WS Gresham House UK Multi Cap Income Fund

Monthly commentary – May 2026

Past performance is not necessarily a guide to future performance. Portfolio investments in smaller companies typically involve a higher degree of risk. Capital at risk. Extracted portfolio performance is not necessarily indicative of the performance of the fund. Not to be construed as investment advice or recommendation. Views expressed by the investment team are correct at the time of writing but are subject to change. Portfolio companies have been selected for illustrative purposes and do not constitute investment recommendations.

Performance – May 2026

In May 2026, the WS Gresham House UK Multi Cap Income Fund increased by **1.6%**, underperforming the IA UK Equity Income sector which increased by **2.4%**.

Key positive contributions came from **Halfords (+0.4% Contribution to Total Return ("CTR")**), following a strong FY26 trading update which guided profits towards the upper end of market expectations, supported by resilient performance across both motoring services and retail operations, improving margins and continued operational discipline; **Gamma Communications (+0.2% CTR)**, following an in-line trading update and confirmation it is in preliminary discussions with multiple private equity firms (Providence Equity Partners and a consortium led by Epiris and Oakley) regarding a potential takeover offer; and **Quilter (+0.2% CTR),** on no company specific news flow.

The largest detractors were **GlobalData (-0.2% CTR),** despite no specific company news flow during the period; **Sainsbury's (-0.1% CTR)**, following the Financial Times report that the UK government was considering imposing food price caps on major grocers, meeting significant backlash from industry executives; and **Big Yellow Group (-0.1% CTR)**, despite full-year results in-line with market expectations underpinned by strong pricing power, high margins and continued new development rollout, offsetting sector cost headwinds and softer occupancy trends.

Portfolio activity – May 2026

The Fund made one full exit during the period from **Sabre Insurance** following a full review and our resultant lack of conviction that the key 'insurer-hosted pricing' initiative would drive attractive earnings growth and share price appreciation as intended. We took advantage of a material price rally in the market following full-year results to exit the position at an attractive level, re-deploying into higher-conviction opportunities which better align with our risk-adjusted returns criteria going forward.

The team made no new investments during the period. However, we did increase our position in **Rightmove**, the online UK property search portal, which we believe has structural competitive advantages in the form of its market-leading network effects and deep embeddedness within its B2B agency customers, underpinning the prospects of continued high single-digit organic growth at attractive profit and cash margins. We see the current valuation as dislocated from company fundamentals due to fears of AI-led disintermediation, a potential class-action lawsuit, and higher levels of growth investment, all of which are risks we believe to be overstated and already reflected in the current share price.

Please refer to the factsheet for full UCITS-compliant performance figures.

The IA UK Equity Income sector and FTSE All-Share Index comparator are used for illustrative purposes only.

Median 1-year forward P/E multiples across various international indexes, excluding investment trusts, sourced from Bloomberg data.

Important information

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