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 denominated in GBP

Quarterly Report March 2026

RAYNAR PORTFOLIO MANAGEMENT

Portfolio Manager:

Philip Rodrigs

Founder of Raynar Portfolio Management

Over 19 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:	£49.5m
Raynar AUM:	£144.2m
Valuation Point:	12 Noon
ISA Eligible:	Yes
Year End Date:	30 April

Risk & Reward Profile:

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	**5**	6	7

This fund is ranked 5 because its investment universe has experienced above average rises and falls over the past five years

Platform Availability:

- Aegon
- AJ Bell
- Allfunds
- Aviva
- Barclays
- Calastone
- EFG Bank
- Fundsettle
- Hargreaves Lansdown
- HSBC PB
- 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.

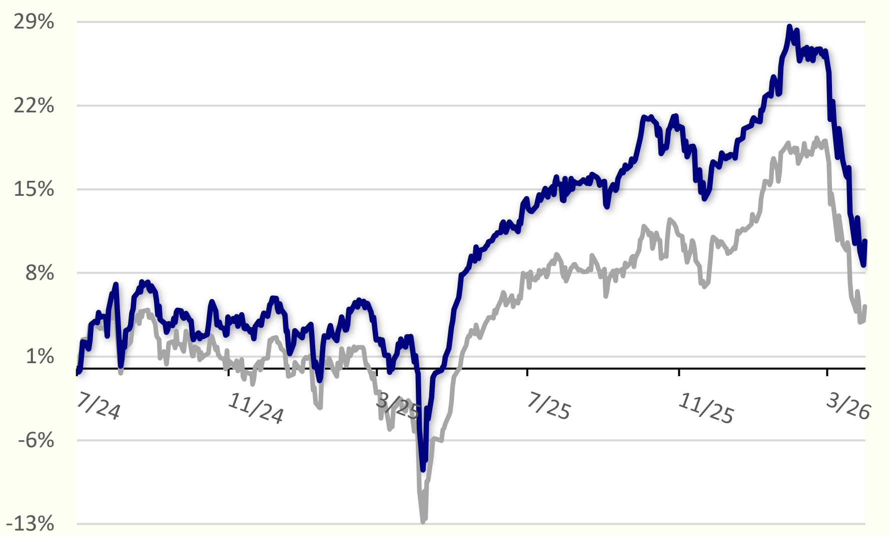
The fund will invest at least 80% of the value of its assets in a diversified portfolio of smaller companies that are incorporated, domiciled or have a significant part of their business in the UK.

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	-12.6%	-8.5%	-7.2%	+10.1%		+10.7%
Index	-11.7%	-6.6%	-5.1%	+11.0%		+5.2%

	2024 (Jul-Dec)	2025	2026 to date
Fund	+3.3%	+17.1%	-8.5%
Index	+0.7%	+11.8%	-6.6%

Source: Bloomberg. This performance information is net of all commissions, fees and other charges and 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 110.67 which was 8.5% lower for the quarter. The Fund's Benchmark, the Deutsche Numis UK Smaller Companies + AiM ex Investment Trusts Total Return Index, also fell by 6.6%. Whilst this meant that lifetime outperformance was trimmed during this difficult and volatile quarter, the outperformance since the Fund's launch at the beginning of July 2024 is still robust at +5.5% and well ahead of peer averages.

This quarter was made up of three very different months. 2026 got off to a very strong start with healthy gains in January building upon the positive reaction following the late November Budget statement. February was dominated by significant sectoral churn as AI model developments catalysed sharp reactions. This topic is covered in the Market Background section.

All this paled into insignificance upon the surprise decision by US President Donald Trump to follow up his Venezuela and Greenland episodes with the green-lighting of an attack on Iran, causing significant tumult in the Middle East. This in turn caused significant tumult in securities markets with healthy gains to the end of February more than erased, pushing the outturn for the quarter into sharply negative territory. The consequences of Middle East conflict are assessed in the Market Outlook section.

Market Background:

The positive dynamics highlighted in previous publications were in full force with a bullish start to the year for UK Smaller Companies. This sustained the momentum from the initial positive reaction to the late November Budget statement which was well ahead of excessively negative expectations leading into it. This was aided by building signs that inflation was falling, facilitating interest rate cuts amidst rebounding economic growth. Sadly, this momentum has now been overtaken by global events starting on the 28th February covered in the Market Outlook section.

Before the Middle East events dominated, the big theme of the quarter was material sectoral churn catalysed by the reaction to impressive new developments in the field of Artificial Intelligence. Such developments should be expected given the billions being thrown at model development. However, as is often the case with cutting edge technology, the nascency of it opens up the opportunity to sensationalise the potential impacts from it. In this social media age, the most extreme opinion pieces seem to gain the most traction and catalysed a material fear reaction for a cascade of different industries – most notably software and consultancy firms. Conversely, investors suddenly favoured 'old economy' sectors that are perceived as being solely exposed to potential upsides from AI.

To be clear, no-one knows just how intelligent these systems can become (given the limitations of licensable and publicly available information other than dog and cat videos online) and to what degree super-intelligent systems would be allowed out into the wild, unchecked by government restriction. However, the likelihood that this technology generates extreme imbalance in what has always been a naturally balancing economic system remains low. Game-changing technologies such as the PC and the internet became integrated into the economic system gradually with productivity boosting effect. Positive vs negative consequences at the company level were determined by the readiness by which firms were willing to proactively adapt to change. There is every reason to believe the same will be true for AI. Predictions of extreme job losses belies the long-term reality of human caution and inertia that gives time for more gradual adaptation. The gatekeepers remain human Boards of Directors with a fiduciary duty to act in an informed manner balancing risk and reward. Sudden wholesale economic change remains unlikely.

The stock market, however, is not gradual. The noise created by fear-mongers reached a threshold at which sufficient downward momentum was created in software company shares so as to obliterate valuations on the basis that such companies are now at risk of having zero terminal value – i.e. they will cease to exist within the next 5-10 years. There will of course be some where that is true. But not all can be assumed to do nothing and simply allow that to happen. The kneejerk reaction can therefore throw open exceptional investment opportunities amongst those affected that could easily turn out to be AI winners.

Rather than imbue AI with godlike characteristics because it seems impenetrable to understand, it is important for fundamental investors to appreciate the realities involved. Based on extensive conversations with senior management at the forefront of utilising AI, it is apparent that the mechanics of AI fundamentally limits its capability to destroy to the extent seemingly priced into equities caught up in the panic. The first barrier is that it is absolutely essential for senior management to marshal the use of AI – they cannot allow AI to run amok creating disastrous liabilities. AI must thus be deployed within controlled systems, rather than allow every employee to let loose on an app.

The concern most vigorously priced in by the market seems to be that AI will soon enable non-coders to develop complete software programmes that under-cut and replace incumbent software platforms. Unfortunately, the information AI would need to do this is not available publicly. Both practically - as the source code is closely protected - and legally - as all such work is protected by law, there is no ability for external agents to learn from existing implementations to understand the objectives and how to do it better. The purported threat also assumes that the non-coder is an expert in the particular area. The reality of course is that the domain expertise is held by large teams of people at incumbents who are already using all the same tools as available to AI start-ups to augment existing platforms with incumbent installed bases and highly cash generative revenue streams. How readily will customers undergo the upheaval of wholesale transition from integral software systems in favour of unproven start-ups? An awful lot of work is needed to get up to parity to then seek to monetise at a heavy discount to prevailing systems in order to cause pain to the incumbent.

The threshold for adoption is higher than just cost, however. Currently, AI is inherently probabilistic in its approach. It doesn't have certainty, it only works on what it determines is the most likely correct answer. Even this is not reliable – it is commonly seen that asking the same question repeatedly generates different answers. Most systems depend on the absolute certainty that the output is correct – AI's advantages are not in this area. In simple terms, what is impressive to the consumer in a narrow field of finding a good enough answer for day-to-day questions is wholly inadequate for enterprise systems. Personal experience seems to be colouring the extent of market reaction to unbalanced articles.

Another barrier to the popularised catastrophic scenario is that AI is fuelled by data. The vast proportion of data, however, is not available publicly – it is trapped within proprietary systems. Data is an ever more jealously guarded asset. Incumbent controllers of vast multi-year databases have a structural advantage. In the rush to monetise AI, it is far more productive for AI firms to foster routes to market through existing platforms than seek to support disadvantaged loss-making start-ups that cannot pay for years. Incumbents are racing to embrace and adapt to integrate AI and actually deliver real economic benefits to clients – charging moderately extra for high return-on-investment propositions to encourage adoption.

Another mechanic also supports incumbency. The pace of change in AI models means that this week's best model might be usurped next week. Software firms are continuously assessing the models on behalf of clients depending on specific use cases. They are already switching between the big tech models multiple times a year to generate the best outcomes. It is simply not reasonable to imagine that ordinary brick and mortar firms can hire sufficient numbers of expert AI-tech staff at this nascent stage of the industry to manage such assessments in house and to instruct the new AI models repeatedly. The best talent is better off employed within industry and at scaled profitable firms who can pay large bonuses than be stuck in a silo of a single firm. This was true for years in the arena of marketing optimisation, for example.

Consultancies that can remunerate top tier staff to advise Boards will surely be in very high demand. Consultancies selling tens of thousands of man hours to brute force bespoke work are more at risk to being usurped by AI automating such tasks, eliminating their current business model. Separately, AI enhances the efficiency of staff, and so firms have a choice of firing people or taking the opportunity to grow materially. Interestingly, taking market share aggressively is likely easier for smaller firms attacking over-sized bureaucratic organisations, favouring today's more nimble firms.

In conclusion, the challenge facing firms appears to be mechanically restricted to being similar to the adoption of the internet into the business model. Rapid change often favours smaller more nimble firms who can leverage existing market positions to accelerate market share gains at the expense of more ponderous large firms that tend to strive to preserve embedded cash flows at the expense of embracing disruptive change which would require the breaking up and reformation of their business model. We therefore continue to see UK Smaller Companies as net beneficiaries of AI, harnessing efficiency to enhance margins and also accelerate growth – a great combination!

Market Outlook

After the arguably impressive mission to extract the President of Venezuela for prosecution proceedings, US President Donald Trump followed this with an escalatory episode bordering on threats to seize a Nato ally's territory only for the Greenland situation to be resolved with a 'deal' akin to what had always been on the table in the first place. Meanwhile, approval ratings continued to slide with a favourable result for Mr Trump at the US mid-term elections this Autumn looking increasingly unlikely. There was therefore little reason to expect that it would be in Trump's favour to launch a full scale attack on Iran at this juncture, given that his core voter base actively disfavours US military over-reach and anything that threatens to raise the price of gasoline at the pumps.

It is hard to avoid the view that Trump has catastrophically misjudged this time. There are a couple of worthy theories of why it was beneficial to commence an action that was known to trigger Iran to close the Strait of Hormuz. One is that Iran had successfully dodged the bunker-busters and was on the cusp of creating a viable nuclear weapon, forcing the US's hand having declared a false victory already. Another is that disrupting the supply of drones from Iran to Russia would change the calculus in the Russia-Ukraine stand-off, generating a coveted peace. That remains to be seen, but the uncomfortable image is one of Israel's prime minister successfully persuading Trump that striking Iran's leader would be akin to Venezuela and he did not to wait to evaluate the likely Tehran reaction function.

Iran has prepared for decades and has now been forced to execute their well understood playbook. Cutting off the Hormuz Strait was inevitable, as was activating their proxies in Lebanon and Yemen and giving the uncontrolled 'fire-at-will' command to disparate army factions even if they have lost communication with the centre. Just a handful of missed drone interceptions is enough to decimate the economies of neighbouring Middle Eastern countries who now find billions spent on US military equipment and support is of little value. As a result, there is severe disruption to the price of – and so far more importantly the supply of – oil. There is an even greater disruption to oil derivatives produced in the region including jet fuel alongside liquified natural gas (and thus also electricity prices where gas is the marginal input such as Europe), helium for semiconductor manufacture, aluminium and fertiliser (essential for food production yields). It is notable that whilst there are plenty of stockpiles of crude oil around the world, the others do not have nearly as much buffer stock.

The spike in pricing assures that there will be at least a temporary pulse of inflation affecting the global economy over the coming months. What of course remains unclear is how long and severe this will be. With regards to oil, futures markets have remained relatively calm by consistently pricing oil for delivery in 9 to 12 months time at considerably lower prices than the near-term spike levels. This reflects the belief that the Strait of Hormuz will re-open and the damage done to oil production facilities is not so significant as to materially reduce delivery levels once the strait is opened. Of course, prices are higher than they were as it will take time for logistics to be resumed but the large strategic stockpiles being released are there to iron things out.

Of course, there remains a risk to a resumption of hostilities. However, this is strongly against Trump's interests and all the signs are that he is making the running to stay on the off-ramp. The ball lies in Iran's court as to whether they decide that they can't water down what Trump needs to save face enough which means they feel resuming hostilities is more in their favour. Even though the same logic prevails as to why the war shouldn't have been started in the first place, the risk of going back to square one looks low. That being the case, the degree of price shock in the oil market is significantly less than for the 2022 Russia-Ukraine war.

This is not to say there is not going to be considerable inconvenience and inflation to deal with. It will be important to be mindful that the disruption to jet fuel, natural gas, fertiliser and aluminium is much greater than for oil and so a prolonged effect over the next 12 months is to be expected and will need to be accommodated in stock selection. This will provide opportunities as well as disruptions. Importantly, whilst similar in some respects to 2022, it is worth remembering the considerable differences. Back then disruption occurred at the point of maximum stress on the global supply chain which had been stretched to the limit due to Covid disruption and, with hindsight, the frantic pumping by governments worldwide which created excess demand exiting the pandemic. This time there is under-utilised slack that lessens the extent of a likely increase in inflation.

The outlook then is mindful that inflation will rise, at least stalling the ability for central banks to continue on their prior rate cutting paths. Frustratingly this brings to a halt what had been a very promising outlook for 2026 for the UK economy where inflation had been set to fall rapidly to target with ongoing rate cuts further stimulating a pick up in economic activity. Indeed, activity was already bouncing back with pent up demand caused by the stalled momentum in the long run-up to the 2025 Budget.

This leads on to what was always going to be a major UK event for 2026 – the 'mid-term' local elections in early May. Incumbent governments normally do poorly, but the polls have been indicating a particularly bad outturn for Sir Kier Starmer's government, especially since the loss to the Green Party in February. Given the multiple potential outcomes there is no doubt that a period of domestic uncertainty awaits. To get to the conclusion first, our view is that one way or another, the events this quarter are a necessary step along the journey to a stronger outlook for the UK. Just like the Budget, expectations remain at very low levels, skewing the likelihood to outcomes which are better than feared.

Let's scenario analyse what might happen post the May 2026 local elections:

1. Whilst the probability has likely fallen even more following the latest revelations re the Lord Mandelson appointment, the Labour party lack sufficient consensus to oust existing personnel, retaining them as the least bad option
    - Positive – especially from an international perspective – stability is a known quantity with the current government effectively care-taking until the next election with the hope remaining that eventually multiple initiatives make it off the discussion papers into economic reality

2. A left-leaning contingent take power – perhaps led by Angela Rayner.
    - Negative then positive – a sharp lurch to the left will be perceived with initial caution. The key question, however, is how quickly the reality of the constraints faced are accepted and conveyed to the market. If there is a rapid move to implement heavyweight left-leaning policies then there is every chance of another 'Liz Truss moment'. This will of course be a short term negative, but present the same opportunity as last time to 'buy on a dip' within what we continue to believe is an ongoing bull market for UK Smaller Companies since the 2023 ultimate nadir. Fearing such ignominy, there is every chance therefore that a new left-wing Prime Minister would move to reassure – surprising the market to the upside.

3. A centrist leaning contingent take power – perhaps led by Wes Streeting.
    - Positive – the prospect of less dramatic change would be a welcome relief and brings the opportunity for more decisive leadership. It is unfortunately the case that Sir Kier has demonstrated his limitations and so a refresh would add impetus and optimism that the current government could do more than merely 'care-take'

4. Internal wrangling accelerates the 'loss of mandate' in a similar way to the last government and brings forward the next General Election where polling over the last couple of years has pointed to a strong probability of a right wing win and even a Reform Party led government
    - Negative then positive – whilst the market would not like the phase of uncertainty, the prospect of bringing forward the point at which proactive change could occur may be a game-changer for catalysing UK stock market out-performance.

Point 4 shows that when evaluating the outlook for UK Smaller Companies, it is time to start thinking about the next Government. Unless the polls are hugely wrong, the prevailing expectation is likely hardening that Labour is unlikely to win the next election, and therefore serious consideration must be given to what a Reform-catalysed Government might mean. This term is useful as it is not possible to predict with certainty whether Reform will win, but it does seem likely that it is arguments on their side that will prevail if Labour does not. With an election mandate, a harder right proposition will have the opportunity to seek to cut expenditure and reduce regulation that is aimed at rejuvenating the entrepreneurial spirit.

The key will be persuading the bond market that the UK will be a better credit going forwards. Faster growth with de-regulation that reduces price pressure stands a good chance of being the catalyst that would swiftly correct the punitive premium interest rates faced by the UK currently, creating the space to effect change that can be felt by the populace. Stagnating GDP per *person* has been increasingly felt domestically – revitalising productivity would be transformative. A proactive narrative would enable a material re-appraisal of the UK's prospects by domestic investors as well as global. We believe UK Smaller Companies is already enjoying an emerging bull market and there is enormous further potential that could be catalysed by a major shake up in the political landscape.

WS Raynar UK Smaller Companies Fund

a sub fund of: WS Raynar Portfolio Management Funds

Featured Share Class: F Accumulation

Top Ten Holdings	% of Fund
Saga	1.9%
Mitie Support Services	1.8%
Volex Manufacturing	1.8%
Ithaca Energy	1.8%
Concurrent Technology	1.6%
PZ Cussons	1.6%
Helios Telecom Towers	1.6%
Bloomsbury Publishing	1.6%
Premier Foods	1.6%
Morgan Sindall	1.6%
Total Number of Holdings	78

Sector Allocation*	% of Fund
Diversified Financial Services	13.9%
Business Services	13.3%
Consumer Discretionary	12.1%
Technology	11.9%
Consumer Staples & Utilities	9.5%
Basic Materials	8.5%
Real Estate & Fittings	8.1%
Manufacturing	7.8%
Construction	6.4%
Healthcare	3.7%
Cash	4.7%

*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:

The leading addition this quarter was **PZ Cussons** which ended the quarter in the Top 10 thanks to outperformance from ongoing strong trading. The Carex and Cussons Baby fast moving consumer goods producer has had a torrid time which has taken new non-family management years to fix. Their efforts are finally coming to fruition. A focus on powerhouse brands has resulted in significant gains from asset sales which has fully repaired a balance sheet decimated by the devaluation of the Nigerian Naira. A powerful position in one of Africa's largest and most rapidly urbanising economies is now the firm's leading virtue and performance here is driving better than expected results for a firm valued at a deep discount to larger peers.

Also bolstering the *Consumer Staples & Utilities* sector with its welcome defensive characteristics amidst current global volatility is sandwich maker **Greencore**. A major merger with Bakkavor provides significant synergy opportunity as well as an attractive entry point as the shareholder register turns over. The key element here is that the firm's supermarket customers came out in vocal support for the merger as they stand to gain from having a larger more efficient long-term supplier.

Corporate activity also enhances the attractiveness of **Optima Health** which announced a major acquisition that further strengthens its dominance in the field of assisting employers in providing health services to workers. The shares derated on an accretive deal as the equity funding is awaited, providing the opportunity to gain exposure to a long-term growth market with large gains available from utilising AI.

Also joining within the *Healthcare* sector is global DNA-reading technology leader **Oxford Nanopore**. Remarkable cell-scale technology allows the firm to offer rapid full scope reads of DNA strands at industrial volumes ahead of rivals in many applications. The key catalyst here is the wholesale management change that is implementing a focused approach to development and sales to decisively capture the opportunity profitably. Global technology leadership is also a feature of hydrogen and fuel cell maker **ITM Power** which supports a small new position.

Another two new positions with attractive investment cases have suffered from unfortunate timing, coming shortly before the Middle East conflict. Shares in industrial manufacturer **RHI Magnesita** were enjoying strong momentum at a still low valuation having inflected on strong execution in releasing cost savings from applying modern technology. In addition, as a maker of key components consumed in steel making and other manufacturing, the pending raising of tariff barriers to protect customers against Chinese pressure could be a game-changer. Perversely, whilst seen as exposed to current spikes in energy costs, long term hedging may mean the firm actually benefits from current turmoil, so shares were retained down 23.6%.

Game-changing M&A was an unexpected boost to new addition global corporate real estate servicer and broker **Savills**. Another firm undergoing interesting management change, it is far more than the high end residential estate agent which is a small part of the business. The first act by the ex CFO CEO was to consummate a transaction he has worked on for years which adds a dominant US leader to the group, propelling the firm close to parity the leading peers but with a dramatically lower valuation. Short term concern regarding the direction of interest rates has dented the shares post purchase - down 23.6% – unfortunate given the degree of positive change the firm is on the cusp of.

Immediately positive was the addition of defence technology and services firm **Cohort**, which surprisingly dipped amidst the market turmoil despite being a long term beneficiary of the ever strengthening desire globally to bolster cutting edge defence capability. Of particular interest is the firm’s anti-drone technology.

Also positive despite the turmoil was **ZigUp**. This curiously names ‘mobility services’ business is the leading van rental firm in the UK combined with servicing insurance companies. Arguably this is in for free because the leading position in Spanish van rental could readily be viewed as worth the entire market cap on its own given the structural growth available in one of Europe’s best performing economies. Synergy and ongoing growth is starting to break through. Finally, a switch to the best-performing UK DIY firm **Wickes** from online bathroomware retailer **Victorian Plumbing** has so far proved effective.

Other smaller removals this quarter included wealth manager **Brooks MacDonald** on lacklustre trading; payments firm **PayPoint** upon a significant bounce back from oversold levels following poorly received results; pubco **Youngs** on concern for tough comps given last year’s perfect weather and a step to the sidelines for discount retailer **B&M** spooked by comments regarding intensified supermarket competition.

There were two direct reactions to the Middle East situation. A strong bounce on results by **The Property Franchise Group** allowed a reasonable level to exit this interest-rate sensitive firm. That sensitivity is perhaps more perception than reality but the risk is to the downside. More tangible is the likely disruption to air travel hurting airport restauranteur **SSP** – unfortunate given the degree of self-help underway. A surprisingly modest reaction to travel chaos allowed an attractive exit.

The other major theme of the quarter was the effect of AI. The one direct exit in this area was of compliance and training media firm **Wilmington** which sealed its fate as the perceived weakest positioned firm to defend itself in the AI age by delivering disappointing results where its high growth acquisitions slowed sharply. The position was exited before further subsequent falls.

Finally, this quarter marks the exit of one of the most successful position for the Fund since inception – so far. The innovative structure executed by **Zegona Communications** to acquire Vodafone Spain created enormous value as management segregated out the infrastructure assets and monetised them, allowing for a deferred consideration to be cleared in full. This meant that whilst the value of the firm appeared to exceed £10bn it remained a smaller company until recently. At the point of exit the gains from initial purchase had reached a spectacular 489%, proving that the UK Smaller Companies market can both support material scale fund raising and yield very attractive returns which are not beholden to the performance of the UK domestic economy.

Fund Performance Detail:

It comes as no surprise given the events of the quarter to find that the top contributor is North Sea oil and gas producer **Ithaca Energy**. Shares accumulated a 55.6% gain as commodity prices spiked from long term low levels. Importantly, the firm is an active proponent of securing future prices and actively did so at spike levels deep through 2027. This means very strong cash flow is assured that fuels growth expenditure.

Perhaps more surprisingly is that a fuel user was next strongest. In reality the proportion of cost related to fuel for the over 50s cruise ship operator **Saga** is small and vanishes into insignificance compared to the very strong yield uplift reported earlier in the quarter. A customer base enjoying final salary pensions are strongly demanding the limited capacity and operating well away from conflict zones adds to attractiveness. Shares ended +19.6% having been +47.6% at peak.

Unfortunately, the majority of holdings ended the quarter lower in keeping with the market. Like Saga, sofa seller **DFS** also started the quarter with a strong trading statement resulting in upgrades to earnings. The dominant player continues to take market share in a subdued market which was set to recover from bumping-along-the-bottom levels, aided by lowering interest rates. Market fears that rates will now need to be raised rather than lowered caused a dramatic reduction in sentiment with shares plunging 30.8%. Bearing in mind **DFS** is by far the strongest player likely to continue to gain in a difficult environment this move seems extreme.

A similar sentiment is true for housebuilder **Crest Nicholson**'s 29.8% plummet from a large discount to tangible net asset value to a very large discount reminiscent of the global financial crisis. Whilst a disrupted mortgage market may well slow the recovery strategy, the straight line move to such deep value levels for quality land offers tangible asset backing that allows retention ahead of the potential for intervention such as a restart of 'Help to Buy'. Similar concerns affected **Savills** discussed above alongside **RHI Magnesita.**

Aside from the influence of Middle Eastern events, the other major theme of the quarter were concerns regarding how AI may impact – concerns addressed in depth above. The heaviest detractor was computer games developer and marketeer **everplay**. A core part of the business model is to sift through hundreds if not thousands of independently developed game concepts to select the most promising with which to assist with marketing to break through in a very crowded market place. The threat is perceived as AI could develop a complete and compelling high quality game concept and be discovered by players which raises competition for incumbents. The reality is that **everplay** already faces such intense competition and would welcome opportunities to harness AI to lower its own costs and the costs of third party games and the costs of marketing. With a view that the experienced leader is more likely to thrive than be usurped shares were retained down 32.9%, looking forward to major releases on already proven franchises due in coming months.

The second heaviest detractor represents the ability for the market to occasionally present compelling anomalies. The market carries a concern, with some merit, that consultancies that rely on a business models making their money from selling vast amounts of man hours may see revenue pressured when the same work can be performed near instantly by AI. But in that scenario a board of human directors would still wish to ensure that they are making the right decisions by seeking expert advice to execute major transformational projects using cutting edge technology where there is a shortage of skills. In short, they would need a firm like **Elixirr** where the vast amount of work is AI related. The firm charges on delivering outcomes rather than monetising armies of junior headcount. It has been sustaining high teens organic growth as a result and yet the market saw fit to send this AI beneficiary pure play down 27.4%. The position was added to.

Craneware also suffered down 31.1% despite being partnered with AI leader Microsoft as a key demonstration of harnessing the benefit of Microsoft's AI capability. The firm provides complex software at the core of hospital businesses packed with decades of proprietary data. The mechanics of AI means that without inside access, AI is simply unable to function. Even once inside, it would require the in depth understanding that is the core skill of **Craneware** to reproduce the existing product which itself is rapidly being enhanced with AI. The conclusion is that there is no economic sense in trying to reinvent the wheel within a niche market – a player with an ambition in the space would surely be better off controlling the existing cash generative route to market...

The final example is international payments processor **Boku.** Working primarily with the Big Tech players to help them reach large customer bases across Asia and around the world, it seems difficult to believe that the market genuinely sees the firm as an AI loser, but the 21.7% share price decline in lock step with software peers makes that seem to be the case. The highly complex and deeply regulated arena of international payments makes it implausible for un-marshalled AI systems to be approved by cautious banking system overseers. By far the more likely scenario is that **Boku** signs up AI firms as customers to facilitate their global expansion. Having derated sharply, any such news would surely be received well.

Share Classes	Class A Accumulation	Class A Income	Class F Accumulation	Class F Income	Class I Accumulation	Class I Income
Inception Date	1st July 2024	1st July 2024	1st July 2024	1st July 2024	25th Nov 2025	25th Nov 2025
ISIN	GB00BRBGSY51	GB00BRBGSZ68	GB00BRBGT088	GB00BRBGT195	GB00BMDJ6Z42	GB00BMDJ7066
SEDOL	BRBGSY5	BRBGSZ6	BRBGT08	BRBGT19	BMDJ6Z4	BMDJ706
Bloomberg Ticker	WSRPMAA LN	WSRPMAI LN	WSRPMFA LN	WSRPMFI LN	WSRPMIA LN	WSRPMII LN
Minimum Initial Investment	n/a	n/a	Closed to non-holders	Closed to non-holders	£2 million	£2 million
Initial Charge	0%	0%	0%	0%	0%	0%
Buying and Selling	Daily, 0%	Daily, 0%	Daily, 0%	Daily, 0%	Daily, 0%	Daily, 0%
Ongoing Charges Figure	1.04%	1.04%	0.79%	0.79%	0.89%	0.89%
of which Investment Management Charge	0.75%	0.75%	0.50%	0.50%	0.60%	0.60%

Contact Details Head of Client Relations: Jon Garland T: 0207 1234 606
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Important Information

The contents of this document are intended for Professional Investors and Eligible Counterparties only. We recommend private investors seek the services of a Financial Adviser. The fund is compatible with investor types with a basic level of knowledge and experience and who can set aside the amount invested for at least 5 years – noting that this recommended time horizon is a minimum and not a recommendation to sell at the end of that minimum period. Investors should be comfortable that the value of investments in the Fund can go down as well as up, 100% of their investment may be at risk, performance varies over time and returns are not guaranteed. If you are uncertain about whether this Fund is compatible with your needs, please contact an Independent Financial Adviser.

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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