



WS Gresham House Equity Funds

Annual Report and Financial Statements
for the year ended 31 December 2024



WS Gresham House UK Multi Cap Income Fund

WS Gresham House UK Smaller Companies Fund

AUTHORISED CORPORATE DIRECTOR ('ACD')

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ACD'S REPORT

for the year ended 31 December 2024

Authorised Status

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

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

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

ACD's Statement

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 Israel-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 experiencing inflation at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates. In light of most economies heading in a downward trajectory, central banks have ended their aggressive monetary tightening and have projected loosening their monetary policies in the second half of 2024. Although the consequences of the geopolitical events remain unclear, the global economy has shown resilience to the inflationary environment and gives hope that a 'soft-landing' is attainable. July brought political uncertainty in Europe with snap elections in the UK and France which eventually had a moderate impact on financial markets. Western Central Banks in the US, Eurozone and UK recently started cutting interest rates to support job market and deteriorating manufacturing activity as inflation has continued to ease. In addition, in the US, the change of political party to Republicans from Democrats had a positive impact on US equities as President-elect Donald Trump vowed to reduce corporate tax and increase spending to boost the economy. The immediate impact on fixed income markets has been negative as his pro-economy policy brought some uncertainty on the future inflation trend, which has been offset by the US Federal Reserve's November and December rate cuts keeping its policy focus unchanged on actual inflation and economic data rather than the results of the elections.

ACD'S REPORT continued

Important Information

With effect from 1 February 2024, the following changes occurred within the WS Gresham House UK Smaller Companies Fund:

- The Annual Management Charge ('AMC') applied to the C Sterling Accumulation and C Sterling Income share classes reduced by 0.15%. The reduced AMC is 0.75%; and
- The Ongoing Charges Figure ('OCF') applied to the C Sterling Accumulation and C Sterling Income share classes also reduced by 0.15%. The OCF is capped at 0.85%.

With effect from 28 June 2024, the registered office of the ACD changed to 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

With effect from 8 July 2024, the C Euro Accumulation share classes closed in all of the Company's sub-funds.

With effect from 30 September 2024, the Registrar of the Company changed its name from Link Fund Administrators Limited ('LFAL') to Waystone Transfer Agency Solutions (UK) Limited ('WTASL').

Cross Holdings

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

Remuneration Policy

Waystone Management (UK) Limited ('WMUK') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. WMUK's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within WMUK including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable WMUK to achieve and maintain a sound capital base.

None of WMUK's staff receives remuneration based on the performance of any individual fund. WMUK acts as the operator of both UK UCITS funds and Alternative Investment Funds ('AIFs').

WMUK delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms may make information on remuneration publicly available in accordance with the disclosure requirements applicable to them. This disclosure is in respect of WMUK activities (including activities performed by its sister company Waystone Transfer Agency Solutions (UK) Limited (WTASL) or by employees of that entity), and excludes activities

ACD’S REPORT continued

Remuneration Policy continued

undertaken by third party investment management firms. WMUK staff do not perform duties solely for particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for WMUK as a whole. No attempt has been made to attribute remuneration to the Company itself.

Information on WMUK’s remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 31 December 2023, being the most recent accounting period for which accounts have been prepared by WMUK prior to the production of these accounts. As at 31 December 2023, WMUK operated 83 UK UCITS and 119 AIFs, whose respective assets under management (‘AuM’) were £36,868 million and £52,751 million. The Company was valued at £799 million as at that date and represented 0.89% of WMUK’s total AuM and 2.17% of its UK UCITS AuM.

The disclosure below represents that required under 4.5.7R (7) for funds subject to UK UCITS obligations.

2023	Number of beneficiaries	Fixed £’000	Variable £’000	Total £’000
Total amount of remuneration paid by WMUK for the financial year to 31 December 2023	166	3,223	324	3,547
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 31 December 2023				
Senior management (incl all Board members)	7	390	104	494
Staff engaged in control functions	11	411	86	497
Risk takers and other identified staff	17	461	50	511
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	-	-	-	-

WMUK’s remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by WMUK, and the Waystone Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to WMUK’s success. The precise metrics used vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: <https://www.fundsolutions.net/media/jyujy1n3/wmuk-explanation-of-compliance-with-remuneration-code.pdf>.

ACD'S REPORT continued

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The report can be found at TCFD Reporting (fundsolutions.net/tcfd-reporting) and the report of the sub-funds of the Company can be found at <https://www.fundsolutions.net/uk/disclaimer?requestUrl=http://www.fundsolutions.net/uk/gresham-house-asset-management-limited/ws-gresham-house-equity-funds/>.

Prior to accessing the report of the sub-funds of the Company there is a link to the 'TCFD Reporting Guide' which provides an explanation of the TCFD report.

Value Assessment

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Company 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 Equity Funds

9 April 2025

DIRECTOR'S STATEMENT

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

A.M. BERRY

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House Equity Funds

9 April 2025

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') 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 Company, comprising each of its sub-funds, and of the net revenue/expense and net capital gains/losses on the property of the Company's sub-funds 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 Company and its sub-funds' 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 Company or its sub-funds 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 Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Sourcebook.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes 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 Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Depositary must ensure that:

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

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

REPORT OF THE DEPOSITARY

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

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

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of WS Gresham House Equity Funds

9 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE EQUITY FUNDS ('THE COMPANY')

Opinion

We have audited the financial statements of the Company for the year ended 31 December 2024 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 each of the Company's sub-funds listed on pages 2 and 3 and the accounting policies set out on pages 17 to 19.

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 each of the sub-funds as at 31 December 2024 and of the revenue and the net capital gain/losses on the property of each of the sub-funds 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 Company 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 Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' 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 Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE EQUITY FUNDS ('THE COMPANY') 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 Company's and its sub-funds' 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 Company or its sub-funds 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 Company'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 Investment 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 EQUITY FUNDS ('THE COMPANY') 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 Company 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 Company 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 Company'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 EQUITY FUNDS ('THE COMPANY') 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 Company 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 9 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 Company and its sub-funds' 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 Company or its sub-funds 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 EQUITY FUNDS ('THE COMPANY') continued

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

This report is made solely to the Company'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 Company'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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

WIQAS QAISER
FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR

Chartered Accountants
20 Castle Street
Edinburgh
EH1 2EG
9 April 2025

ACCOUNTING AND DISTRIBUTION POLICIES

for the year ended 31 December 2024

1. Accounting Policies

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(A) BASIS OF ACCOUNTING

The financial statements of each sub-fund 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 each sub-fund's ability to continue as a going concern, and is satisfied they have 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 and key service provider's operational resilience. The ACD also considered each sub-fund's continued ability to meet ongoing costs, and is satisfied they have the resources to meet these costs and to continue in business.

(B) RECOGNITION OF REVENUE

Dividends on quoted equities and preference shares 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.

Reportable income from funds with 'reporting fund' status for UK tax purposes is recognised when the information is made available by the reporting fund.

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

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 initially against revenue.

ACCOUNTING AND DISTRIBUTION POLICIES continued

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

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

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.

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 sub-funds 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.

ACCOUNTING AND DISTRIBUTION POLICIES continued

(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 of a sub-fund is in continual decline; on a sub-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 relevant sub-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) DIRECT 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. 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.

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.

For Gresham House UK Multi Cap Income Fund, the expenses are charged to capital, this will increase the distribution with a corresponding reduction to capital. For the purposes of calculating the distribution on fund, the effect of marginal tax relief between capital and revenue is not incorporated.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND ACD'S REPORT

for the year ended 31 December 2024

Important Information

Please refer to the Important Information section on page 5.

Investment Objective and Policy

The investment objective of WS Gresham House UK Multi Cap Income Fund ('the Fund') is to achieve income with the potential for capital growth, over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest directly at least 60% of the Scheme Property by value in the shares of small and medium sized companies that:

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

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

As part of its equities exposure the Fund may also invest in:

- Real Estate Investment Trusts (REITs);
- shares of non-UK companies, up to a limit of 10% of the Fund's Scheme Property by value; and
- shares of unlisted companies, up to a limit of 10% of the Fund's Scheme Property by value.

The Fund may also invest up to 10% of the scheme property by value in collective investment schemes.

The Fund can invest across different industry sectors without limitation.

The Fund may gain exposure to all these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended) which may include instruments managed or advised by the ACD or the Investment Manager or their associates.

The Fund may use derivatives for efficient portfolio management purposes.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

Investment Objective and Policy continued

The investment amounts referenced above will not apply under extraordinary market conditions in which circumstances the Fund may invest in asset classes other than those in which it normally invests, in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, closure of a relevant market(s), or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments, or have substantial holdings in cash and cash equivalents.

Benchmark

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

The Fund's performance may be compared against the IA UK Equity Income sector. The ACD believes that this is an appropriate comparator benchmark for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The comparator benchmark has been selected as the ACD considers it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the comparator benchmark and may take positions that differ significantly from the comparator benchmark.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Multi Cap Income Fund
9 April 2025

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT

for the year ended 31 December 2024

Investment Strategy

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

The Fund's investment strategy leverages the Manager's core expertise in investing in small and mid-sized UK businesses, employing a sector agnostic approach. Due to volatility of earnings, the Manager avoids cyclical industries including banks, mining, and oil and gas. The Fund generally invests in companies which operate in structurally growing markets, supporting their capacity to grow earnings, generate cash, and pay sustainable and progressive dividends. The Manager follows a disciplined and repeatable investment process which utilises the wider Gresham House platform of research and investment professionals, as well as a network of entrepreneurs, business leaders and industry specialists.

Fund composition aims to reflect the Manager's high conviction style, comprising a relatively concentrated portfolio of stocks with the potential to sustainably grow earnings, cash flow and dividends over the longer term.

Overview

UK equity market performance was mixed in 2024: the FTSE All Share ex Investment Trusts Index grew by **9.5%**, the FTSE Smaller Companies ex Investment Trusts Index by **13.7%**, while the FTSE AIM All Share declined by **3.6%**.

UK smaller companies faced several headwinds in 2024 including a continuation of net outflows from UK-focused equity funds totalling £9.6 billion over the period.¹ Much of the outflows from the UK market over the year were recycled into global and US equity funds or passive trackers, driving positive valuation momentum in non-domestic equity markets and leaving UK equities trading at a stark discount to international peers heading into 2025; a discount even more pronounced among UK smaller companies, which are now 28%, 57% and 69% cheaper than UK large caps, US large caps and US smaller companies respectively.² The Manager believes in certain instances, valuations of portfolio companies are detached from their operating fundamentals with continued prospects of earnings growth, cash generation and sustainable and progressive dividends underpinning the potential for re-rating.

The period was also characterised by a combination of domestic and global political uncertainty which adversely affected UK equity markets and more so UK smaller companies. Many policies brought forward by the new Labour government in the Autumn budget were received negatively by investors, not least the reduced inheritance tax relief on AIM and the higher corporate costs precipitated by changes to national minimum wage and national insurance legislation. Following conversations with portfolio company management teams

¹ Calastone UK equity fund flow data, 7 Jan 25.

² Bloomberg 12M forward price-to-earnings data as at 12 Jan 25 (Deutsche Numis Smaller Companies ex Investment Trusts plus AIM index versus FTSE 100, S&P 500, and Russell 2000 indices).

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

since the budget, we believe the recent corporate tax changes will have a broad-based inflationary impact on the UK economy as companies pass on higher costs to prices. We have seen this view mirrored by the upward trajectory of UK government bond yields in Q4, as markets expect higher interest rates for longer than previously assumed.

Despite a sentiment-based valuation de-rating across the UK smaller companies space in Q4 2024, we believe our focus on resilient business fundamentals such as structural growth trends, non-cyclical markets, high-quality financials (including over 20% EBITDA margins, strong cash generation, and very low financial leverage), and capable management teams executing on clear value creation strategies, supports the potential to deliver highly attractive multi-year returns going forward.

Movements in Net Asset Value

During the period the gross NAV of the Fund increased from £680.2m³ to £837.9m³, of which 92.2% was invested in UK equities – 74.4% in small and mid-cap and 16.9% in large cap. The increase in NAV was driven by net inflows from unit holders and in addition the Fund delivered a positive return of 2.1% over the year (C Sterling Accumulation share class), underperforming the IA UK Equity Income sector, which returned 8.7%.

The principal drivers of relative underperformance were:

- Size bias – large cap stock outperformance, where the Fund was relatively underweight vs the FTSE All Share, averaging 19% NAV in FTSE 100 companies;
- AIM exposure – the Fund averaged 25% of NAV in AIM stocks during the year, which experienced a market selloff precipitated by the Autumn budget which catalysed negative market sentiment around rising corporate costs and potential tax implications (e.g. IHT relief);
- Portfolio company valuation de-rating – material dislocation between the operating fundamentals of our investee companies and their share prices saw valuation multiples decline during 2024. 92% of portfolio company updates during the year were positive or in-line compared to market expectations and, on average, the Fund's investee companies grew revenue and EBITDA by 6.4% and 7.1% respectively;
- Stock specific detractors as detailed below.

Investment Activity

Investment activity was robust during the period, with the team deploying a total of £350.4m. This comprised both follow-on investments in existing portfolio companies and several new investments. The period saw 8 full exits, balanced by the addition of 8 new investments, maintaining the portfolio at 41 companies.

³ Based on 12pm valuation point.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

Examples of new investments include: **Pets at Home**, a specialist retailer of pet products alongside an effectively franchised and higher margin vet business. Pets at Home benefits from structural demand drivers, a data-enabled growth strategy, and trades at a steep discount to history and sector precedent transactions; **Quilter**, a vertically integrated financial services business providing wealth management, financial planning, and investment platform services to mass affluent and high net worth clients. The Manager believes the business is well-positioned to create shareholder value through its clear organic growth strategy and internal cost-out programmes, has competitive advantages due to its brand strength and diversified distribution model, and trades on an attractive valuation which is heavily discounted to precedent transaction multiples; and **Sainsbury's**, a leading UK grocer and general merchandise retailer which has reset its competitive position due to recent investment and structural market change, is pursuing a clear growth strategy focused on self-help levers within management control, is leveraging unique customer data to build and monetise a retail media network, and is trading on undemanding valuation metrics.

The Fund made selective follow-on investments including into: **Domino's Pizza**, the capital-light master franchisee in the UK and Ireland for the international US-listed group, which continues to leverage its strong digital marketing capabilities and leading UK market position to drive multi-year growth despite macroeconomic headwinds, reflecting its strong consumer value proposition; **B&M European Value Retail**, a leading value discounter specialised in fast-moving consumer goods (FMCG) and general merchandise, which leverages supply-chain economies of scale to generate market-leading pricing versus peers and consistent volume market share gains. Following a stark de-rating during the year, B&M trades at attractive valuation multiples of 5.8x EV/EBITDA (pre-IFRS 16) and a 12% free cash flow yield (FY26) which in the Manager's view are detached from attractive operating fundamentals which include renewed positive like-for-like growth and an extensive and highly productive store rollout programme; and **Ricardo**, a global strategic, environmental, and engineering consultancy, which is undergoing a strategic transition to refocus on the higher growth, higher margin, and lower capital intensity parts of the business, where growth is underpinned by environmental structural tailwinds.

The Manager made eight full exits during the period including six companies due to takeovers. Organic full exits included: **3i Group** on valuation grounds following an upgrade cycle in the key portfolio asset, Action (c.66% NAV) which drove a broad re-rating of the wider Group and exceptional share price performance; and **Phoenix Group** after a fundamental shift in the Manager's investment thesis.

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. These factors combine to provide sustainable income with the potential for capital growth.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

Investment Performance

The Fund achieved a return of 2.1% (based on C Sterling Accumulation share class), ranking 67th out of 70 in the IA UK Equity Income sector. The vast majority of portfolio companies continued to grow earnings, generate cash, and pay sustainable and progressive dividends, reflecting the Manager's long-term focus on businesses with high-quality fundamentals.

Key contributors to aggregate Fund performance were: **XPS Pensions Group (+1.8% Contribution to Return ('CTR'))**, the Fund's top holding at the start of 2024 which entered an earnings upgrade cycle, benefitting from structural demand tailwinds around regulatory change in the core pensions business and inflation-linked contracts, delivering double-digit top-line growth across all divisions and 29% EBITDA growth in FY24, prompting the Manager to take some profits during the year; **3i Group (+1.1% CTR)** a private equity firm whose key portfolio asset, Action (c.66% NAV), continued on an earnings upgrade cycle which catalysed a re-rating of the wider Group, leading us to fully exit the position in November 2024 and recycle profits into similar sector opportunities at more compelling entry valuations, in particular B&M and Sainsbury's; and **TP ICAP (1.1% CTR)** which traded strongly during the period, particularly in multi-asset and equities broking, with management now progressing strategic options for its market-leading, high recurring revenue data business, Parameta Solutions, with a focus on unlocking shareholder value, potentially via a separate US IPO of the division.

Key detractors during the period were **Impax Asset Management (-1.0% CTR)**, a new investment in the Fund from July 2024, which lost c.£6bn of AUM in December as ongoing St James's Place restructuring prompted mandate withdrawals, driving a 7% downgrade to the FY25 profit before tax forecast and de-rating to 5.5x EV/EBITDA (c.23% intra-day share price decline) which we view as materially overdone relative to the fundamental impact; **Gresham House Energy Storage Fund (GRID; -1.0% CTR)** which de-rated significantly as a result of subdued trading revenues and technical issues in the national grid balancing mechanism driving under-utilisation of battery energy storage systems (BESS). However, following a full stock review and recent trading update we have conviction in a meaningful earnings recovery and dividend reinstatement during 2025; and **MONY Group (-1.0% CTR)** which de-rated sharply from c.11x EV/EBITDA to c.7x in 2024 on the back of lower reported Q3 revenue growth against a tough prior-year comparator, despite the business expecting to deliver 6% EBITDA growth in FY24. We retain our view that this is a compelling long-term investment leveraging its strong competitive position in diversified and attractive end markets to drive high margins (30%+ EBITDA), growth and cash generation underpinned by a strong balance sheet and high dividend yield of c.7%.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

Outlook

Looking ahead to this year, we see a number of short-to-medium term factors supporting Fund performance prospects and believe our companies remain well positioned to offset external headwinds such as high interest rates, low economic growth, and UK government-driven cost inflation. We continue to see the benefits of our consistent and repeatable private equity approach to UK public market investing, leveraging a high-quality expert network to independently validate key investment judgements, providing a sustainable 'edge' over the wider market in terms of investment appraisal and portfolio monitoring.

We also see upside potential to Fund performance from elevated takeover activity across UK equity markets heading into 2025. While the uncertainty around the Autumn budget led to an M&A slowdown in Q3'24, we observed an uptick in activity during Q4 and anticipate deal momentum continuing into this year. During 2024, buyers paid on average a 44% premium for UK companies, greater than the five-year average despite elevated deal funding costs amidst higher interest rates.⁴ From conversations with our private equity network, we understand that private buyers continue to assess the UK market for deal-flow opportunities given the attractive valuations on offer and the relative shortage of investment opportunities in a subdued private M&A market. With c.\$4 trillion of 'dry powder' yet to be deployed,⁵ we expect that takeover activity, alongside divisional carveouts, will offer attractive returns for the Fund in 2025.

We highlight an emerging nuance to this theme in the Smaller Companies space, with carve-outs – where a parent company sells a subsidiary company or business unit – of which there have been 20 'meaningful' instances over the year-to-date. Carve-outs are an underrated yet powerful way for UK companies to unlock real value, with several recent examples where businesses have sold off divisions at valuations higher than the prevailing group valuation – sometimes selling for more than the entire market cap. This shines a light on just how severely undervalued the remaining parts can be.⁴

More broadly, we welcome calls for government reforms in 2025 to encourage UK pension fund participation in domestic equity markets, where they are materially under-penetrated today at defined contribution, defined benefits, and local government levels compared to other developed western nations.⁶ Any incremental liquidity as a result of supportive policies would aid marginal buying of UK shares and in turn bridge the stark valuation arbitrage to other developed equity markets and precedent M&A transactions.

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

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Investment Manager

22 January 2025

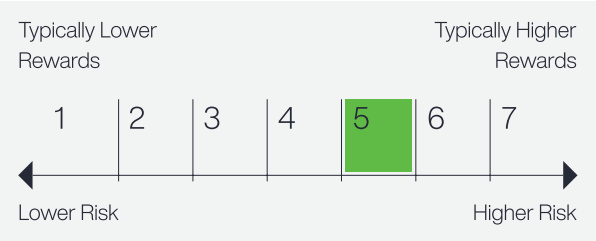
⁴ Bloomberg data.

⁵ Charles Hall, 'Strategy', Peel Hunt Research, 2 Oct 2024.

⁶ Department for Work & Pensions, 'Pension fund investment and the UK economy.'

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of the fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

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

This indicator 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.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

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

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

Liquidity Risk: Smaller companies’ securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Concentration Risk: The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

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

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

F STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	173.84	154.19	165.62
Return before operating charges*	5.60	20.69	(10.39)
Operating charges	(1.15)	(1.04)	(1.04)
Return after operating charges	4.45	19.65	(11.43)
Distributions	(6.93)	(7.15)	(6.03)
Retained distributions on accumulation shares	6.93	7.15	6.03
Closing net asset value per share	178.29	173.84	154.19
* after direct transaction costs of:	0.41	0.41	0.51

PERFORMANCE

Return after charges	2.56%	12.74%	(6.90)%
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OTHER INFORMATION

Closing net asset value (£'000)	87,670	106,028	59,732
Closing number of shares	49,172,295	60,991,585	38,740,550
Operating charges	0.64%	0.65%	0.67%
Direct transaction costs	0.23%	0.25%	0.33%

PRICES

Highest share price	191.66	174.77	168.49
Lowest share price	166.05	152.50	141.48

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

F STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	134.11	124.34	138.96
Return before operating charges*	4.37	16.27	(8.78)
Operating charges	(0.87)	(0.83)	(0.86)
Return after operating charges	3.50	15.44	(9.64)
Distributions	(5.27)	(5.67)	(4.98)
Closing net asset value per share	132.34	134.11	124.34
* after direct transaction costs of:	0.31	0.32	0.42

PERFORMANCE

Return after charges	2.61%	12.42%	(6.94)%
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OTHER INFORMATION

Closing net asset value (£'000)	302,503	260,464	199,573
Closing number of shares	228,583,088	194,211,706	160,506,746
Operating charges	0.64%	0.65%	0.67%
Direct transaction costs	0.23%	0.25%	0.33%

PRICES

Highest share price	144.77	136.10	141.39
Lowest share price	128.15	118.76	115.10

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	171.71	152.52	164.10
Return before operating charges*	5.52	20.46	(10.32)
Operating charges	(1.40)	(1.27)	(1.26)
Return after operating charges	4.12	19.19	(11.58)
Distributions	(6.84)	(7.07)	(5.96)
Retained distributions on accumulation shares	6.84	7.07	5.96
Closing net asset value per share	175.83	171.71	152.52
* after direct transaction costs of:	0.40	0.40	0.50

PERFORMANCE

Return after charges	2.40%	12.58%	(7.06)%
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OTHER INFORMATION

Closing net asset value (£'000)	202,631	147,493	75,025
Closing number of shares	115,245,137	85,897,684	49,189,317
Operating charges	0.79%	0.80%	0.82%
Direct transaction costs	0.23%	0.25%	0.33%

PRICES

Highest share price	189.14	172.63	166.94
Lowest share price	163.99	150.67	140.00

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	132.57	123.09	137.77
Return before operating charges*	4.33	16.10	(8.70)
Operating charges	(1.07)	(1.01)	(1.04)
Return after operating charges	3.26	15.09	(9.74)
Distributions	(5.21)	(5.61)	(4.94)
Closing net asset value per share	130.62	132.57	123.09
* after direct transaction costs of:	0.31	0.32	0.42

PERFORMANCE

Return after charges	2.46%	12.26%	(7.07)%
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OTHER INFORMATION

Closing net asset value (£'000)	91,972	93,647	47,994
Closing number of shares	70,414,135	70,640,923	38,991,663
Operating charges	0.79%	0.80%	0.82%
Direct transaction costs	0.23%	0.25%	0.33%

PRICES

Highest share price	142.98	134.53	140.17
Lowest share price	126.66	117.42	113.97

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 ¹ pence per share
Opening net asset value per share	111.26	100.00
Return before operating charges*	3.59	11.42
Operating charges	(0.74)	(0.16)
Return after operating charges	2.85	11.26
Distributions	(4.43)	(1.09)
Retained distributions on accumulation shares	4.43	1.09
Closing net asset value per share	114.11	111.26
* after direct transaction costs of:	0.26	0.06

PERFORMANCE

Return after charges	2.56%	11.26%
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OTHER INFORMATION

Closing net asset value (£'000)	144,992	64,724
Closing number of shares	127,068,149	58,171,664
Operating charges	0.64%	0.64% ²
Direct transaction costs	0.23%	0.25% ²

PRICES

Highest share price	122.67	111.86
Lowest share price	106.28	97.61

¹ From 1 June 2023.

² Annualised figure due to share class launched less than 1 year.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 ¹ pence per share
Opening net asset value per share	110.17	100.00
Return before operating charges*	3.60	11.42
Operating charges	(0.72)	(0.16)
Return after operating charges	2.88	11.26
Distributions	(4.33)	(1.09)
Closing net asset value per share	108.72	110.17
* after direct transaction costs of:	0.25	0.06

PERFORMANCE

Return after charges	2.61%	11.26%
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OTHER INFORMATION

Closing net asset value (£'000)	2,708	1,135
Closing number of shares	2,490,333	1,030,448
Operating charges	0.64%	0.64% ²
Direct transaction costs	0.23%	0.25% ²

PRICES

Highest share price	118.93	111.86
Lowest share price	105.28	97.62

¹ From 1 June 2023.

² Annualised figure due to share class launched less than 1 year.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 December 2024 – Cumulative (%)

	1 year	3 years	5 years
WS Gresham House UK Multi Cap Income Fund	2.10	6.54	27.05
IA UK Equity Income sector ¹	8.66	13.81	20.00

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per C Sterling Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to above performance being calculated on the latest published price prior to the 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 54 to 58.

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.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 December 2024

	Holding	Portfolio of Investments	Value £'000	31.12.24 %
		UNITED KINGDOM – 90.89% (31.12.23 – 88.98%)		
		TECHNOLOGY – 3.13% (31.12.23 – 3.72%)		
		SOFTWARE AND COMPUTER SERVICES – 3.13% (31.12.23 – 3.72%)		
	12,200,163	MONY	23,424	2.81
	2,393,304	Vianet ¹	2,681	0.32
		TOTAL TECHNOLOGY	26,105	3.13
		TELECOMMUNICATIONS – 3.42% (31.12.23 – 2.95%)		
		TELECOMMUNICATIONS SERVICE PROVIDERS – 3.42% (31.12.23 – 2.95%)		
	1,661,671	Telecom Plus	28,481	3.42
		TOTAL TELECOMMUNICATION	28,481	3.42
		HEALTH CARE – 6.18% (31.12.23 – 7.73%)		
		PHARMACEUTICALS AND BIOTECHNOLOGY – 6.18% (31.12.23 – 7.73%)		
	418,626	Bioventix ¹	12,977	1.56
	39,786,500	EKF Diagnostics ¹	10,742	1.29
	2,061,762	GSK	27,751	3.33
		TOTAL HEALTH CARE	51,470	6.18

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	FINANCIALS – 31.95 % (31.12.23 – 37.02 %)		
	FINANCE AND CREDIT SERVICES – 3.66 % (31.12.23 – 4.00 %)		
1,434,903	Intermediate Capital	29,616	3.56
3,230,166	Orchard Funding ¹	872	0.10
		<u>30,488</u>	<u>3.66</u>
	INVESTMENT BANKING AND BROKERAGE SERVICES – 23.89 % (31.12.23 – 24.44 %)		
10,237,698	Argentex ¹	2,918	0.35
1,120,539	Brooks MacDonald ¹	18,769	2.25
6,470,639	Impax Asset Management	15,983	1.92
6,680,184	IntegraFin	23,080	2.77
7,780,438	Peel Hunt ¹	7,858	0.94
17,570,000	Quilter	27,023	3.25
7,821,345	Schroders	25,232	3.03
2,411,610	Tatton Asset Management ¹	16,254	1.95
11,506,878	TP ICAP	29,688	3.57
9,411,459	XPS Pensions	32,093	3.86
		<u>198,898</u>	<u>23.89</u>
	CLOSED END INVESTMENTS – 1.44 % (31.12.23 – 3.10 %)		
26,206,781	Gresham House Energy Storage ^{1,2,3}	<u>11,990</u>	<u>1.44</u>
	LIFE INSURANCE – 0.00 % (31.12.23 – 2.59 %)	<u>–</u>	<u>–</u>
	NON-LIFE INSURANCE – 2.96 % (31.12.23 – 2.89 %)		
17,852,606	Sabre Insurance	<u>24,637</u>	<u>2.96</u>
	TOTAL FINANCIALS	<u>266,013</u>	<u>31.95</u>

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	REAL ESTATE – 2.94% (31.12.23 – 2.98%)		
	REAL ESTATE INVESTMENT AND SERVICES DEVELOPMENT – 2.94% (31.12.23 – 2.98%)		
6,116,354	Property Franchise ¹	24,465	2.94
	TOTAL REAL ESTATE	24,465	2.94
	CONSUMER DISCRETIONARY – 17.05% (31.12.23 – 15.26%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 0.40% (31.12.23 – 1.21%)		
16,741,486	Watkin Jones ¹	3,308	0.40
	MEDIA – 2.42% (31.12.23 – 2.08%)		
2,994,235	Bloomsbury Publishing	20,181	2.42
	RETAILERS – 7.94% (31.12.23 – 6.10%)		
7,661,240	B&M European Value Retail	28,117	3.38
14,794,819	Halfords	19,381	2.33
9,032,649	Pets at Home	18,572	2.23
		66,070	7.94
	TRAVEL AND LEISURE – 6.29% (31.12.23 – 5.87%)		
10,075,335	Domino's Pizza	31,737	3.81
6,937,782	Hollywood Bowl	20,605	2.48
		52,342	6.29
	TOTAL CONSUMER DISCRETIONARY	141,901	17.05
	CONSUMER STAPLES – 9.48% (31.12.23 – 2.03%)		
	BEVERAGES – 0.80% (31.12.23 – 0.00%)		
527,387	Nichols	6,671	0.80

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	FOOD PRODUCERS – 2.87% (31.12.23 – 2.03%)		
12,714,505	Premier Foods	23,852	2.87
	PERSONAL CARE, DRUG AND GROCERY STORES – 5.81% (31.12.23 – 0.00%)		
759,322	Greggs	21,018	2.52
9,995,292	J Sainsbury	27,347	3.29
		48,365	5.81
	TOTAL CONSUMER STAPLES	78,888	9.48
	INDUSTRIALS – 16.42% (31.12.23 – 16.60%)		
	CONSTRUCTION AND MATERIALS – 3.20% (31.12.23 – 2.59%)		
5,843,741	Balfour Beatty	26,577	3.20
	INDUSTRIAL SUPPORT SERVICES – 13.22% (31.12.23 – 14.01%)		
2,718,884	Elixir International	19,304	2.32
15,293,303	FRP Advisory ¹	22,175	2.66
4,586,414	Mears	16,557	1.99
6,863,662	Ricardo	28,828	3.46
12,865,956	RWS Holdings ¹	23,262	2.79
		110,126	13.22
	TOTAL INDUSTRIALS	136,703	16.42
	ENERGY – 0.32% (31.12.23 – 0.69%)		
	ALTERNATIVE ENERGY – 0.32% (31.12.23 – 0.69%)		
6,445,494	Inspired ¹	2,643	0.32
	TOTAL ENERGY	2,643	0.32
	TOTAL UNITED KINGDOM	756,669	90.89

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
9,780,592	BERMUDA – 0.00% (31.12.23 – 0.21%) R&Q Insurance ^{1,4}	–	–
46,515,221	GUERNSEY – 1.68% (31.12.23 – 1.30%) Duke Royalty ¹	13,955	1.68
	Portfolio of investments	770,624	92.57
	Net other assets	61,852	7.43
	Net assets	832,476	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Quoted on the Alternative Investment Market (AIM).

² Closed end fund.

³ Related party holding (see note 11).

⁴ Suspended security.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 December 2024

Total purchases for the year £'000 (note 15)	347,802	Total sales for the year £'000 (note 15)	182,201
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
J Sainsbury	26,949	3i	31,113
Pets at Home	25,179	Alpha Financial Markets Consulting	30,454
Impax Asset Management	24,668	Smart Metering Systems	22,844
Hollywood Bowl	23,029	Ten Entertainment	21,020
Greggs	22,067	Mattioli Woods	20,905
Quilter	20,273	Phoenix	19,512
Elixirr International	18,672	Hipgnosis Songs	16,752
Domino's Pizza	15,054	XPS Pensions	12,435
B&M European Value Retail	14,619	Tatton Asset Management	4,738
Ricardo	13,880	Intermediate Capital	2,421

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

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 December 2024

	Notes	£'000	31.12.24 £'000	£'000	31.12.23 £'000
Income:					
Net capital (losses)/gains	3		(4,383)		48,804
Revenue	4	31,501		21,039	
Expenses	5	(5,601)		(3,278)	
Net revenue before taxation		25,900		17,761	
Taxation	6	(263)		(153)	
Net revenue after taxation			25,637		17,608
Total return before distributions			21,254		66,412
Distributions	7		(31,238)		(20,886)
Change in net assets					
attributable to shareholders					
from investment activities			(9,984)		45,526

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2024

	£'000	31.12.24 £'000	£'000	31.12.23 £'000
Opening net assets attributable to shareholders		673,491		382,324
Amounts receivable on issue of shares	319,463		296,545	
Amounts payable on redemption of shares	(166,825)		(59,740)	
		152,638		236,805
Change in net assets				
attributable to shareholders				
from investment activities		(9,984)		45,526
Retained distributions on Accumulation shares		16,331		8,836
Closing net assets attributable to shareholders		832,476		673,491

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
BALANCE SHEET
as at 31 December 2024

	Notes	31.12.24 £'000	31.12.23 £'000
ASSETS			
Fixed assets			
Investments		770,624	609,470
Current assets			
Debtors	8	3,182	3,290
Cash and bank balances	9	62,849	73,718
Total assets		<u>836,655</u>	<u>686,478</u>
LIABILITIES			
Creditors			
Distribution payable	10	(3,531)	(3,343)
Other creditors	10	(648)	(9,644)
Total liabilities		<u>(4,179)</u>	<u>(12,987)</u>
Net assets attributable to shareholders		<u>832,476</u>	<u>673,491</u>

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. Accounting Policies

The accounting policies described on pages 17 to 19 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 19 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to this Fund.

All expenses are transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

3. Net Capital (Losses)/Gains

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

	31.12.24 £'000	31.12.23 £'000
Non-derivative securities	(4,375)	48,806
Transaction charges	(8)	(2)
Net capital (losses)/gains	(4,383)	48,804

4. Revenue

	31.12.24 £'000	31.12.23 £'000
Non-taxable dividends	28,588	19,332
Bank interest	2,913	1,707
Total revenue	31,501	21,039

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

5. Expenses

	31.12.24 £'000	31.12.23 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	5,303	3,043
Legal and professional fees	15	13
Typesetting costs	4	4
Registration fees	100	100
TCFD fees	4	–
	5,426	3,160
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	126	85
Safe custody and other bank charges	39	23
	165	108
Other expenses:		
Audit fees	10	10
Total expenses	5,601	3,278

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

6. Taxation

	31.12.24 £'000	31.12.23 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	263	153
Current tax charge	263	153
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	263	153

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

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%) (31.12.23: 20%). The difference is explained below:

	31.12.24 £'000	31.12.23 £'000
Net revenue before taxation	25,900	17,761
Corporation tax at 20%	5,180	3,552
Effects of:		
Non-taxable dividends	(5,718)	(3,866)
Unutilised excess management expenses	538	314
Corporation tax charge	-	-
Overseas tax	263	153
Total tax charge (note 6a)	263	153

c) Deferred tax

At the year end there is a potential deferred tax asset of £1,407,000 (31.12.23: £869,000) 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. Distributions

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

	31.12.24 £'000	31.12.23 £'000
First Interim	5,918	4,307
Second Interim	11,208	4,977
Third Interim	7,338	6,543
Final	7,365	6,344
	31,829	22,171
Add: Revenue deducted on redemption of shares	841	293
Deduct: Revenue received on issue of shares	(1,432)	(1,578)
Net distributions for the year	31,238	20,886

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

Details of the distributions per share are set out in the table on pages 54 to 58.

	31.12.24 £'000	31.12.23 £'000
Distributions represented by:		
Net revenue after taxation	25,637	17,608
Allocations to capital:		
Expenses	5,601	3,278
Net distributions for the year	31,238	20,886

8. Debtors

	31.12.24 £'000	31.12.23 £'000
Amounts receivable for issue of shares	1,295	1,542
Accrued revenue:		
Non-taxable dividends	1,887	1,748
Total debtors	3,182	3,290

9. Cash and Bank Balances

	31.12.24 £'000	31.12.23 £'000
Bank balances	62,849	73,718
Total cash and bank balances	62,849	73,718

10. Creditors

	31.12.24 £'000	31.12.23 £'000
Distribution payable	3,531	3,343
Other Creditors		
Amounts payable for redemption of shares	136	322

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

	31.12.24 £'000	31.12.23 £'000
Purchases awaiting settlement	–	8,929
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	469	354
Legal and professional fees	1	1
Typesetting costs	4	3
Registration fees	8	8
TCFD fees	1	–
	483	366
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	11	9
Transaction charges	1	1
Safe custody and other bank charges	6	6
	18	16
Other expenses	11	11
Total other creditors	648	9,644

11. Related Party Transactions

Annual Management Charge, TCFD fees and legal and professional fees payable to Waystone Management (UK) Limited ('WMUK') ('the ACD'), registration fees payable to Waystone Transfer Agency Solutions (UK) and typesetting costs payable to Waystone Administration Solutions (UK) Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

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 41 and amounts due at the year end are disclosed in notes 8 and 10.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 44,102 (31.12.23: 44,102) of the Fund's shares at the balance sheet date.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

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 shareholder held in excess of 20% of the shares in issue of the Fund:

Clearstream Banking 26.03% (31.12.23: 28.68%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Investment Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.12.24 £'000	31.12.23 £'000
Investment Manager in common	11,990	8,939

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.23: none).

13. Shares in Issue

	F Sterling Accumulation	F Sterling Income	C Sterling Accumulation	C Sterling Income
Annual Management Charge	0.60%	0.60%	0.75%	0.75%
Opening shares in issue	60,991,585	194,211,706	85,897,684	70,640,923
Issues	7,465,519	63,375,480	57,436,387	28,211,088
Redemptions	(19,083,522)	(28,413,339)	(22,613,626)	(29,333,587)
Conversions	(201,287)	(590,759)	(5,475,308)	895,711
Closing shares in issue	<u>49,172,295</u>	<u>228,583,088</u>	<u>115,245,137</u>	<u>70,414,135</u>

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

	C Euro Accumulation ¹	A Sterling Accumulation	A Sterling Income
Annual Management Charge	0.90%	0.60%	0.60%
Opening shares in issue	250	58,171,664	1,030,448
Issues	–	71,956,606	1,670,931
Redemptions	(250)	(11,481,221)	(211,046)
Conversions	–	8,421,100	–
Closing shares in issue	–	127,068,149	2,490,333

14. 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.

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 Investment 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 Investment 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.

¹ Share class closed 8 July 2024.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

(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 may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(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 Fund did not employ any significant leverage during the current or prior year.

(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 under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

Based on this analysis 37.66% of the portfolio can be liquidated within 7 days and 68.92% within 30 days (31.12.23: 25.31% within 5 days and 45.54% 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 acceptable.

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

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

(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 £38,531,000 (31.12.23: £30,474,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

15. Portfolio Transaction Costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.24				
Ordinary shares	335,545	563	1,110	337,218
Collective investment schemes	10,510	21	53	10,584
Purchases total	<u>346,055</u>	<u>584</u>	<u>1,163</u>	<u>347,802</u>
Transaction cost % of purchases total		0.17%	0.33%	
Transaction cost % of average NAV		0.20%	0.50%	
Ordinary shares	165,537	(88)	–	165,449
Collective investment schemes	<u>16,752</u>	<u>–</u>	<u>–</u>	<u>16,752</u>
Sales total	<u>182,289</u>	<u>(88)</u>	<u>–</u>	<u>182,201</u>
Transaction cost % of sales total		0.05%	–	
Transaction cost % of average NAV		–	–	

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

Average portfolio dealing spread at 31.12.24 is 0.78% (31.12.23: 1.19%).

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.23				
Ordinary shares	251,656	419	742	252,817
Collective investment schemes	8,552	9	–	8,561
Purchases total	<u>260,208</u>	<u>428</u>	<u>742</u>	<u>261,378</u>
Transaction cost % of purchases total		0.16%	0.29%	
Transaction cost % of average NAV		0.09%	0.16%	
Ordinary shares	37,303	(11)	–	37,292
Sales total	<u>37,303</u>	<u>(11)</u>	<u>–</u>	<u>37,292</u>
Transaction cost % of sales total		0.03%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

16. 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
31.12.24				
Investment assets	<u>758,634</u>	<u>11,990</u>	<u>–</u>	<u>770,624</u>
31.12.23				
Investment assets	<u>600,531</u>	<u>8,939</u>	<u>–</u>	<u>609,470</u>

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

17. Subsequent Events

As at 8 April 2025, the price of each of the Fund’s share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	08.04.25	Movement
F Sterling Accumulation	178.73	158.12	(11.53)%
F Sterling Income	133.85	116.09	(13.27)%
C Sterling Accumulation	176.26	155.88	(11.56)%
C Sterling Income	132.11	114.53	(13.30)%
A Sterling Accumulation	114.39	101.20	(11.53)%
A Sterling Income	109.96	95.37	(13.27)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 9 April 2025.

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 December 2024 – in pence per share (unless stated otherwise)

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.

Group 2	First Interim	Second Interim	Third Interim	Final
From	01.01.24	01.04.24	01.07.24	01.10.24
To	31.03.24	30.06.24	30.09.24	31.12.24

F STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.24	Allocated 31.05.23
Group 1	1.3661	–	1.3661	1.6594
Group 2	0.6737	0.6924	1.3661	1.6594

Second Interim	Net Revenue	Equalisation	Allocated 31.08.24	Allocated 31.08.23
Group 1	2.4077	–	2.4077	1.7871
Group 2	1.5293	0.8784	2.4077	1.7871

Third Interim	Net Revenue	Equalisation	Allocated 30.11.24	Allocated 30.11.23
Group 1	1.5852	–	1.5852	2.0822
Group 2	0.9159	0.6693	1.5852	2.0822

Final	Net Revenue	Equalisation	Allocation 28.02.25	Allocated 29.02.24
Group 1	1.5706	–	1.5706	1.6211
Group 2	0.8489	0.7217	1.5706	1.6211

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE continued

F STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	1.0547	–	1.0547	1.3387
Group 2	0.4770	0.5777	1.0547	1.3387

Second Interim	Net Revenue	Equalisation	Paid 31.08.24	Paid 31.08.23
Group 1	1.8431	–	1.8431	1.4261
Group 2	0.8649	0.9782	1.8431	1.4261

Third Interim	Net Revenue	Equalisation	Paid 30.11.24	Paid 30.11.23
Group 1	1.1974	–	1.1974	1.6435
Group 2	0.8222	0.3752	1.1974	1.6435

Final	Net Revenue	Equalisation	Payable 28.02.25	Paid 29.02.24
Group 1	1.1765	–	1.1765	1.2616
Group 2	0.6231	0.5534	1.1765	1.2616

C STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.24	Allocated 31.05.23
Group 1	1.3485	–	1.3485	1.6412
Group 2	0.6572	0.6913	1.3485	1.6412

Second Interim	Net Revenue	Equalisation	Allocated 31.08.24	Allocated 31.08.23
Group 1	2.3768	–	2.3768	1.7667
Group 2	1.1659	1.2109	2.3768	1.7667

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE continued

Third Interim	Net Revenue	Equalisation	Allocated 30.11.24	Allocated 30.11.23
Group 1	1.5636	–	1.5636	2.0584
Group 2	0.8763	0.6873	1.5636	2.0584

Final	Net Revenue	Equalisation	Allocation 28.02.25	Allocated 29.02.24
Group 1	1.5491	–	1.5491	1.6017
Group 2	0.7554	0.7937	1.5491	1.6017

C STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	1.0414	–	1.0414	1.3247
Group 2	0.6066	0.4348	1.0414	1.3247

Second Interim	Net Revenue	Equalisation	Paid 31.08.24	Paid 31.08.23
Group 1	1.8209	–	1.8209	1.4107
Group 2	1.0464	0.7745	1.8209	1.4107

Third Interim	Net Revenue	Equalisation	Paid 30.11.24	Paid 30.11.23
Group 1	1.1827	–	1.1827	1.6237
Group 2	0.5550	0.6277	1.1827	1.6237

Final	Net Revenue	Equalisation	Payable 28.02.25	Paid 29.02.24
Group 1	1.1615	–	1.1615	1.2473
Group 2	0.5738	0.5877	1.1615	1.2473

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE continued

C EURO ACCUMULATION SHARES (CENTS)

First Interim	Net Revenue	Equalisation	Allocated 31.05.24	Allocated 31.05.23
Group 1	0.8600	–	0.8600	1.0000
Group 2	0.8600	0.0000	0.8600	1.0000

Second Interim	Net Revenue	Equalisation	Allocated 31.08.24	Allocated 31.08.23
Group 1	1.5080	–	1.5080	1.1040
Group 2	1.5080	0.0000	1.5080	1.1040

C Euro Accumulation shares closed 8 July 2024.

A STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.24	Allocated 31.05.23
Group 1	0.8741	–	0.8741	–
Group 2	0.3664	0.5077	0.8741	–

Second Interim	Net Revenue	Equalisation	Allocated 31.08.24	Allocated 31.08.23
Group 1	1.5408	–	1.5408	–
Group 2	0.9003	0.6405	1.5408	–

Third Interim	Net Revenue	Equalisation	Allocated 30.11.24	Allocated 30.11.23
Group 1	1.0140	–	1.0140	–
Group 2	0.5114	0.5026	1.0140	–

Final	Net Revenue	Equalisation	Allocation 28.02.25	Allocated 29.02.24
Group 1	1.0047	–	1.0047	1.0946
Group 2	0.6095	0.3952	1.0047	1.0946

WS GRESHAM HOUSE UK MULTI CAP INCOME FUND
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

A STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	0.8665	–	0.8665	–
Group 2	0.4133	0.4532	0.8665	–
Second Interim	Net Revenue	Equalisation	Paid 31.08.24	Paid 31.08.23
Group 1	1.5138	–	1.5138	–
Group 2	0.7196	0.7942	1.5138	–
Third Interim	Net Revenue	Equalisation	Paid 30.11.24	Paid 30.11.23
Group 1	0.9836	–	0.9836	–
Group 2	0.6714	0.3122	0.9836	–
Final	Net Revenue	Equalisation	Payable 28.02.25	Paid 29.02.24
Group 1	0.9665	–	0.9665	1.0944
Group 2	0.4685	0.4980	0.9665	1.0944

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND ACD'S REPORT

for the year ended 31 December 2024

Important Information

Please refer to the Important Information section on page 5.

Investment Objective and Policy

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

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

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

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

The investment policy referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, closure of a relevant market(s), or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments, or have substantial holdings in cash and cash equivalents.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA UK Smaller Companies sector.

The Fund's performance may be compared against the IA UK Smaller Companies sector. The ACD believes that this is an appropriate comparator benchmark for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The comparator benchmark has been selected as the ACD considers it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the comparator benchmark and may take positions that differ significantly from the comparator benchmark.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Smaller Companies Fund
9 April 2025

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT

for the year ended 31 December 2024

Investment Strategy

The Fund was launched on 1 February 2019 with a focus on selecting high conviction, niche growth companies to back for the prospect of long-term capital growth.

The Manager focuses on areas of structural growth opportunity and avoids cyclical industries including banks, mining, and oil and gas due to 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

UK equity market performance was mixed in 2024: the FTSE All Share ex Investment Trusts Index grew by **9.5%**, the FTSE Smaller Companies ex Investment Trusts Index by **13.7%**, while the FTSE AIM All Share declined by **3.6%**.

UK smaller companies faced several headwinds in 2024 including a continuation of net outflows from UK-focused equity funds totalling £9.6 billion over the period.¹ Much of the outflows from the UK market over the year were recycled into global and US equity funds or passive trackers, driving positive valuation momentum in non-domestic equity markets and leaving UK equities trading at a stark discount to international peers heading into 2025; a discount even more pronounced among UK smaller companies, which are now 28%, 57% and 69% cheaper than UK large caps, US large caps and US smaller companies respectively.² The Manager believes in certain instances, valuations of portfolio companies are detached from their operating fundamentals with continued prospects of earnings growth, cash generation and sustainable and progressive dividends underpinning the potential for re-rating.

The period was also characterised by a combination of domestic and global political uncertainty which adversely affected UK equity markets and more so UK smaller companies. Many policies brought forward by the new Labour government in the Autumn budget were received negatively by investors, not least the reduced inheritance tax relief on AIM and the higher corporate costs precipitated by changes to national minimum wage and national insurance legislation. Following conversations with portfolio company management teams since the budget, we believe the recent corporate tax changes will have a broad-based inflationary impact on the UK economy as companies pass on higher costs to prices. We have seen this view mirrored by the upward trajectory of UK government bond yields in Q4, as markets expect higher interest rates for longer than previously assumed.

¹ Calastone UK equity fund flow data, 7 Jan 25.

² Bloomberg 12M forward price-to-earnings data as at 12 Jan 25 (Deutsche Numis Smaller Companies ex Investment Trusts plus AIM index versus FTSE 100, S&P 500, and Russell 2000 indices).

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

Despite a sentiment-based valuation de-rating across the UK smaller companies space in Q4 2024, we believe our focus on resilient business fundamentals such as structural growth trends, non-cyclical markets, high-quality financials (including over 20% EBITDA margins, strong cash generation, and very low financial leverage), and capable management teams executing on clear value creation strategies, underpins a highly attractive multi-year returns opportunity going forward.

Movements in Net Asset Value

As at 31 December 2024, the gross NAV of the Fund was £216.6m³, of which 94.3% was invested in UK equities. This compared to a NAV of £118.6m³ at the beginning of the period. The increase in NAV was primarily due to net inflows from unit holders amounting to £88.1m and a revaluation of the portfolio of £9.9m. The Fund generated a capital return of 9.5% over the year (based on C Sterling Accumulation share class) compared to the IA UK Smaller Companies sector which returned 6.3%.

Investment Activity

Investment activity was material during the period with the team deploying a total of £132.4m. The number of portfolio companies increased from 40 at the beginning of the period, to 41 at the end of the period. There were 9 full exits replaced by 10 new investments alongside selective follow-on investments made into existing portfolio companies.

Examples of new investments include: **Hollywood Bowl**, the UK's leading tenpin bowling operator and second largest player globally, which the Manager believes 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; **Youngs & Co Brewery plc**, which the Manager views 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 like-for-like 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; and **Restore plc**, 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 Manager made nine full exits including six due to takeovers. Organic exits include **LSL Property Services** and **Raspberry Pi** following fundamental shifts in the Manager's investment thesis.

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.

³ Based on 12pm valuation point

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

The Fund also made selective follow-on investments including into: **Team17 Group** an independent video game developer and publisher which has a strong market position, with earnings underpinned by a resilient back catalogue of durable franchises, which continues to trade at an attractive valuation; **Hostelworld**, the market-leader in the hostelling travel segment, which has a highly capable management team that has defined a clear organic growth strategy focused on its unique social platform, which underpins improved customers' economics and will help to drive operational leverage; and **Costain**, a leading UK infrastructure engineering and consultancy services provider which is positioned to benefit from UK infrastructure expenditure and which the Manager believes trades at a significant discount to intrinsic value.

Investment Performance

The Fund was placed 12th out of 43 in the IA UK Smaller Companies Sector delivering a return of 9.5% at 31 December 2024 (based on the C Sterling Accumulation share class); outperforming the IA UK Smaller Companies sector which returned 6.3%.

Key contributors to aggregate Fund performance during the period were **Trustpilot Group (+3.0% Contribution to Return ('CTR'))** as the business entered an earnings upgrade cycle due to continued strong bookings and annual recurring revenue (ARR) growth, driving a material organic re-rating during the year; **Keywords Studios (+2.1% CTR)** following a recommended cash offer from private equity firm, EQT Group, at a 67% premium to the prior day close; and **Ascential (+1.9% CTR)** following a recommended cash offer from Informa plc at a 57% premium to prior day closing share price, representing a 16.6x current year EV/EBITDA multiple.

Key detractors to aggregate Fund performance during the period were: **Next 15 Group (-1.3% CTR)** following a profit warning driven by weaker technology and government client spend and a large contract loss; **Impax Asset Management (-1.0% CTR)** which lost c.£6bn of AUM in December as ongoing St James's Place restructuring prompted mandate withdrawals, driving a 7% downgrade to the FY25 profit before tax forecast and de-rating to 5.5x EV/EBITDA (c.23% intra-day share price decline) which the Manager views as materially overdone relative to the fundamental impact; and **CVS Group (-1.0% CTR)** following confirmation that the UK's competition watchdog will launch a full investigation into the UK veterinary sector.

Outlook

Looking ahead to this year, we see a number of short-to-medium term factors supporting Fund performance prospects and believe our companies remain well positioned to offset external headwinds such as high interest rates, low economic growth, and UK government-driven cost inflation. We continue to see the benefits of our consistent and repeatable private equity approach to UK public market investing, leveraging a high-quality expert network to independently validate key investment judgements, providing a sustainable 'edge' over the wider market in terms of investment appraisal and portfolio monitoring.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

INVESTMENT MANAGER'S REPORT continued

We also see further upside potential to Fund performance from elevated takeover activity across UK equity markets heading into 2025. While the uncertainty around the Autumn budget led to an M&A slowdown in Q3'24, we observed an uptick in activity during Q4 and anticipate deal momentum continuing into this year. During 2024, buyers paid on average a 44% premium for UK companies, greater than the five-year average despite elevated deal funding costs amidst higher interest rates.⁴ From conversations with our private equity network, we understand that private buyers continue to assess the UK market for deal-flow opportunities given the attractive valuations on offer and the relative shortage of investment opportunities in a subdued private M&A market. With c.\$4 trillion of 'dry powder' yet to be deployed,⁵ we expect that takeover activity, alongside divisional carveouts, will offer attractive returns for the Fund in 2025.

We highlight an emerging nuance to this theme in the Smaller Companies space, with carve-outs – where a parent company sells a subsidiary company or business unit – of which there have been 20 'meaningful' instances over the year-to-date. Carve-outs are an underrated yet powerful way for UK companies to unlock real value, with several recent examples where businesses have sold off divisions at valuations higher than the prevailing group valuation – sometimes selling for more than the entire market cap. This shines a light on just how severely undervalued the remaining parts can be.⁴ For example, in early 2023 Ascential launched a strategic review of its three distinct business units: Digital Commerce, Product Design (WGSN) and a market-leading events business. While we considered each business to be high-quality, they were not complementary within a single group, a cohesive strategy became difficult to form and Ascential was left trading at a sharp discount to its implied sum-of-the-parts value. Management acknowledged these challenges, launched a 'break up' value creation plan, and ultimately sold all three business units for a total value of c.£1.9 billion versus a market capitalisation of £915 million prior to the announcement of the strategic review. Evidently, carve-outs can be a compelling tool for management teams to overcome market discounts and create shareholder value.

More broadly, we welcome calls for government reforms in 2025 to encourage UK pension fund participation in domestic equity markets, where they are materially under-penetrated today at defined contribution, defined benefits, and local government levels compared to other developed western nations.⁶ Any incremental liquidity as a result of supportive policies would aid marginal buying of UK shares and in turn offer the potential bridge the stark valuation arbitrage to other developed equity markets and precedent M&A transactions.

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

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Investment Manager

22 January 2025

⁴ Bloomberg data.

⁵ Charles Hall, 'Strategy', Peel Hunt Research, 2 Oct 2024.

⁶ Department for Work & Pensions, 'Pension fund investment and the UK economy.'

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund’s returns may have varied. It is a measure of the Fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

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

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Liquidity Risk: Smaller companies’ shares are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Concentration Risk: The Fund may invest in shares with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

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

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

C STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	157.95	147.52	174.83
Return before operating charges*	16.96	11.92	(25.79)
Operating charges	(1.43)	(1.49)	(1.52)
Return after operating charges	15.53	10.43	(27.31)
Distributions	(2.38)	(2.77)	(2.27)
Retained distributions on accumulation shares	2.38	2.77	2.27
Closing net asset value per share	173.48	157.95	147.52
* after direct transaction costs of:	0.53	0.42	0.70

PERFORMANCE

Return after charges	9.83%	7.07%	(15.62)%
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OTHER INFORMATION

Closing net asset value (£'000)	87,100	48,810	28,743
Closing number of shares	50,206,439	30,902,185	19,483,526
Operating charges ³	0.84% ²	1.00% ¹	1.00% ¹
Direct transaction costs	0.31%	0.28%	0.46%

PRICES

Highest share price	183.83	159.88	177.79
Lowest share price	152.70	138.95	136.86

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

² With effect from 1 February 2024 the ACD fee reduced to 0.75% from 0.90%.

³ From 1 February 2024, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figures of 0.85% is not exceeded.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	150.57	143.12	172.20
Return before operating charges*	16.19	11.62	(25.34)
Operating charges	(1.36)	(1.46)	(1.50)
Return after operating charges	14.83	10.16	(26.84)
Distributions	(2.27)	(2.71)	(2.24)
Closing net asset value per share	163.13	150.57	143.12
* after direct transaction costs of:	0.50	0.41	0.69

PERFORMANCE

Return after charges	9.85%	7.10%	(15.59)%
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OTHER INFORMATION

Closing net asset value (£'000)	16,609	1,853	1
Closing number of shares	10,181,468	1,230,462	740
Operating charges ³	0.84% ²	1.01% ¹	1.00% ¹
Direct transaction costs	0.31%	0.28%	0.46%

PRICES

Highest share price	175.25	155.15	175.14
Lowest share price	145.57	134.85	134.84

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

² With effect from 1 February 2024 the ACD fee reduced to 0.75% from 0.90%.

³ From 1 February 2024, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, with a view that the ongoing charges figures of 0.85% is not exceeded.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

F STERLING ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	96.17	89.37	105.45
Return before operating charges*	10.34	7.25	(15.62)
Operating charges	(0.50)	(0.45)	(0.46)
Return after operating charges	9.84	6.80	(16.08)
Distributions	(1.82)	(2.14)	(1.83)
Retained distributions on accumulation shares	1.82	2.14	1.83
Closing net asset value per share	106.01	96.17	89.37
* after direct transaction costs of:	0.32	0.26	0.42

PERFORMANCE

Return after charges	10.23%	7.61%	(15.25)%
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OTHER INFORMATION

Closing net asset value (£'000)	82,999	55,758	30,162
Closing number of shares	78,294,387	57,978,733	33,748,437
Operating charges	0.48% ¹	0.50% ¹	0.50% ¹
Direct transaction costs	0.31%	0.28%	0.46%

PRICES

Highest share price	112.17	96.90	107.24
Lowest share price	92.99	84.53	82.83

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

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

F STERLING INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	91.02	86.49	104.16
Return before operating charges*	9.80	7.04	(15.40)
Operating charges	(0.47)	(0.44)	(0.46)
Return after operating charges	9.33	6.60	(15.86)
Distributions	(1.73)	(2.07)	(1.81)
Closing net asset value per share	98.62	91.02	86.49
* after direct transaction costs of:	0.31	0.25	0.42

PERFORMANCE

Return after charges	10.25%	7.63%	(15.23)%
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OTHER INFORMATION

Closing net asset value (£'000)	29,045	11,206	6,574
Closing number of shares	29,452,579	12,310,227	7,600,326
Operating charges	0.48% ¹	0.50% ¹	0.50% ¹
Direct transaction costs	0.31%	0.28%	0.46%

PRICES

Highest share price	106.17	93.80	105.95
Lowest share price	88.02	81.82	81.83

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

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 December 2024 – Cumulative (%)

	1 year	3 years	5 years
WS Gresham House UK Smaller Companies Fund	9.45	(1.28)	37.42
IA UK Smaller Companies sector ¹	6.30	(20.63)	2.45

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per C Sterling Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to above performance being calculated on the latest published price prior to the 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 89 and 90.

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.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	UNITED KINGDOM – 94.30% (31.12.23 – 88.00%)		
	TECHNOLOGY – 12.16% (31.12.23 – 13.08%)		
	SOFTWARE AND COMPUTER SERVICES – 12.16% (31.12.23 – 13.08%)		
8,371,620	IDOX	5,274	2.44
5,991,744	Learning Technologies	5,866	2.72
1,731,708	MONY	3,325	1.54
4,274,910	Tribal ¹	1,932	0.90
3,205,690	Trustpilot	9,842	4.56
	TOTAL TECHNOLOGY	<u>26,239</u>	<u>12.16</u>
	TELECOMMUNICATIONS – 5.99% (31.12.23 – 5.03%)		
	TELECOMMUNICATIONS SERVICE PROVIDERS – 3.41% (31.12.23 – 5.03%)		
481,796	Gamma Communications	7,372	3.41
324,395	Telecom Plus	5,560	2.58
	TOTAL TELECOMMUNICATIONS	<u>12,932</u>	<u>5.99</u>
	HEALTH CARE – 4.80% (31.12.23 – 4.43%)		
	MEDICAL EQUIPMENT AND SERVICES – 4.80% (31.12.23 – 4.43%)		
1,227,036	Belluscura	104	0.05
264,139	Craneware	5,573	2.58
2,074,552	Spire Healthcare	4,668	2.17
	TOTAL HEALTH CARE	<u>10,345</u>	<u>4.80</u>

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	FINANCIALS – 13.08% (31.12.23 – 16.86%)		
	INVESTMENT BANKING AND BROKERAGE SERVICES – 11.16% (31.12.23 – 13.58%)		
352,185	Brooks MacDonald ¹	5,899	2.73
1,643,497	Impax Asset Management	4,060	1.88
1,868,371	Peel Hunt ¹	1,887	0.87
2,045,031	TP ICAP	5,276	2.45
2,043,203	XPS Pensions	6,967	3.23
		<u>24,089</u>	<u>11.16</u>
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.00% (31.12.23 – 0.14%)	<u>-</u>	<u>-</u>
	NON LIFE INSURANCE – 1.92% (31.12.23 – 3.14%)		
2,996,589	Sabre Insurance	<u>4,135</u>	<u>1.92</u>
	TOTAL FINANCIALS	<u>28,224</u>	<u>13.08</u>
	REAL ESTATE – 0.00% (31.12.23 – 1.04%)		
	REAL ESTATE INVESTMENT AND SERVICES DEVELOPMENT – 0.00% (31.12.23 – 1.04%)	<u>-</u>	<u>-</u>
	TOTAL REAL ESTATE	<u>-</u>	<u>-</u>
	CONSUMER DISCRETIONARY – 29.12% (31.12.23 – 19.43%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 0.00% (31.12.23 – 1.37%)	<u>-</u>	<u>-</u>

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	LEISURE GOODS – 6.78% (31.12.23 – 1.82%)		
4,365,045	Hostelworld	5,806	2.69
4,008,666	Team17	8,819	4.09
		<u>14,625</u>	<u>6.78</u>
	MEDIA – 4.62% (31.12.23 – 4.46%)		
1,151,551	Next 15 ¹	4,526	2.10
1,429,287	Wilmington	5,445	2.52
		<u>9,971</u>	<u>4.62</u>
	RETAILERS – 8.12% (31.12.23 – 4.81%)		
676,318	CVS	5,681	2.63
3,499,824	Halfords	4,585	2.13
3,432,739	Moonpig	7,243	3.36
		<u>17,509</u>	<u>8.12</u>
	TRAVEL AND LEISURE – 9.60% (31.12.23 – 6.97%)		
1,659,765	Hollywood Bowl	4,930	2.28
2,266,747	Loungers ¹	6,891	3.19
3,734,440	The Gym	5,557	2.58
270,000	Young & Co's Brewery	1,674	0.78
193,428	Young & Co's Brewery 'A'	1,671	0.77
		<u>20,723</u>	<u>9.60</u>
	TOTAL CONSUMER DISCRETIONARY	<u>62,828</u>	<u>29.12</u>
	CONSUMER STAPLES – 2.51% (31.12.23 – 2.14%)		
	FOOD PRODUCERS – 2.51% (31.12.23 – 2.14%)		
2,885,985	Premier Foods	5,414	2.51
	TOTAL CONSUMER STAPLES	<u>5,414</u>	<u>2.51</u>

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	INDUSTRIALS – 23.49% (31.12.23 – 22.43%)		
	INDUSTRIAL SUPPORT SERVICES – 23.49% (31.12.23 – 22.43%)		
25,617,759	Capita	3,586	1.66
5,904,393	Costain	6,259	2.90
1,183,622	Elixirr International ¹	8,404	3.89
2,366,947	Essentra	3,143	1.46
2,616,352	Fintel ¹	6,933	3.21
3,269,479	FRP Advisory ¹	4,741	2.20
1,479,618	Mears	5,341	2.48
2,082,797	Restore	4,999	2.32
1,733,306	Ricardo	7,280	3.37
		<u>50,686</u>	<u>23.49</u>
	TOTAL INDUSTRIALS	<u>50,686</u>	<u>23.49</u>
	ENERGY – 0.21% (31.12.23 – 0.66%)		
	ALTERNATIVE ENERGY – 0.21% (31.12.23 – 0.66%)		
1,085,938	Inspired ¹	<u>445</u>	<u>0.21</u>
	TOTAL ENERGY	<u>445</u>	<u>0.21</u>
	UTILITIES – 2.94% (31.12.23 – 2.90%)		
	WASTE AND DISPOSAL SERVICES – 2.94% (31.12.23 – 2.90%)		
4,067,934	Franchise Brands ¹	<u>6,346</u>	<u>2.94</u>
	TOTAL UTILITIES	<u>6,346</u>	<u>2.94</u>
	TOTAL UNITED KINGDOM	<u>203,459</u>	<u>94.30</u>
	BERMUDA – 0.00% (31.12.23 – 0.25%)		
2,043,492	R&Q Insurance ^{1,2}	<u>–</u>	<u>–</u>

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	IRELAND – 0.00 % (31.12.23 – 2.60 %)		
	CONSUMER DISCRETIONARY – 0.00 % (31.12.23 – 2.60 %)		
	LEISURE GOODS – 0.00 % (31.12.23 – 2.60 %)	–	–
	TOTAL CONSUMER DISCRETIONARY	–	–
	TOTAL IRELAND	–	–
	Portfolio of investments	203,459	94.30
	Net other assets	12,294	5.70
	Net assets	215,753	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Quoted on the Alternative Investment Market (AIM).

² Delisted security.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 December 2024

Total purchases for the year £'000 (note 15)	132,111	Total sales for the year £'000 (note 15)	45,518
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Fintel	7,905	Keywords Studios	10,245
CVS	7,249	Ascential	7,293
Team17	6,725	Alpha Financial Markets Consulting	7,126
Hostelworld	6,665	Smart Metering Systems	3,732
Impax Asset Management	6,144	Mattiolio Woods	3,544
Costain	5,651	Ten Entertainment	2,937
Hollywood Bowl	5,490	Raspberry Pi	2,615
Restore	5,434	Watkin Jones	1,334
Next 15	4,502	Elixirr International	1,274
Ricardo	4,254	Moonpig	1,242

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

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 December 2024

	Notes	£'000	31.12.24 £'000	£'000	31.12.23 £'000
Income:					
Net capital gains	3		11,808		5,030
Revenue	4	3,901		2,617	
Expenses	5	(1,159)		(657)	
Net revenue before taxation		2,742		1,960	
Taxation	6	–		–	
Net revenue after taxation			2,742		1,960
Total return before distributions			14,550		6,990
Distributions	7		(2,742)		(1,960)
Change in net assets attributable to shareholders from investment activities			11,808		5,030

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2024

	Note	£'000	31.12.24 £'000	£'000	31.12.23 £'000
Opening net assets attributable to shareholders			117,627		65,480
Amounts receivable on issue of shares		122,275		51,833	
Amounts payable on redemption of shares		(38,577)		(6,840)	
			83,698		44,993
Dilution levy	1(H)		–		30
Change in net assets attributable to shareholders from investment activities			11,808		5,030
Retained distributions on Accumulation shares			2,620		2,094
Closing net assets attributable to shareholders			215,753		117,627

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
BALANCE SHEET
as at 31 December 2024

	Notes	31.12.24 £'000	31.12.23 £'000
ASSETS			
Fixed assets			
Investments		203,459	106,869
Current assets			
Debtors	8	1,071	2,972
Cash and bank balances	9	12,127	9,381
Total assets		216,657	119,222
LIABILITIES			
Creditors			
Distribution payable	10	(739)	(288)
Other creditors	10	(165)	(1,307)
Total liabilities		(904)	(1,595)
Net assets attributable to shareholders		215,753	117,627

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. Accounting Policies

The accounting policies described on pages 17 to 19 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 19 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains

The net capital gains during the year comprise:

	31.12.24 £'000	31.12.23 £'000
Non-derivative securities	11,813	5,032
Transaction charges	(5)	(2)
Net capital gains	11,808	5,030

4. Revenue

	31.12.24 £'000	31.12.23 £'000
Non-taxable dividends	3,372	2,359
Bank interest	529	258
Total revenue	3,901	2,617

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

5. Expenses

	31.12.24 £'000	31.12.23 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,018	568
Legal and professional fees	11	12
Typesetting costs	4	4
Registration fees	53	27
TCFD fees	4	–
Refund of expenses from Investment Manager	(1)	(4)
	1,089	607
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	49	32
Safe custody and other bank charges	11	8
	60	40
Other expenses:		
Audit fees	10	10
Total expenses	1,159	657

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

6. Taxation

	31.12.24 £'000	31.12.23 £'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)	–	–

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

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%) (31.12.23: 20%). The difference is explained below:

	31.12.24 £'000	31.12.23 £'000
Net revenue before taxation	2,742	1,960
Corporation tax at 20%	548	392
Effects of:		
Non-taxable dividends	(674)	(472)
Prior year adjustment	–	1
Unutilised excess management expenses	126	79
Corporation tax charge	–	–
Total tax charge (note 6a)	–	–

c) Deferred tax

At the year end there is a potential deferred tax asset of £319,000 (31.12.23: £193,000) 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. Distributions

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

	31.12.24 £'000	31.12.23 £'000
Interim	–	–
Final	3,359	2,382
	3,359	2,382
Add: Revenue deducted on redemption of shares	439	66
Deduct: Revenue received on issue of shares	(1,056)	(488)
Net distributions for the year	2,742	1,960

Details of the distributions per share are set out in the table on pages 89 and 90.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

8. Debtors

	31.12.24 £'000	31.12.23 £'000
Amounts receivable for issue of shares	966	2,934
Accrued revenue:		
Non-taxable dividends	105	38
Total debtors	1,071	2,972

9. Cash and Bank Balances

	31.12.24 £'000	31.12.23 £'000
Bank balances	12,127	9,381
Total cash and bank balances	12,127	9,381

10. Creditors

	31.12.24 £'000	31.12.23 £'000
Distribution payable	739	288
Other Creditors		
Amounts payable for redemption of shares	31	131
Purchases awaiting settlement	–	1,095
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	105	58
Typesetting costs	4	3
Registration fees	6	3
TCFD fees	1	–
	116	64

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

	31.12.24 £'000	31.12.23 £'000
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	5	3
Transaction charges	1	1
Safe custody and other bank charges	2	2
	8	6
Other expenses	10	11
Total creditors	165	1,307

11. Related Party Transactions

The Annual Management Charge, TCFD fees and legal and professional fees payable to Waystone Management (UK) Limited ('WMUK') ('the ACD'), registration fees payable to Waystone Transfer Agency Solutions (UK) and typesetting costs payable to Waystone Administration Solutions (UK) Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

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 77 and amounts due at the year end are disclosed in notes 8 and 10.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 115,685 (31.01.23: nil) of the Fund's shares at the balance sheet date.

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 shareholder held in excess of 20% of the shares in issue of the Fund:

Baronsmead Venture Trust PLC 8.07% (31.12.23: 27.31%)

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.23: none).

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

13. Shares in Issue

	C Sterling Accumulation	C Sterling Income	C Euro Accumulation ¹
Annual Management Charge	0.75%	0.75%	0.90%
Opening shares in issue	30,902,185	1,230,462	250
Issues	27,510,400	10,028,447	–
Redemptions	(8,210,897)	(1,079,901)	(250)
Conversions	4,751	2,460	–
Closing shares in issue	<u>50,206,439</u>	<u>10,181,468</u>	<u>–</u>

	F Sterling Accumulation	F Sterling Income
Annual Management Charge	0.40%	0.40%
Opening shares in issue	57,978,733	12,310,227
Issues	40,356,817	17,972,574
Redemptions	(19,710,026)	(1,167,778)
Conversions	(331,137)	337,556
Closing shares in issue	<u>78,294,387</u>	<u>29,452,579</u>

14. 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.

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

¹ Share class closed 8 July 2024.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment 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.

As the Fund seeks to obtain its return from investing in equities and has no material exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(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 Fund did not employ any significant leverage during the current or prior year.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

(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 under normal and stressed market conditions, and the impact this would have on the structure of the Fund.

Based on this analysis 48.86% of the portfolio can be liquidated within 7 days and 77.72% within 30 days (31.12.23: 31.44% within 5 days and 57.44% 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 acceptable.

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 £10,173,000 (31.12.23: £5,343,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

15. Portfolio Transaction Costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.24				
Ordinary shares	131,619	210	282	132,111
Purchases total	131,619	210	282	132,111
Transaction cost % of purchases total		0.16%	0.21%	
Transaction cost % of average NAV		0.15%	0.16%	
Ordinary shares	45,576	(58)	–	45,518
Sales total	45,576	(58)	–	45,518
Transaction cost % of sales total		0.13%	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.12.24 is 0.99% (31.12.23: 1.55%).

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.23				
Ordinary shares	64,134	115	128	64,377
Purchases total	64,134	115	128	64,377
Transaction cost % of purchases total		0.18%	0.20%	
Transaction cost % of average NAV		0.13%	0.14%	
Ordinary shares	22,110	(14)	–	22,096
Sales total	22,110	(14)	–	22,096
Transaction cost % of sales total		0.06%	–	
Transaction cost % of average NAV		0.01%	–	

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

16. 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).

Other than those detailed as delisted on the Portfolio Statement, all investments held in the current period and prior year are ordinary shares categorised as Level 1.

17. Subsequent Events

As at 8 April 2025, the price of each of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	08.04.25	Movement
C Sterling Accumulation	174.04	154.97	(10.96)%
C Sterling Income	165.92	145.72	(12.18)%
F Sterling Accumulation	106.35	94.78	(10.88)%
F Sterling Income	100.67	88.18	(12.40)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 9 April 2025.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE

for the year ended 31 December 2024 – in pence 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	01.01.24
To	31.12.24

C STERLING ACCUMULATION SHARES

There were no interim distributions for the C Sterling Accumulation share class in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 28.02.25	Allocated 29.02.24
Group 1	2.3760	–	2.3760	2.7693
Group 2	1.2944	1.0816	2.3760	2.7693

C STERLING INCOME SHARES

There were no interim distributions for the C Sterling Income share class in the current or prior year.

Final	Net Revenue	Equalisation	Payable 28.02.25	Paid 29.02.24
Group 1	2.2654	–	2.2654	2.7065
Group 2	1.5382	0.7272	2.2654	2.7065

C EURO ACCUMULATION SHARES

There were no interim distributions for the C Euro Accumulation share class in the current or prior year. The share class closed 8 July 2024.

WS GRESHAM HOUSE UK SMALLER COMPANIES FUND
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

F STERLING ACCUMULATION SHARES

There were no interim distributions for the F Sterling Accumulation share class in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 28.02.25	Allocated 29.02.24
Group 1	1.8222	–	1.8222	2.1354
Group 2	0.6810	1.1412	1.8222	2.1354

F STERLING INCOME SHARES

There were no interim distributions for the F Sterling Income share class in the current or prior year.

Final	Net Revenue	Equalisation	Payable 28.02.25	Paid 29.02.24
Group 1	1.7266	–	1.7266	2.0679
Group 2	0.6807	1.0459	1.7266	2.0679

GENERAL INFORMATION

Share Capital

The minimum share capital of the Company is £1 and the maximum share capital is £50,000,000,000.

Structure of WS Gresham House Equity Funds

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

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

WS Gresham House UK Multi Cap Income Fund

WS Gresham House UK Smaller Companies Fund

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

Classes of Shares

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

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

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

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 922 0044.

GENERAL INFORMATION continued

Prices

The prices of all shares are published on every dealing day on the website of the ACD: www.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 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL 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 Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

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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