

WS Gresham House UK Smaller Companies 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 a 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 Smaller Companies Fund increased by **2.9%**, underperforming the IA UK Smaller Companies sector which increased by **4.7%**.

Positive contributors included **Capita (+0.7% Contribution to Total Return (“CTR”))**, following a trading update which highlighted strong revenue growth, contract win momentum and continued progress on operational simplification, including the disposal of its small but significantly lower-quality contact centre business; **Next 15 (+0.6% CTR)**, following annual results and trading outlook in-line with market expectations which re-iterated clear focus on executing accretive disposals, positioning key ‘track one’ assets for organic growth supported by AI opportunities, and resolving the legacy Mach-49 arbitration; and **Spire Healthcare (+0.4% CTR)**, following the announced takeover proposal from an existing significant shareholder, Toscafund, at a substantial 67% premium to the undisturbed share price (250p vs. 150p).

The largest detractors were **Trustpilot (-0.4% CTR)** and **Niox (-0.3% CTR)** despite no specific company news flow during the period; and **Princes Group (-0.3% CTR)**, following the unexpected departure of its UK CEO and despite full-year results which showed strong profit growth driven by self-help levers, more than offsetting industry cost pressures and global supply-chain disruption.

Portfolio activity – May 2026

The Fund made no new investments during the period.

However, the team made several follow-on investments including into: **AdvancedAdvT**, a scalable and growing consolidation platform led by a high-quality serial entrepreneur well-known to us, which is acquiring UK enterprise software assets focused on compliance, benchmarking and workforce management solutions, and which benefits from significant recurring revenue, high margins and a compelling market opportunity aligned to current AI adoption trends; and **Mortgage Advice Bureau**, a leading quasi-franchised network of UK mortgage and protection advisory firms which we believe has a scalable and highly cash generative business model, compelling market opportunities in all key product areas, and is successfully implementing various AI initiatives to grow advisor productivity and profit margins independently of wider market trends.

The Fund made one full exit during the period from **Spire Healthcare** following our waning conviction in the consistency of medium-term earnings growth due to a challenging and volatile government policy towards independents carrying out NHS work. This review was completed simultaneously to the positive share price reaction to the announced Toscafund takeover offer, which we viewed as an

attractive opportunity to realise value and re-deploy into higher-conviction opportunities elsewhere in the portfolio (see above).

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