	3.3%
Team 17	Independent games label	3.2%
Brooks Macdonald	Provides investment management services	3.1%
Ricardo	Engineering and environmental consultancy	2.9%
Gamma Communications	Business only mobile network	2.9%
Trustpilot	Digital platform for consumer reviews and insights	2.9%

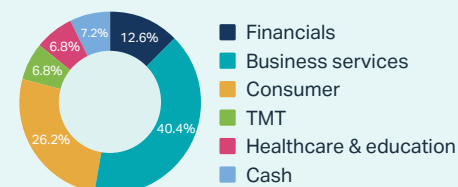
## Portfolio activity

There were two new investments in July: **Impax Asset Management**, a specialist global investment company focused on listed equities exposed to sustainable transition themes, which the Manager believes is led by a high-quality team, is supported by long-term secular demand drivers, exhibits attractive financial characteristics, and trades at an attractive entry valuation due to transitory flow pressures caused by isolated asset allocation decisions in its wholesale distribution channel; and **Restore**, a business well-known by the Manager, which has market leading positions across defensive verticals, the largest of which is in Records Management, which exhibits attractive financial characteristics including annuity style revenue across its long-term sticky customer base, alongside significant cash generation. The team also made several follow-on investments including into **Brooks Macdonald**, an investment management services provider, which we view as a leading player in the highly fragmented wealth management sector and as materially undervalued relative to precedent M&A transactions in the space; and **Hollywood Bowl**, the UK's leading tenpin bowling operator and second largest player globally, which we believe is led by a high-quality and incentivised management team with a clear strategy to drive like-for-like growth, supported by a structural trend in consumer spend towards low-ticket experiential leisure. The Fund made no full exits during the period.

## Primary share class information

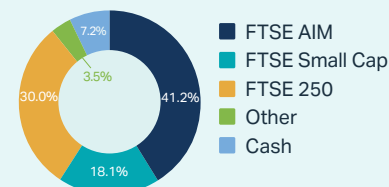
C Sterling		
Type	Acc	Inc
Minimum investment	£10,000	£10,000
Minimum top up	£1,000	£1,000
Minimum regular savings plan	n/a	n/a
Initial charge (fully discounted)	2.5%	2.5%
Annual management charge	0.75%	0.75%
Ongoing Charges	0.84%	0.84%
ISIN code	GB00BH416G53	GB00BH416F47
SEDOL code	BH416G5	BH416F4
MEX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

## Sector allocation



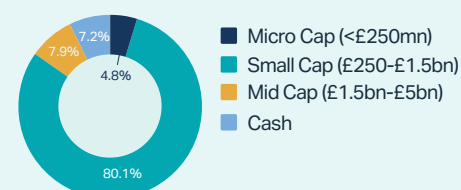
Source: Gresham House Asset Management Limited (portfolio at 31 July 2024)

## Index weighting



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

## Market cap breakdown



Source: Gresham House Asset Management Limited (portfolio at 31 July 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.

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## Get in touch



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### 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.£8.8bn AUM.

Source: Gresham House as at 30 June 2024.

### 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

### Important information

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