

WS Gresham House UK Smaller Companies Fund

January 2025



Gresham House
Specialist investment

Fund objective

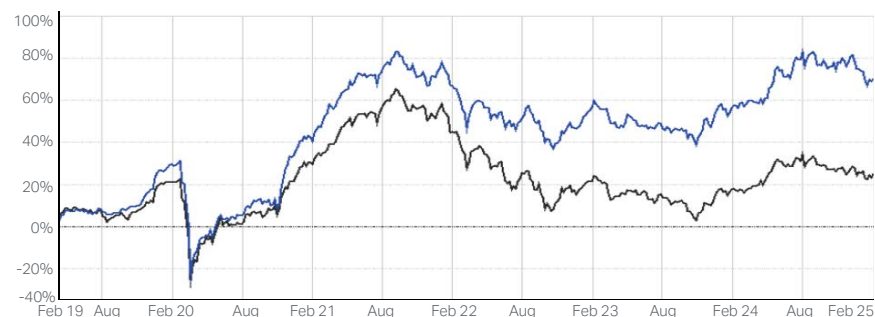
To provide capital growth over the long term (in excess of five years), after all costs and charges have been taken. **Capital invested is at risk and there is no guarantee the objective will be achieved over the time period.** The fund seeks to directly invest at least 70% of its assets in shares of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

Fund rank

Financial Express (FE) rank 3/41 over 5 years to 31 January 2025.

Fund performance

Source: FE Analytics based on the returns of the C share class, net of charges, since launch to 31 January 2025



- A - WS Gresham House UK Smaller Companies C Acc in GB (70.4%)
- B - IA UK Smaller Companies TR in GB (24.9%)

Cumulative performance

Source: FE Analytics net of charges, as at 31 January 2025

Cumulative returns month ending 31 January 2025	1 month	YTD	1 year	3 years	5 years	Since launch (1 Feb 2019)
WS Gresham House UK Smaller Companies Fund	-2.1%	-2.1%	8.0%	2.2%	31.8%	70.4%
IA UK Smaller Companies	-0.9%	-0.9%	5.8%	-13.9%	3.6%	24.9%
Quartile	3	3	2	1	1	1

Discrete performance

Source: FE Analytics net of charges, as at 31 January 2025

Discrete annual returns	YTD	2024	2023	2022	2021	2020
WS Gresham House UK Smaller Companies Fund	-2.1%	9.5%	7.3%	-16.0%	25.5%	10.9%
IA UK Smaller Companies	-0.9%	6.7%	0.5%	-25.2%	22.9%	6.5%

Performance

In January 2025, the WS Gresham House UK Smaller Companies Fund decreased by **2.1%**, underperforming the IA UK Smaller Companies sector which decreased by **0.9%**.

Positive contributors included **Team17 (+0.9% Contribution to Total Return ("CTR"))** on no specific newsflow; **CVS Group (+0.5% CTR)** following a half-year trading update in line with market expectations; and **Trustpilot (+0.4% CTR)** following interim results ahead of consensus, demonstrating booking growth momentum across North America and launch of a £20mn share buyback programme.

Key detractors during the period included **Ricardo (-1.4% CTR)** following a profit warning driven by delayed project mobilisations across the E&E, Rail, and Automotive & Industrial divisions, combined with lower-than-expected cash generation due to working capital headwinds; **Gamma Communications (-0.4% CTR)** despite a transformational acquisition which we view as strategically positive and bearing significant synergy potential; and **Franchise Brands (-0.4% CTR)** following a full-year trading update which reported EBITDA marginally below expectations due to moderately subdued system sales but combined with a broadly positive growth outlook, particularly on the US.

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 managers



Lead Manager
Ken Wotton

25 years' experience



Co-Manager
Cassie Herlihy

8 years' experience

Fund information

Launch date 1 February 2019

Fund size £214.7mn

Fund sector IA UK Smaller Companies

Number of holdings 41

Portfolio turnover rate 25%
(12-month period to 31 January 2025)

Fund price 170.41 C ACC (as at 31 January 2025)

Pricing 12:00 noon (GMT)

ISA eligible Yes

Ratings



Platforms hosting the Fund¹

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

1. Selection only

Fund statistics¹ Source: FE Analytics, based on three years to 31 January 2025. Volatility, Alpha, Beta, Sharpe and Info Ratio are benchmarked against the Fund's own sector average

Risk ratios month ending 31 January 2025	Volatility	Alpha	Beta	Sharpe	Information Ratio
WS Gresham House UK Smaller Companies Fund	12.68	4.12	0.80	0.00	0.89
IA UK Smaller Companies	14.01	0.00	1.00	-0.01	0.00

Top 10 holdings

Holding	Description	NAV
Team 17	Independent games label	5.0%
Elixirr	Business management consulting firm	4.0%
Moonpig Group	Internet-based business greeting cards/gifts business	3.6%
Gamma Communications	Business only mobile network	3.5%
Trustpilot	Digital platform for consumer reviews and insights worldwide	3.5%
Loungers	Café and bar/lounge operator	3.4%
Fintel	Outsourced regulatory services provider	3.3%
XPS Pensions Group	Actuarial consultancy	3.3%
Learning Technologies Group	Workplace digital learning and talent management	3.2%
CVS Group	Animal veterinary and related services provider	3.1%

Portfolio activity

There was one new investment during the period into **Mortgage Advice Bureau**, the UK-leading mortgage intermediary network which is well known to the team. We believe the business is well-positioned to continue attracting new advisor firms, accelerate market share gains and expand margins through a number of productivity initiatives, exhibits high-quality financial characteristics including EBITDA margins above 30%, high levels of free cash flow conversion, and a return on capital employed greater than 30%, and trades at an attractive entry valuation.

The team also made follow-on investments into **Learning Technologies Group**, a market leader in learning technology and talent management which having received a firm offer from General Atlantic, was trading at a steep discount to the final offer price, despite the likelihood of the transaction completing increasing in recent weeks; the transaction received shareholder approval post month-end; **Gamma Communications**, a leading provider of IP-based telephony services which we view as a steadily compounding growth business with a strong market position aligned to structural tailwinds, and which recently made a transformational acquisition which we view as strategically positive and synergistic; and **Restore** a business with 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.

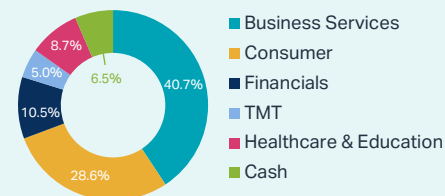
The Fund made one full exit during the period – **Tribal Group** ("Tribal"). Whilst the Manager continues to believe that Tribal is a high-quality business with attractive financial characteristics, the investment was sub-scale within the portfolio and, given the small market capitalisation of the company and liquidity profile, was not sufficiently aligned with this portfolio's strategy to grow the position to a more typical weighting. On that basis the Manager chose to exit the position from this portfolio, allowing the proceeds to be redeployed elsewhere.

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

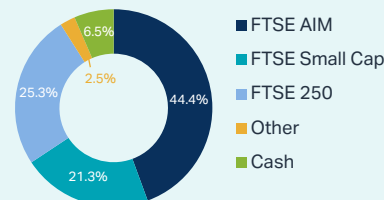
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Sector allocation



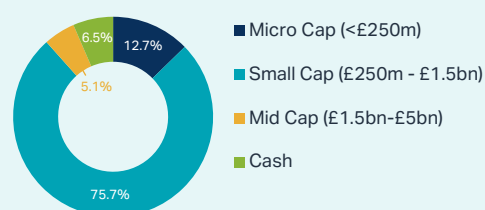
Source: Gresham House Asset Management Limited (portfolio at 31 January 2025)

Index weighting



Source: Gresham House Asset Management Limited (portfolio at 31 January 2025)

Market cap breakdown



Source: Gresham House Asset Management Limited (portfolio at 31 January 2025)

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.

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.£8.7bn AUM.

Source: Gresham House as at 31 December 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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