

LF Gresham House UK Micro Cap Fund

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022



AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER ('AIFM')

LINK FUND SOLUTIONS LIMITED

Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
Telephone: 0345 922 0044
Email: investorservices@linkgroup.co.uk
(Authorised and regulated by the Financial Conduct Authority)

DIRECTORS OF THE ACD

C. Addenbrooke (retired 2 February 2022)
N. Boyling
B. Hammond
K.J. Midl
A.G. Reid
A.J. Stuart
E.E. Tracey

PORTFOLIO MANAGER

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

5 New Street Square
London EC4A 3TW
(Authorised and regulated by the Financial Conduct Authority)

DEPOSITARY

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

One Canada Square
London E14 5AL
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

REGISTRAR

LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone: 0345 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the Financial Conduct Authority)

INDEPENDENT AUDITOR

KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds LS1 4DA
(Chartered Accountants)

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ACD'S REPORT

for the half year ended 30 June 2022

Authorised Status

LF Gresham House UK Micro Cap Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales, under registered number IC714 and authorised by the Financial Conduct Authority ('FCA') with effect from 19 February 2009. The Fund has an unlimited duration.

The Fund is a Non-UCITS retail scheme and the base currency of the Fund is pounds sterling or such other currency as may be the lawful currency of the United Kingdom from time to time.

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

The AIFM is the legal person appointed on behalf of the Fund and which (through this appointment) is responsible for managing the Fund in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Interim Unaudited Report and Financial Statements include the AIFM as applicable.

ACD's Statement

Economic Uncertainty

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity, which was reflected in the fluctuations seen in the global stock markets. In the immediate period following its initial emergence and the global recognition of the seriousness of the pandemic, various national governments sought to provide financial support and stimulus to their economies, which, when combined with the development of effective vaccines to immunise populations around the world, and governments, society and businesses learning to operate in the post COVID-19 world, led to recovery in asset prices. However, whilst effective vaccines are now in use, their long-term effectiveness has yet to be determined, and there will continue to be an element of uncertainty as to the future. How this will translate into future asset pricing remains to be seen.

In the first quarter of 2022, the geopolitical situation started coming into sharp focus, culminating in February 2022 with Russia's incursion into Ukraine. The consequences of this development and the longer-term impact on the global economy are yet to be realised.

It must be recognised that the markets will remain fragile for a period of time and it is reasonably foreseeable that periods of instability, and consequently volatility in asset pricing, will emerge in the coming months.

Important Information

On 21 February 2022, the 'C' Euro Accumulation share class was launched in the Fund.

ACD'S REPORT *continued*

Investment Objective and Policy

The investment objective of the Fund is to achieve 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 in at least 70% of the scheme property by value in the shares of UK companies. The Portfolio Manager views UK companies to be those that are incorporated or domiciled in the UK; and listed or traded on a UK stock exchange.

The Fund will invest directly and/or indirectly at least 60% of the scheme assets by value, in a combination of UK companies that are either listed/traded on the Alternative Investment Market (AIM), or that have a market capitalisation of £250 million and below. The Fund may also invest directly and/or indirectly in shares of UK companies, which have a market capitalisation above £250 million; unlisted UK companies (limited to 10% of the scheme assets by value); non-UK companies, and corporate bonds. The Fund may also hold money market instruments, deposits and cash.

As part of the equities exposure the Fund may also invest in Real Estate Investment Trusts (REITs).

Investments in collective investment schemes is limited to 10%.

The Fund can invest across different industry sectors without limitation.

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

The Fund may use derivatives for Efficient Portfolio Management purposes.

The minimum investment amount and ranges 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, 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 and cash equivalents.

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 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 we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.

Securities Financing Transactions

The Fund 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.

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

31 August 2022

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 June 2022

Investment Strategy

Since inception in May of 2009 the Fund has maintained a consistent focus throughout its life on selecting high conviction, niche growth companies to back for the prospect of long-term capital growth. The Manager seeks to avoid excessive cyclical exposure and early-stage risk and instead focuses on areas of structural growth and segments where its sector expertise and private equity style proprietary fundamental research approach can uncover stocks that may be below the radar of many investors due to their size and limited research coverage.

Movements in Net Asset Value

As at 30 June 2022 the gross NAV of the Company was £212.0m¹ of which 95.2% was invested in equities with a concentration on micro cap companies. This compared to a NAV of £311.8m¹ at the beginning of the period. The decrease in NAV was a combination of net outflows from unit holders amounting to £22.2m and a downward revaluation of the portfolio of £77.6m. The Fund delivered a negative return of 25.6% over the period, compared to the IA UK Smaller Companies Sector which returned a negative 24.6%.

Investment Activity

H1 2022 saw significant market volatility, driven by a perfect storm of macro factors in a post-COVID world including inflationary pressures, interest rate rises and the cost-of-living squeeze. Russia's invasion of Ukraine at the end of February resulted in a sharp correction across global equity markets, being particularly pronounced in UK and European Equities. Commodity prices soared across key Russian and Ukrainian exports such as oil, natural gas and wheat, driving a rush to safe haven assets and adding significant inflationary pressure. CPI rose by 9.4% in the 12 months to June 2022, with the bank rate rising to 1.25% in response as predictions of a protracted recession in the UK and elsewhere reinforced the concerns around macroeconomic headwinds.

During 2022 we have focused on undertaking an in-depth, bottom-up risk review of the portfolio in the context of the economic headwinds in the market. This has driven some changes to portfolio weightings but largely has confirmed our view that the Fund is well positioned with a portfolio of relatively resilient businesses exposed to structural growth trends and with robust financials and low financial leverage. Whilst mindful of the shifting economic paradigm and the risks that all companies face, we are confident in how robust the business fundamentals are in the majority of our portfolio companies, as well as the margin of safety on valuation relative to our view of long-term fundamental value.

Despite the uncertain environment, we continue to believe that the longer-term opportunity within small cap UK equities, underpinned by the persistent discounted valuations applied both to the UK but more accentuated within the smaller companies segment, remains material. We remain selective and disciplined in our approach, seeking high-quality companies with attractive long-term sustainable capital growth characteristics at sensible valuations.

¹ Based on 12pm Valuation Point.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Investment activity was steady during the period as £7.1m was deployed primarily as follow-on investments into existing portfolio companies and into one new investment; the number of portfolio companies decreased from 51 to 50.

Divestment activity was also active with a number of positions fully exited, alongside some profit taking from strong performing companies. In aggregate £31.1m was received from the proceeds of divestments realising an aggregate positive return of 20.2%.

DIVESTMENTS

There were two full exits from the portfolio during the period. The Marshall Motors takeover by Constellation Automotive Group completed, resulting in a delisting of the shares in June 2022, generating a positive return of 101% relative to aggregate cost. The Fund also fully exited Accrol, returning a negative 48%, following a change in the Manager's view of the ongoing prospects of the stock, particularly in the face of macro headwinds.

There were also a number of holdings where the Manager chose to top slice positions in order to realise some profits from strong performers. These included Kape Technologies, Alpha Financial Markets Consulting, and Elixirr, all of which have seen significant share price outperformance versus the broader market across the investment period.

The Manager also took profits from some larger portfolio holdings as part of rebalancing. These included Franchise Brands which had become a significant holding following its merger with Filta Group (also previously held within the Fund).

NEW INVESTMENTS

There have been a relatively limited number of new investments so far during 2022 as the Manager has focused attention on an in-depth, bottom-up risk review of the portfolio in the context of the economic headwinds in the market. This has confirmed the Manager's conviction in the quality and resilience of the existing portfolio. The heightened market volatility has created opportunities to buy into attractive long-term growth stories at compelling valuations through market purchases after widespread selling pressure and more new investment activity is anticipated during the remainder of the year.

A number of top-ups were made at attractive entry points, including: Inspired, Angling Direct, Netcall, Trufin and ActiveOps (amongst other smaller follow-ons), all of which had seen significant share price weakness during the first half, but where the long-term opportunities remain very attractive.

In contrast to this period last year, deal activity has been relatively muted, with a number of IPOs either being delayed or cancelled however the Manager did participate in a select number of fundraises across existing portfolio holdings. These included a placing of new equity for Frenkel Topping to fund its ongoing acquisition pipeline and a placing for Silver Bullet to bolster its balance sheet and accelerate future growth. The Fund also added to its position in R&Q Insurance Holdings as part of its placing to raise \$125m, which was launched following the rejection at the special general meeting of a takeover offer from Brickell PC Insurance Holdings LLC.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

One new investment was made during the first half of 2022, into EKF Diagnostics, a developer and manufacturer of medical diagnostic products. EKF is a company the Manager has followed for a number of years playing into an attractive structural growth theme within the healthcare sector. The market discontinuity during the first half of 2022 provided an attractive entry point.

Investment Performance

The Fund's price per share decreased 25.6%¹ during the period (based on 'C' Institutional share class). This was a marginally weaker performance than the IA UK Smaller Companies Sector which decreased by 24.6% over the same period. In a period of heightened market volatility the Fund showed resilience against an unprecedented macro backdrop, where micro-cap UK stocks have been materially de-rated. The Manager is committed to targeting strong long-term risk-adjusted returns through employing disciplined risk mitigation processes, leveraging proprietary networks and focusing on quality businesses with sustainable income and structural capital growth dynamics across the market cap spectrum.

The Manager's strategy of focusing on less cyclical sectors and on established profitable niche growth businesses on sensible valuations has proven, over the long-term, to be more resilient during periods of weaker market sentiment and volatility. The Fund positioning seeks to provide attractive returns through the market cycle and lower than average volatility and greater consistency.

Key contributors to absolute performance during the period were Netcall, following a transformational multi-year contract win with a large international client; Franchise Brands, following its takeover of Filta Group; and Begbies Traynor, after its positive trading update indicating results comfortably ahead of expectations.

Detractors were Seraphine, following profit warnings linked to macro headwinds and increased customer acquisition costs; Knights Group, which announced a profit warning, citing Covid disruption; and musicMagpie, following a profit warning as management announced revised gross margin guidance, primarily driven by a tightening of the competitive environment.

Outlook

The Manager's core planning assumption is that continued political and economic uncertainty will drive market volatility throughout the remainder of the year and well into next. Markets have not had to deal with rising interest rates and elevated inflation for a considerable period of time and the medium-to-long term ramifications of this for share prices is uncertain.

The Manager does not seek to make major macroeconomic predictions or to tilt portfolio construction materially in any direction to mitigate or benefit from macro trends. Rather the core focus remains building a portfolio bottom up by investing in high-quality, resilient companies exposed to structural growth, key competitive advantages or self-help opportunities and maintain valuation discipline such that they could drive attractive investment returns over the medium-to-long term regardless of the economic environment.

¹ Based on 12pm Valuation Point.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

The Manager continues to believe that stock-level volatility across the market, while creating some challenges, will provide an attractive environment for investors to back quality companies with attractive long-term structural capital growth at reasonable valuations across the market cap spectrum. The economic environment and market discontinuity will provide agile smaller businesses with strong management teams the opportunity to take market share and build strong, enduring franchises.

The elevated levels of corporate activity within the UK equity space continues to play out. The investment process and private equity lens across public markets position enables identification of investment opportunities with potential strategic value that could be attractive acquisitions for both corporate and financial buyers.

The Manager continues to believe that over the long term the fundamentals-focused investment style has the potential to outperform. The Fund will maintain its focus on building a high-conviction portfolio of less cyclical, high-quality businesses with stable and growing earnings streams, and good cash flows. We believe these businesses can deliver strong returns through the market cycle regardless of the performance of the wider economy.

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

Portfolio Manager

24 August 2022

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 a 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 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 a risk free investment.

Currency Risk: As the Fund may be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

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.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means that 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 full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2022 relates to the 6 month period ending 30 June 2022. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2022, expressed as an annualised percentage of the average net asset value.

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.22 pence per share	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	6,485.28	5,194.70	4,906.03	4,063.74
Return before operating charges*	(1,612.88)	1,350.77	333.74	884.94
Operating charges	(27.50)	(60.19)	(45.07)	(42.65)
Return after operating charges	(1,640.38)	1,290.58	288.67	842.29
Distributions	–	–	–	(35.28)
Retained distributions on accumulation shares	–	–	–	35.28
Closing net asset value per share	4,844.90	6,485.28	5,194.70	4,906.03
* after direct transaction costs of:	0.50	4.86	8.39	6.52

PERFORMANCE

Return after charges	(25.29)%	24.85%	5.88%	20.73%
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OTHER INFORMATION

Closing net asset value (£'000)	54,310	72,699	58,231	55,019
Closing number of shares	1,120,973	1,120,973	1,120,973	1,121,465
Operating charges	0.97%	0.96%	0.98%	0.98%
Direct transaction costs	0.02%	0.08%	0.18%	0.15%

PRICES

Highest share price	6,688.77	6,696.21	5,293.52	4,970.99
Lowest share price	4,939.41	5,304.81	3,324.84	4,105.35

ACD'S REPORT *continued*
FUND INFORMATION *continued*
Comparative Tables *continued*
'C' INSTITUTIONAL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.22 pence per share	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	241.48	193.42	182.66	152.47
Return before operating charges*	(60.07)	50.30	12.44	33.10
Operating charges	(1.01)	(2.24)	(1.68)	(1.60)
Return after operating charges	(61.08)	48.06	10.76	31.50
Distributions	–	–	–	(1.31)
Closing net asset value per share	180.40	241.48	193.42	182.66
* after direct transaction costs of:	0.02	0.18	0.31	0.24

PERFORMANCE

Return after charges	(25.29)%	24.85%	5.89%	20.66%
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OTHER INFORMATION

Closing net asset value (£'000)	36,387	56,406	66,697	63,137
Closing number of shares	20,170,023	23,358,753	34,482,509	34,564,395
Operating charges	0.96%	0.96%	0.98%	0.98%
Direct transaction costs	0.02%	0.08%	0.18%	0.15%

PRICES

Highest share price	249.05	249.33	197.10	185.56
Lowest share price	183.92	197.52	123.80	154.04

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.22 pence per share	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	250.80	200.89	189.73	157.15
Return before operating charges*	(62.39)	52.24	12.90	34.23
Operating charges	(1.05)	(2.33)	(1.74)	(1.65)
Return after operating charges	(63.44)	49.91	11.16	32.58
Distributions	–	–	–	(1.36)
Retained distributions on accumulation shares	–	–	–	1.36
Closing net asset value per share	187.36	250.80	200.89	189.73
* after direct transaction costs of:	0.02	0.19	0.32	0.25

PERFORMANCE

Return after charges	(25.30)%	24.84%	5.88%	20.73%
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OTHER INFORMATION

Closing net asset value (£'000)	111,253	175,509	129,709	116,293
Closing number of shares	59,378,700	69,980,120	64,567,330	61,294,758
Operating charges	0.96%	0.96%	0.98%	0.98%
Direct transaction costs	0.02%	0.08%	0.18%	0.15%

PRICES

Highest share price	258.67	258.96	204.71	192.24
Lowest share price	191.02	205.15	128.58	158.76

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.22 pence per share	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	148.81	119.12	112.43	93.88
Return before operating charges*	(37.03)	30.99	7.66	20.38
Operating charges	(0.53)	(1.17)	(0.86)	(0.83)
Return after operating charges	(37.56)	29.82	6.80	19.55
Distributions	–	(0.13)	(0.11)	(1.00)
Closing net asset value per share	111.25	148.81	119.12	112.43
* after direct transaction costs of:	0.01	0.11	0.19	0.15

PERFORMANCE

Return after charges	(25.24)%	25.03%	6.05%	20.82%
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OTHER INFORMATION

Closing net asset value (£'000)	26	59	65	335
Closing number of shares	23,535	39,372	54,433	297,867
Operating charges	0.81%	0.81%	0.82%	0.83%
Direct transaction costs	0.02%	0.08%	0.18%	0.15%

PRICES

Highest share price	153.48	153.72	121.50	114.29
Lowest share price	113.43	121.65	76.22	94.87

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.22 pence per share	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	150.74	120.56	113.69	94.01
Return before operating charges*	(37.51)	31.36	7.76	20.52
Operating charges	(0.53)	(1.18)	(0.89)	(0.84)
Return after operating charges	(38.04)	30.18	6.87	19.68
Distributions	–	(0.17)	(0.12)	(1.01)
Retained distributions on accumulation shares	–	0.17	0.12	1.01
Closing net asset value per share	112.70	150.74	120.56	113.69
* after direct transaction costs of:	0.01	0.11	0.19	0.15

PERFORMANCE

Return after charges	(25.24)%	25.03%	6.04%	20.93%
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OTHER INFORMATION

Closing net asset value (£'000)	78	104	83	79
Closing number of shares	69,204	69,204	69,204	69,204
Operating charges	0.81%	0.81%	0.83%	0.83%
Direct transaction costs	0.02%	0.08%	0.18%	0.15%

PRICES

Highest share price	155.48	155.58	122.86	115.20
Lowest share price	114.90	123.12	77.08	95.02

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' EURO ACCUMULATION SHARES

	30.06.22 ¹ € per share
CHANGE IN NET ASSETS PER SHARE	
Opening net asset value per share	1.0000
Return before operating charges*	(0.2250)
Operating charges	(0.0030)
Return after operating charges	(0.2280)
Distributions	–
Retained distributions on accumulation shares	–
Closing net asset value per share	0.7720
* after direct transaction costs of:	0.0001

PERFORMANCE

Return after charges	(22.80)%
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OTHER INFORMATION

Closing net asset value (£'000)	–
Closing number of shares	250
Operating charges	0.96% ²
Direct transaction costs	0.02%

PRICES

Highest share price	0.9845
Lowest share price	0.7888

¹ From 21 February 2022.

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

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 June 2022 (%)

	6 months	1 year	3 years	5 years
LF Gresham House UK Micro Cap Fund	(25.57)	(23.80)	12.56	34.31
IA UK Smaller Companies sector ¹	(24.57)	(22.68)	9.15	19.70

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Institutional 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 the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

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.

ACD'S REPORT *continued*
PORTFOLIO STATEMENT
as at 30 June 2022

Holding	Portfolio of Investments	Value £'000	30.06.22 %
	DEBT SECURITIES – 2.83% (31.12.21 – 1.62%)		
£5,795,862	Hawkwing 8% 31/12/2022 ¹	4,536	2.24
£1,186,950	Silver Bullet 0% 31/12/2023 ¹	1,187	0.59
	TOTAL DEBT SECURITIES	<u>5,723</u>	<u>2.83</u>
	EQUITIES – 94.87% (31.12.21 – 95.65%)		
	UNITED KINGDOM – 90.00% (31.12.21 – 89.96%)		
	TECHNOLOGY – 14.84% (31.12.21 – 15.97%)		
	SOFTWARE AND COMPUTER SERVICES – 14.84% (31.12.21 – 15.97%)		
4,860,316	Access Intelligence	4,763	2.36
2,828,787	ActiveOps	2,065	1.02
592,762	Instem	4,327	2.14
1,369,992	Kape Technologies	4,521	2.24
2,279,005	Kooth	3,874	1.92
9,870,778	Netcall	7,995	3.96
33,952,407	Rossllyn Data Technologies	577	0.28
7,435,146	SysGroup	1,859	0.92
	TOTAL TECHNOLOGY	<u>29,981</u>	<u>14.84</u>
	TELECOMMUNICATIONS – 1.04% (31.12.21 – 0.99%)		
	TELECOMMUNICATION SERVICE PROVIDERS – 1.04% (31.12.21 – 0.99%)		
4,117,754	Bigblu Broadband	2,100	1.04
	TOTAL TELECOMMUNICATIONS	<u>2,100</u>	<u>1.04</u>

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2022

Holding	Portfolio of Investments	Value £'000	30.06.22 %
	HEALTH CARE – 2.69% (31.12.21 – 1.76%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 2.69% (31.12.21 – 1.76%)		
5,441,125	Diaceutics	4,897	2.42
1,717,768	EKF Diagnostics	550	0.27
	TOTAL HEALTH CARE	<u>5,447</u>	<u>2.69</u>
	FINANCIALS – 21.90% (31.12.21 – 18.78%)		
	FINANCE AND CREDIT SERVICES – 2.90% (31.12.21 – 1.74%)		
7,505,870	Trufin	<u>5,855</u>	<u>2.90</u>
	INVESTMENT BANKING AND BROKERAGE SERVICES – 14.30% (31.12.21 – 13.10%)		
5,445,770	Argentex	4,139	2.05
5,202,937	Frenkel Topping	3,954	1.96
1,060,987	Mattioli Woods	7,427	3.67
1,300,032	Tatton Asset Management	4,810	2.38
6,619,243	XPS Pensions ²	<u>8,572</u>	<u>4.24</u>
		<u>28,902</u>	<u>14.30</u>
	CLOSE ENDED INVESTMENTS – 4.49% (31.12.21 – 3.74%)		
5,143,588	AdvancedAdvT	3,909	1.94
1,841,700	Strategic Equity Capital ^{2,3}	<u>5,157</u>	<u>2.55</u>
		<u>9,066</u>	<u>4.49</u>
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.21% (31.12.21 – 0.20%)		
2,670,709	TMT Acquisition	<u>427</u>	<u>0.21</u>
	TOTAL FINANCIALS	<u>44,250</u>	<u>21.90</u>

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2022

Holding	Portfolio of Investments	Value £'000	30.06.22 %
	CONSUMER DISCRETIONARY – 21.26% (31.12.21 – 23.07%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 0.00% (31.12.21 – 1.19%)		
237,782	Mar City ⁴	–	–
	PERSONAL GOODS – 0.45% (31.12.21 – 2.07%)		
3,007,021	Seraphine	902	0.45
	MEDIA – 0.25% (31.12.21 – 0.19%)		
13,333,333	Hawkwing ^{2,5}	508	0.25
	RETAILERS – 9.03% (31.12.21 – 9.17%)		
12,455,884	Angling Direct	4,733	2.34
7,628,712	Franchise Brands	10,146	5.02
3,913,145	musicMagpie	1,565	0.78
2,390,031	Virgin Wines	1,793	0.89
		18,237	9.03
	TRAVEL & LEISURE – 11.53% (31.12.21 – 10.45%)		
5,572,594	City Pub	4,458	2.21
1,204,056	Everyman Media	1,264	0.62
2,430,853	Loungers	4,376	2.17
9,815,141	Tasty	452	0.22
2,349,600	TEN Entertainment ²	4,770	2.36
3,071,238	The Gym ²	5,841	2.89
1,688,211	Tortilla Mexican	2,144	1.06
		23,305	11.53
	TOTAL CONSUMER DISCRETIONARY	42,952	21.26

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 30 June 2022

Holding	Portfolio of Investments	Value £'000	30.06.22 %
	INDUSTRIALS – 28.27% (31.12.21 – 29.39%)		
	CONSTRUCTION AND MATERIALS – 2.07% (31.12.21 – 2.19%)		
12,240,677	Costain ²	4,186	2.07
	INDUSTRIAL SUPPORT SERVICES – 26.20% (31.12.21 – 27.20%)		
1,993,008	Alpha Financial Markets Consulting	7,573	3.75
3,401,362	Anexo	4,082	2.02
2,058,859	Begbies Traynor	2,862	1.42
4,342,655	Driver	1,433	0.71
1,275,965	Elixirr International	7,528	3.73
3,686,821	Fintel	7,079	3.50
58,632,948	Inspired	8,091	4.00
1,525,729	Knights	1,297	0.64
1,527,015	Ricardo ²	5,497	2.72
1,641,868	Silver Bullet Data Services	1,478	0.73
12,931,226	Staffline	6,013	2.98
		<u>52,933</u>	<u>26.20</u>
	TOTAL INDUSTRIALS	<u>57,119</u>	<u>28.27</u>
	TOTAL UNITED KINGDOM	<u>181,849</u>	<u>90.00</u>
	BERMUDA – 2.54% (31.12.21 – 2.55%)		
4,809,033	R&Q Investment	5,122	2.54
101,458	R&Q Investment <i>Rights</i>	<u>2</u>	<u>–</u>
	TOTAL BERMUDA	<u>5,124</u>	<u>2.54</u>
	ISRAEL – 2.33% (31.12.21 – 3.14%)		
4,594,769	Windward	4,710	2.33
	TOTAL EQUITIES	<u>191,683</u>	<u>94.87</u>

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2022

 Holding	 Portfolio of Investments	 Value £'000	 30.06.22 %
	Portfolio of investments	197,406	97.70
	Net other assets	4,648	2.30
	Net assets	<u>202,054</u>	<u>100.00</u>

The investments are ordinary shares quoted on the Alternative Investment Market (AIM) unless stated otherwise.

¹ Unlisted security.

² Listed on a regulated market.

³ Closed end fund.

⁴ Delisted security.

⁵ Suspended security.

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2022

Total purchases for the half year £'000	7,117	Total sales for the half year £'000	31,642
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Inspired	1,188	Kape Technologies	6,029
Silver Bullet 0% 31/12/2023	1,187	Alpha Financial Markets Consulting	5,125
Angling Direct	800	Marshall Motors	3,655
Netcall	785	Franchise Brands	3,459
Silver Bullet Data Services	755	Mattioli Woods	2,891
Trufin	712	Accrol	2,649
EKF Diagnostics	550	Elixirr International	1,798
ActiveOps	349	XPS Pensions	1,460
R&Q Investment	312	Fintel	236
Diaceutics	265	Staffline	203

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

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

31 August 2022

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2022

	£'000	30.06.22 £'000	£'000	30.06.21 £'000
Income:				
Net capital (losses)/gains		(74,481)		62,061
Revenue	1,036		1,039	
Expenses	(1,242)		(1,525)	
Interest payable and similar charges	(1)		–	
Net expense before taxation	(207)		(486)	
Taxation	–		–	
Net expense after taxation		(207)		(486)
Total return before distributions		(74,688)		61,575
Distributions		–		–
Change in net assets attributable to shareholders from investment activities		(74,688)		61,575

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2022

	£'000	30.06.22 £'000	£'000	30.06.21 £'000
Opening net assets attributable to shareholders		304,777		254,787
Amounts receivable on issue of shares	20,249		74,817	
Amounts payable on redemption of shares	(48,284)		(72,580)	
		(28,035)		2,237
Dilution levy		–		111
Change in net assets attributable to shareholders from investment activities		(74,688)		61,575
Closing net assets attributable to shareholders		202,054		318,710

The above statement shows the comparative closing net assets at 30 June 2021 whereas the current accounting period commenced 1 January 2022.

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 June 2022

	30.06.22 £'000	31.12.21 £'000
ASSETS		
Fixed assets		
Investments	197,406	296,412
Current assets		
Debtors	6,831	576
Cash and cash equivalents	4,360	8,057
Total assets	<u>208,597</u>	<u>305,045</u>
LIABILITIES		
Creditors		
Other creditors	<u>(6,543)</u>	<u>(268)</u>
Total liabilities	<u>(6,543)</u>	<u>(268)</u>
Net assets attributable to shareholders	<u>202,054</u>	<u>304,777</u>

INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2022

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021 and are described in those annual financial statements.

The financial statements 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 the Fund's ability to continue as a going concern, and is satisfied it has 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, expense projections, key service provider's operational resilience, and the impact of COVID-19. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

GENERAL INFORMATION

Share Capital

The minimum share capital of the Fund is £1,000,000 and the maximum share capital is £500,000,000.

Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

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 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 the Fund is at 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling Shares

The ACD will accept orders to buy or sell 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.

Prices

The prices of all shares are published on every dealing day on the ACD's website: www.linkfundsolutions.co.uk. 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 the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

Shareholders who have any complaints about the operation of the Fund 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.

GENERAL INFORMATION *continued*

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.



 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0345 922 0044

 linkfundsolutions.co.uk