A Marketing Communication regarding the

WS Raynar UK Smaller Companies Fund

a sub fund of: WS Raynar Portfolio Management Funds

Featured Share Class: F Accumulation

Quarterly Report March 2025

RAYNAR PORTFOLIO MANAGEMENT

Portfolio Manager:

Philip Rodrigs

Founder of Raynar Portfolio Management

18 Years Experience: Managing UK equity funds since 2006, Philip is a multi award winner. Honoured as an all-sector Morningstar 'Outstanding Talent', Philip has been twice named as IW's UK Small Cap Fund Manager of the Year.

Launch Date:	1 July 2024
Fund AUM:	£34.8m
Raynar AUM:	£121.2m
Valuation Point:	12 Noon
ISA Eligible:	Yes
Year End Date:	30 April

Risk & Reward Profile:

Typically lower rewards — Typically higher rewards

Lower risk — Higher risk

1	2	3	4	5	**6**	7

This fund is ranked 6 because its investment universe has experienced relatively high rises and falls over the past five years

Platform Availability:

- Aegon
- AJ Bell
- Allfunds
- Aviva
- Barclays
- Calastone
- EFG Bank
- Fundsettle
- Hargreaves Lansdown
- HSBC
- Interactive Investors
- Quilter
- Platform Securities
- Raymond James
- UBP Bank
- UBS
- Waystone (direct)

Others available – please enquire

Fund Objective

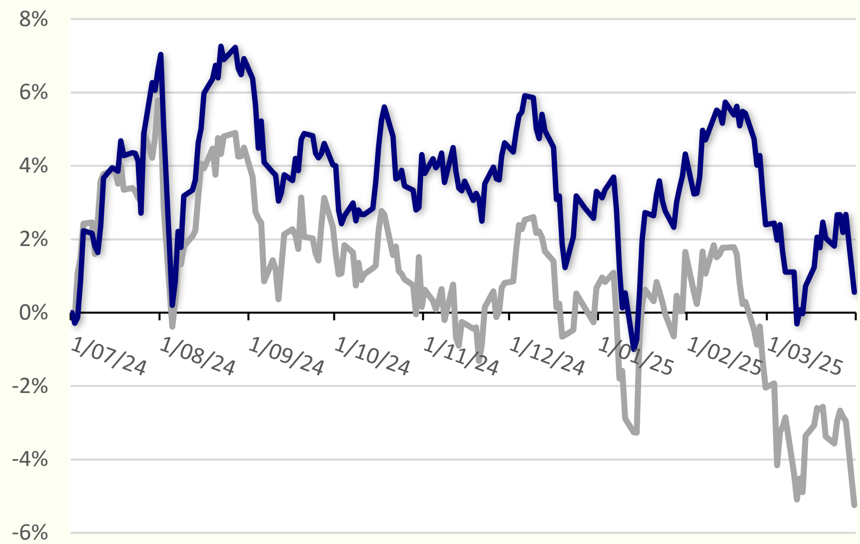
To achieve capital growth, over any five-year period, after all costs and charges incurred. Capital invested is at risk and there is no guarantee the objective will be achieved over the time period.
The fund will invest at least 80% of the value of its assets in a diversified portfolio of smaller companies that are incorporated, domiciled or have a significant part of their business in the UK.

Fund Performance

Fund NAV: Class F – Accumulation shares total return

Benchmark: Deutsche Numis UK Smaller Companies plus AIM ex Investment Companies Total Return index

Performance (%) since Fund Launch:



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	Since Launch
Fund	-1.8%	-2.7%	-3.3%			+0.6%
Index	-3.3%	-5.9%	-7.4%			-5.3%

	2024 (Jul-Dec)	2025 to date
Fund	+3.3%	-2.7%
Index	+0.7%	-5.9%

Source: BNY. This performance information relates to the past. **Past performance is not a reliable indicator of future returns.** Investing involves risk. The value of an investment can go down as well as up which means that sale proceeds could be less than you originally invested.

Overall Fund Performance:

The Net Asset Value per share of the F Class Accumulation shares net of all costs closed at 100.56 resulting in a negative 2.7% total return for the first quarter. This was a performance of +3.2% ahead of the fund's Benchmark, maintaining a record for outperforming in all three of the quarters since the Fund's launch. The Deutsche Numis UK Smaller Companies + AiM ex Investment Trusts Total Return Index fell by 5.9% this quarter, taking it to a 5.3% decline since 1st July 2024 and therefore the total outperformance by the Fund since inauguration was +5.9%. According to publicly available data, this is the strongest performance amongst the peer group of UK Smaller Companies Funds.

The outperformance of the Fund developed from the middle of the quarter which is pleasing as it coincides with the busy annual results reporting season, suggesting that on average the market greeted the results of held companies more positively than overall.

Market Background:

A lot of the background noise influencing the market this quarter stemmed from the US with the commencement of Donald Trump's second term. As a lot of this was building up to events in early April this will be covered in the Market Outlook section. Before you skip there, underneath the surface there were quite a few positive surprises for the UK and European economies during the first quarter worthy of note:

In what turned out to be a flash in the pan, the quarter started poorly for sentiment towards the UK economy with the crux of the issue being that the Chancellor Rachel Reeves had decided to leave herself an uncommonly narrow degree of wiggle room against her own rules at the Autumn budget which depended on a 2025 growth estimate of 2%. As the cost of borrowing for the UK Government as measured by the yields on bonds rose in lockstep with other Western bond markets, investors focused on the fact that if they were to stay elevated then the £9.9bn headroom would be absorbed by higher interest costs over the next five years.

At stake is whether Labour stand fast with fiscal discipline or slip down the Lizz Truss route. The outcome of the Spring Statement in March confirms that this Government is very committed to fiscal discipline and, despite higher yields and a reduction to a more realistic growth estimate, was able to balance the books back to a £9.9bn headroom from a mixture of some of their growth initiatives being factored in as well as implementing welfare reform that lowers the fiscal burden. Done right, incentivising those that can to return to work is a boost to the economy as well as government finances. However, whilst the statement this time closed the chapter with limited drama, the limited headroom means the focus is already shifting to next Autumn's budget. The key influences on the degree of required tax rises if any will be how the economy performs, how interest rates evolve and what initiatives the Government can announce between now and then.

With regards to how the UK economy performed, the news improved progressively through the quarter. At the start of the quarter was the realisation that the doom-and-gloom narrative perpetuated by the Labour party to 'sell' the Budget (successfully achieved judging by the calm bond market) did in fact cause a real economic effect through most of the second half, stalling what had been strong and better than expected growth in the first half of 2024. With expectations reset downwards, the remainder of the first quarter of 2025 has seen the UK economy generally surprise positively, with faster than expected growth. The sense is that despite the ongoing incessant negative narrative, in reality consumers and businesses are getting on with things. Consumers have enjoyed rapidly growing real disposable income with a lot of the increase appearing to be saved but not necessarily all. Businesses are dealing with the tax rises but not in a way that has resulted in a sudden stop. Meanwhile, the other side of that coin is that government spending has increased.

Importantly, despite the positive surprises on the economy, inflation also positively surprised by generally coming in below forecast. This shows that the lagged effect of the medicine of high interest rates is working. Punchy inflation forecasts through the summer are now being moderated thanks to significant drops in the price of oil and natural gas. Reducing inflation expectations opens the door to faster interest rate cuts by the Bank of England than had looked likely after the February rate cut announcement. This feeds into a falling cost of interest for the government which reduces the degree of tax hike fears in Autumn. Incidentally, the best guess at this stage is that 'tax hikes' are most likely an extension of allowance threshold freezes.

Whilst the UK is standing out for its fiscal discipline, there was quite a dramatic change in approach that transformed the formerly gloomy outlook for continental Europe. The catalyst came from the US. Digging beneath the surface, a lot of what is going on can be explained by evaluating the situation in Ukraine. The development of warfare technology to include drones has far reaching consequences. One of those is the growing realisation that the decisive advantage of advanced American weapon technology is less than it once was. Whilst the war is broadly at a stalemate, achieving this is far more expensive for the US than would have been expected. Small wonder then that the message is going out that the security of countries beyond its own is their problem. The European technocrats have woken up to the reality that under-spending on defence is no longer tenable long term.

In order to finance a material increase in defence spending, fiscal rules have needed breaking – none more so than in Germany. Over a decade, Germany has gone from the driving force of European economic growth to being the one dragging down the continent. In large part this is due to China responding to Trump's first term by organising itself to be self sufficient in many industrial technologies, to the extent that China has become superior in many areas at the expense of European manufacturing. With no easy way back to boom times for Germany and other parts of Europe, the momentous decision has been taken to remove the extreme fiscal discipline entailed by the German self-imposed 'debt-brake' and to borrow considerably to fuel infrastructure and other spending. This and other moves promise a borrowing-fuelled spending boom in Europe which has lit a fire under European equities. The bond market naturally went the other way given the prospect of more supply of bonds, but yields remain materially below the UK's levels – so far...

These developments explain the little-anticipated market moves over the first quarter. The major European index returned +9.1% followed by +6.1% for large UK companies. This contrasts with a sterling total return of -7.2% for the S&P 500 and -13% in sterling for the Nasdaq. For the US indices this marked a major transition from the euphoric gains either side of the US election that resulted in the return to power for the Republicans.

Market Outlook

From lowered expectations, the UK economy has put together a string of positive surprises with better-than-expected growth and lower than expected inflation during the first quarter. This is allowing for a greater belief that the Bank of England could continue or even accelerate its pace of economy-boosting interest rate cuts. After months of behind-the-scenes analysis, there remains the hope that the Labour government come good on their growth-growth-growth mantra and surprise the market with further growth enhancing initiatives and efficiencies. Sensible negotiations to improve post-Brexit trade relations with Europe may also come to fruition in 2025, alongside a potential to benefit from their defence spending – one of the UK's most significant exports. The potential for a re-acceleration through 2025 for the UK economy remains a base case. However, the outlook is heavily influenced by the transformations occurring in US policy. That influence may net out as positive for the UK stock market, including the potential to catalyse powerful investment inflows, reversing trends that have taken the market to very attractively valued levels.

There are two broad impacts from US policy – the impact on the global economy, and the potential for the long-term reassessment of the relative attractiveness of the US equity market versus all other asset classes. The latter means that it is not a foregone conclusion that 'when the US sneezes, Europe catches a cold'. The US could endure a recession whilst European markets including the UK attract meaningful inflows that outweigh any short-term economic disruption.

So, what is Trump up to? This is difficult to answer as it is not certain whether individuals in the administration truly understand what they are doing and whether Trump is following a coherent pre-defined plan. What is for sure is that they are committed to the idea to break up the status quo, doing it quickly, and then reaping the hoped-for benefits later. The deliberate policy blitz also allows for distraction from important acts that they don't want attention on. Moves to create the ability for Trump to have a third term in some form seem serious, for example. Throwing things up in the air and creating maximum uncertainty seems to be deliberate, reflecting modern thinking amongst silicon valley management. It is not clear whether an entire economic system can cope with this approach, however.

The policy blitz leading up to the 'Liberation Day' tariff announcement may be looked back on as a span of weeks 'where decades happen'. An interpretation of the underlying forces at work is that the US has come to a realisation that it cannot continue to be the dominant global power whilst outsourcing so much globally in a way that has hollowed out a large swathe of the voting public. The experience in the Ukraine suggests that the US now recognises that its ability to deliver security to other nations to support its globalised supply chain is beyond its spending power. Reining that in and instead building 'fortress America' which includes restoring key manufacturing onshore makes sense in this context. Gaining self-sufficiency in oil production may well have been the catalyst that allows this course of action. This means there is credibility in the notion that we are living through a time that changes the long-term course of global economics.

Alongside bullying allies into spending more on defence, the imposition of tariffs has made America's decision to change course a problem that has to be addressed by the whole world, including penguins. The core focus seems to be funding tax cuts by reducing the bloat of government and raising funds with stealth taxes – aka tariffs. US imposed tariffs are ultimately a tax paid for at the point of consumption by the consumer. Given that the US does not have a central Value Added Tax (VAT), tariffs in effect are creating a new source of government revenue akin to VAT. However, this form of VAT – if it is believed to be something that continues for a long time – does create incentive for inward investment into the US economy, creating jobs, so it is a more versatile tool than blanket VAT. Unfortunately, introducing a new tax is difficult to do without generating inflation. Knowing this, the best way to quell inflation is with a recession, which is then cured with subsequent interest rate cuts.

A potentially coherent plan. But it is one thing to confuse voters, it is another to hoodwink the markets. The 'Liberation Day' tariff announcements clearly went too far, crashing the equity market. That wasn't enough - the true problem came when bond markets stopped welcoming the prospect of recession-induced interest rate cuts and instead started falling as the ability for the US to pay its debts started to be questioned. This occurred alongside a plunging US dollar and a surging gold price – evidencing that real damage has been done to confidence in US credibility. If this sounds familiar, it's because it is – Donald Trump copied the Liz Truss playbook and the result was the same. Trump will keep his job though, despite the enforced U-turn. If that wasn't enough, Trump was forced to perform an about turn on comments suggesting he would fire US Fed Governor Powell. Market pressure won again.

A phrase that had come to prominence over the past year was 'US exceptionalism'. This was a catch-all to summarise how the US equity market was steam-rollering every other asset class and would continue to do so based on a variety of irreplaceable qualities, such as being home to unbeatable tech monopolies. The announcement that China's DeepSeek could match US AI after only a few months punctured that myth. Another crucial myth, which Trump likes to lean on, is that the US Dollar will always be essential for other countries to rely on. For the oil trade in particular, countries around the world have needed to hoard US dollars to ensure they can maintain the ability to make essential purchases. These dollars are usually stored by buying US Treasury bonds. Whilst the US dollar is the 'reserve currency of the world', its issuer, the US, enjoys the 'exorbitant privilege' of being able to issue ever more dollars, and ever more bonds to pay for goods bought overseas.

That's not a problem if the US dollar can be relied on as a store of value and that owning US bonds is 'risk free'. But in recent years the weaponising of the exorbitant privilege by seizing the assets of any actor the US government decides to fall out with means US bonds are not so risk free. Whilst many can sympathise regarding Russia, taking the same action against Colombia over a couple of deportation flights sounds the alarm. In his tariff negotiations, Trump may well be finding that large bond owners such as China and Japan might be pointing out that not having them as willing buyers of US debt could be highly undesirable! To see the consequences in action one need look no further than the price of gold in US dollars. If the US dollar and bonds are becoming less trustworthy, the value of the dollar against the original and ultimately trusted store of value – gold – plunges (i.e. the price of gold rises). This naturally leads to losses of value for foreign owners of US denominated and/or earning assets. This is not exceptional in a good way…

In addition to kicking out these crucial pillars upon which the US equity bull run was built, there is the economic impact of the approach the Trump administration has taken to 'negotiation'. Rather than negotiation, one could instead characterise it as bullying. The trouble is that the bully's muscle is shrinking before our eyes, given that belief in US exceptionalism is vanishing. With the perception that the trade deals could deliver anything genuinely 'phenomenal' for the US reducing, the end result of 'Liberation Day' is looking increasingly likely to be a recession of the US economy. This is because the ramping up of uncertainty that may work in a board room is a bucket of icy water over the economy as a whole. Decision making freezes, causing a 'sudden stop' for activity. The US economy shrank due to heavy pre-tariff importing in the first quarter but also slowing consumer spending. Putting oneself in the shoes of a CEO of any major multinational firm would immediately help one realise that the right thing to do is to stop what you're doing, wait and see, and don't make any major decisions until things are deemed settled. This includes making investments to onshore into the US, as it remains unclear to the extent that US tariffs would 'protect' such investment. Tariff driven investment would only need to occur because the US was uncompetitive vs other global sources without a government decision to impose a tariff. If the longevity of tariffs is days rather than decades then it will take a lot to convince CEOs to make such decisions even when the dust settles.

A US self-manufactured recession is uncomfortable but not necessarily enough to drive other economies into recession by itself. The disruption to trade due to tariffs is likely more meaningful. However, at the time of writing, the in-force tariffs for the majority of trading partners is 10%. This is not a level which would completely stop trade. If importing at wholesale price, the 10% could be 5% or less for end consumers – so there would be demand moderation but not necessarily collapse. Clearly higher tariffs would have a greater impact and cause a more widespread slowdown. Virtually all trading subject to 145% tariffs is likely to have ceased between China and the US for example, although China seems confident its stimulus programmes can yet help it deliver to its 5% GDP growth objective. In truth, it seems that US firms with Chinese supply chain are more deeply affected than China which has planned over the last 8 years for this eventuality. It would appear that Trump is in the weaker position from his own 145% tariff than his opponent. Back home, the UK has already earned itself favourable treatment with no extra tariff beyond the 10% base level. The hope remains that this may subject to downward negotiation if the UK is selected as a partner to show what a 'good deal looks like'. If the UK secures relatively favourable treatment into the medium term, this could lean to her former strengths as a trading powerhouse if goods find their way to the US via the UK…

So as it stands, the pillars underpinning the US asset markets have been knocked out from under them, and the US is possibly amongst the worst affected economies from their own policies. At the same time, driven by US bullying, Europe is launching an unprecedented stimulus amidst low interest rates. Importantly, the UK appears to be relatively favoured with regards Trump trade negotiations, is observing stringent fiscal discipline and has the prospect of falling interest rates amidst lower than expected inflation – everything a global investor would want to see. The outlook for the UK stock market, whilst uncertain, could very well be significantly positive. A reversal of the multi-year trend of one-way traffic of investment into 'Global' (aka the US Mag 7) could be starting now and last for many years. At the commencement of what could amount to long term de-globalisation and increased nationalism, incentives that favour a patriotic support of investment within the home nation seem more likely now than before. We can only wait and see if that features as one of Labour's growth-growth-growth initiatives.

Top Ten Holdings	% of Fund
Just Retirement	2.1%
Greatland Gold	2.0%
Concurrent Technologies	2.0%
Telecom Plus	1.8%
Helios Telecom Towers	1.7%
Advanced Medical Solutions	1.7%
FRP Advisory	1.7%
Morgan Sindall	1.6%
AG Barr Beverages	1.6%
Alpha FX	1.6%
Total Number of Holdings	74

Sector Allocation*	% of Fund
Consumer Staples & Utilities	14.5%
Diversified Financial Services	14.0%
Technology	12.7%
Business Services	11.2%
Consumer Discretionary	9.5%
Basic Materials	8.6%
Real Estate & Fittings	8.0%
Manufacturing	7.7%
Construction	7.1%
Healthcare	2.7%
Cash	3.9%

*Sector Allocation Source: Raynar Portfolio Management. Sector categorisations are chosen by the portfolio manager which, in their opinion, best describes the predominant driver of the underlying investments. Investments may be re-categorised.

Portfolio Activity:

Whilst the investment philosophy focused on individual stock selection remains unchanged, the most striking outcome of this approach during this relatively active quarter was the resultant material reduction in exposure to *Diversified Financial Services* in favour of a material increase in exposure to *Technology*.

Wealth management firm **Quilter** repeatedly positively surprised during 2024 as multiple years of hard work came together with progressively improving inflows driving valuation higher. This success led to the promotion out of the Benchmark at the turn of the year, as the firm was no longer a Smaller Company. On borrowed time, the position was exited after one more positive update close to its peak, acknowledging that valuation had become full bearing in mind the aggressive representation of interest income in operating margins which is a risk given Bank of England cuts. In contrast, outflows were relentlessly weighing on **Jupiter** and **Liontrust** - fund management groups assembled by acquisition. The positive of that strategy is the ability to harness cost rationalisations which had supported the holdings but this was acknowledged as insufficient going forwards so both were exited during a market rally. On the other hand, wealth management firm **Brooks MacDonald** was added somewhat opportunistically after shares had been hit hard down nearly a third despite a very strong balance sheet and impressive new management at the helm. This appeared to be due to forced selling related to the decision to move from AIM to the main board and irrespective of signs that the new strategy was leading to operational progress.

Also promoting out of Benchmark and exited as a result was volatility beneficiary **Plus500**. The market had progressively welcomed diversification albeit this had come at the cost of lowered margins. Last of the *Diversified Financial Services* exits was a real wrench. It is no exaggeration to say that the characteristics of **Bank of Georgia** are amongst the best globally, which had already taken the firm beyond the Benchmark despite a very lowly valuation. Unfortunately, risk management features given that Q4 was dominated by unsavoury headlines from Georgia with apparent electoral fraud resulting in the Russia-leaning incumbent party staying in power and trying to suppress daily protests that followed. With a concern that any dip in the prior stellar economic growth of the country (which has been helped by the prior move towards joining the EU which has now been stopped) could result in harsh share price reactions, the shares were reluctantly exited.

The funds released enabled a raft of position initiations in the *Technology* sector. The strongest conviction was placed behind **AdvancedAdvT** and this rapidly paid off with an excellent trading statement propelling shares subsequently. The strange name honours predecessor incarnations of Chair Vin Murria's highly successful acquisition – improve – sale strategy of software firms with strong customer loyalty. With significant cash balances only partially deployed, the firm currently mainly serves the public sector which has been charged with addressing inefficiency by utilising tech and AI by the new Labour Government.

This theme recurs for **Alfa Financial Software** which is a British firm that now can justifiably claim global leadership in software for financial firms lending against assets such as industrial vehicles. An acceleration in winning new customers from incumbents with less advanced software bodes well. Software provider **Accesso** also leads its niche globally, servicing theme parks and other visitor attractions such as ski resorts. Previously very highly rated, the valuation has fallen dramatically lately – a feature across many UK listed *Tech* firms. Whilst that was exacerbated by delays last year, the firm delivered a stronger update this quarter which catalysed our interest. Also strengthening mainly due to improved organisation and cost control is **GB Group**. The shares had surged on this but subsequently pulled back significantly – perhaps due to it being listed on AIM. Providing identity and location information to online commerce firms, the relatively less volatile transactional revenue stream is attractive with the firm previously fending off takeover interest at higher levels.

Also enabled by technology but classified in *Diversified Financial Services* due to applying that to the field of handling online payments, **Boku** was added following a muted reaction to bumper earnings upgrades. Benefiting from a global network built to facilitate payments made via user mobile phone bills, the firm has invested considerably over several years to open myriad new channels to handle local payment methods that are often unique to individual countries. Used by many of the world's biggest tech firms, it is clear that this service is unrivalled and highly valued as a means to broaden their reach. As these firms have more channels opened, **Boku** is set to enjoy a re-acceleration. The earnings guidance upgrade speaks to strong visibility on this from management, supporting the purchase at an attractive level.

There were some departures from the *Tech* sector following disappointing results. **Beeks** provides and manages tech infrastructure related to near instantaneous financial instrument trading. Growth is coming from contracts to manage space within exchanges themselves. This excitement has propelled the shares so it was very disappointing for this to be offset by a surprising number of setbacks elsewhere that leaves a mountain to climb to meet expectations looking ahead.

Meanwhile *Technology Platform* **Trainline** went from hero last quarter to zero this as the position was exited after an in-line trading statement. However this came as a disappointment as it hadn't seemed likely that the firm would experience such a sharp slowdown that this implied. This came on top of what can be argued as an overly negative reaction to the news that the UK Government is proceeding with a potential rival to **Trainline**. Whilst it brings uncertainty years down the track, the theory that it is most likely to be a customer of **Trainline's** software platform has not supported the shares. The impact of the shares returning to prior levels was lessened by the trims undertaken near the turn of the year peak.

On the flipside, the ambition with the purchase of **Gamma Communications** was to capture the benefit of declines nearly as large. In this case shares of this dedicated provider of next-gen telecommunications had run hard through 2024 as the firm put together a long awaited strategy to replicate its UK success in Germany via M&A. Unfortunately the market considered the final piece of the puzzle to be an expensively priced acquisition which was exacerbated by the forced selling associated with the announced move to promote from AIM to the main board. This reset the valuation to levels orders of magnitude lower than achieved at all time highs or warranted for a sturdy compounder. To an extent this was funded by trimming **Zegona**, owner of Vodafone Spain, as it rocketed further on plans to realise value from network assets.

Genus is a global leader in pig genetics which has also descended from extremely rich valuations after years of earnings disappointment. New management have brought a focus on efficiency which has reversed that trend and sets the stage to benefit from a potentially transformative boost should their PRRS-resistant pig gain approval. **Genus** professionalises the age-old art of selective breeding and has focused a lot of effort on breeding in a natural resistance to a disease which is severe for the pigs as well as farm economics. The unique genes at the firm's breeding farms offer tremendous global monetisation potential.

Closer to home, **First Group** provides essential *Consumer Staple* services running buses and trains. Management have steadily addressed prior problems resulting in a highly cash generative group on the front foot to expand. Regularly beating expectations, it is not unhelpful that fuel prices are coming down. With Government re-nationalisation of trains fully anticipated, whilst benefiting from supportive initiatives for buses aiding net zero, **First Group** appears undervalued for its resilient earnings stream. Reduced earnings from trains weren't anticipated for **Renew**, however. Having been bought as a 'core holding' after a long track record of reliable delivery, it was disappointing that the firm reported slower than expected activity from the rail sector and so the shares were sold.

Consumer Discretionary firm **Hollywood Bowl** continues to enjoy an enviable track record of resilience. Relatively immune from leisure sector cost pressures due to a low staffing requirement, it can benefit from rising disposable income amongst consumers – especially as its offer has been increasingly good value with limited price rises of late. With prodigious cash flow funding an ongoing roll-out in the UK and now Canada, shares had gotten to a very low valuation bearing in mind past private equity interest in the sector. Finally, there is a suspicion that rapid rent rises have reduced the resilience for London small-firm servicing **Workspace**. An extending trend of lower occupancies drives caution and therefore exit.

Fund Performance Detail:

By far the top contributor this quarter was **Greatland Gold**. The shares delivered a stellar 88.4% return and ended as the second largest position in the portfolio despite some profit taking along the way. Having joined the register by facilitating the firm's fund raise to purchase top-tier Australian gold mine Telfer, the stars aligned in the quarter with the 19% surge in the price of gold. However, just as important was management delivering at pace with the asset producing better than expected. Rapid work to identify further resources to continue mining also boosted and the market is looking forward to further news leading up to the planned joint listing onto the Australian market. Despite the rise, there would still be further to go if shares were to match peer valuations.

South American gold miner **Hochschild** also produces silver but this wasn't the main reason for the lesser 23.6% increase. This was due to the firm causing consternation at its trading statement regarding costs. It was not until final results that it was clarified that the higher than expected costs were principally due to the higher commodity prices and currency moves rather than internally managed issues. Shares were 57.4% higher from their lows having taken the decision to retain the holding pending clarity. Fellow precious metal producer **Sylvania Platinum** also rose 38% this quarter.

Part of the reason for the rising price of precious metals were building concerns regarding the potential impact from Trump's ongoing tariff announcements. This naturally did have an effect on firms which may experience turbulence as a result of the uncertainty and adaptation to change. **Watches of Switzerland** is a unique retailer in that a large chunk of its business is from perceived resilient customers on years-long waiting lists for Rolex. However, tariffs on Swiss exports to the US would disrupt other parts of the business resulting in shares clocking in a 26.1% loss.

Global airport restaurant operator **SSP Group** served up a 17% reduction on fears regarding reduced travel in the US particularly. This may also have been exacerbated by concerns that the IPO of their prize Indian unit may be harmed. This misses the fact that **SSP** is seeking to buy in the IPO so a lower initial valuation is not necessarily bad. Global thread maker **Coats** unravelled by 16.3% despite its dominating market share and global footprint making it more likely to provide a solution to more clients than suffer long term impacts. And media firm with a US footprint **Future** fell 19.7% on the basis that firms may spend less during a US recession, irrespective of the argument that the ultra low valuation already largely addresses this concern.

Not all firms with a theoretical risk from tariffs fell. Top holding **Concurrent** does export defence electronics assembled in the UK to the US but shares rose 22.2% as the structural rise in growth from new management's strategy continued to be evidenced. With the US government as the customer, it also seems unlikely that demand from long term committed programmes will be allowed to be affected. Meanwhile the drive to complete the global Starlink satellite internet service is expected to continue to fuel powerful growth for **Filtronic**. Shares rocketed 34.2% on ongoing orders and ever closer collaboration.

A couple of *Tech* firms did drag on performance. **Trainline**, discussed above, was de-railed from the portfolio 35.5% below its December close, albeit this impact was lessened by meaningful trims around those peak prices. Meanwhile, **DotDigital** was pressured throughout the period to end 21.7% lower despite healthy in line results which featured the exciting forthcoming launch of a globally unique partnership with WhatsApp that provides an edge for their marketing communications management software as a service platform.

Other positive contributors in the *Healthcare* sector remind of the ever-present threat that third parties may drive shares up even if the market doesn't. **Alliance Pharma** received a bid anchored by its largest shareholder. Pressure from other long term shareholders and take-over specialists alike seems to have forced a further 5% to be added to the take-over price to win approval taking the total gain to 40.1%. Later in the quarter, wound mending specialist **Advanced Medical Solutions** advanced 17.4% on an approach by a private equity firm, about half a year after rumours came and went.

The busy results season was a largely positive affair although there is always scope for unexpected surprises amongst a widely diversified portfolio. **Renew**, discussed above, usually delivers reliably thanks to a constant stream of smaller sized maintenance projects for infrastructure customers. However, spending on rail seems to have dived during either or both of the new government or regulatory period transition resulting in an exit 27.7% down. **Kier** ended the period down 15.8% although this remains a headscratcher as results were fine with no discernible negatives. The same can be said for **Just Retirement** down 9.5% on strong results. The only quibble was that, after impressively achieving five-year guidance after only three years, management chose not to issue fresh objectives.

Positive results reactions included **SigmaRoc**. After a mammoth year of integration of a three-part acquisition across Europe, delivering and guiding inline was greeted with a 25.3% uplift across the quarter. This was aided by the revitalisation of European growth prospects with the large German stimulus programme seen to particularly benefit **SigmaRoc**'s building materials focus.

Oman and African mobile telecom tower owner and operator **Helios Towers** also benefited from a strong set of results showcasing compounding growth and comfortably inline guidance. Shares rose 16.5% which reverse most of last quarter's slump that was driven by apparent determined selling by specific shareholders unrelated to operational execution.

And finally, staying with telecoms and finishing with the second strongest contributor this quarter celebrates the 57.9% surge by Vodafone Spain owner **Zegona Communications**. Having been promoted out of the Benchmark after major gains in 2024, a 1% position was retained to onwardly capture the return on the original investment. This has seen the shares rise to being amongst the 100 largest companies listed in the UK, but further potential remains. The shares have rallied on decisive action to convert wholly owned cables into joint network infrastructure companies with Spanish peers that are then very attractive to infrastructure investors. Shares are now somewhat reflecting successful divestment but not all, hence the position continues to be run.

Share Classes	Class A Accumulation	Class A Income	Class F Accumulation	Class F Income
Inception Date	1st July 2024	1st July 2024	1st July 2024	1st July 2024
ISIN	GB00BRBGSY51	GB00BRBGSZ68	GB00BRBGT088	GB00BRBGT195
SEDOL	BRBGSY5	BRBGSZ6	BRBGT08	BRBGT19
Bloomberg Ticker	WSRPMAA LN	WSRPMAI LN	WSRPMFA LN	WSRPMFI LN
Minimum Initial Investment	n/a	n/a	£2m (Enquire)	£2m (Enquire)
Minimum top-up Investment	n/a	n/a	n/a	n/a
Initial Charge	0%	0%	0%	0%
Buying and Selling	Daily, 0%	Daily, 0%	Daily, 0%	Daily, 0%
Ongoing Charges Figure	1.07%	1.07%	0.82%	0.82%
of which Investment Management Charge	0.75%	0.75%	0.50%	0.50%

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RAYNAR PORTFOLIO MANAGEMENT

Important Information

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The Fund is subject to risks which are fully set out in the Fund's Prospectus, which is freely available from the Authorised Corporate Director of the fund - Waystone Management (UK) Limited (Contact : T : 0345 922 0044).

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