

31 March 2025

Investment Objective & Strategy

Rockwood Strategic plc (the "Fund") seeks investments capable of delivering 15% IRRs over a 3-5 year time horizon in publicly listed UK Small companies. The strategy targets 5-8 'core' positions with the top 10 holdings represent the majority of NAV and a further 10-25 generally more liquid, smaller investments. We have a 'value' investor mindset, are cash-flow focused, and seek proven businesses and opportunities for strategic, operational or management change to unlock shareholder value. The team adopts an 'engaged' approach with its investments, alongside material shareholdings.

Performance %

	YTD	3M	12M	36M	48M	60M
Total Shareholder Return	-3.6	-3.6	20.8	78.6	100.8	218.7
NAV Return	-3.8	-3.8	21.1	54.5	85.7	167.3
FTSE Small (ex ITs)	-7.0	-7.0	3.4	-6.6	-3.6	65.7
FTSE AIM All Share	-5.2	-5.2	-8.2	-34.6	-43.1	0.0

Financial Year's Performance %

	2025	2024	2023	2022	2021	2020
Total Shareholder Return	20.8	15.4	28.2	22.2	59.3	-5.3
NAV Return	21.1	5.1	21.4	27.5	44.3	-14.3
FTSE All-Share Total Return	10.5	8.4	2.9	13.0	26.7	-18.5

Investment Manager's Commentary

A frustrating quarter occurred as new year optimism waned and the unpredictable, unorthodox and unsettling Trump Presidency got into full swing. A clear change in investor interest emerged with European shares performing and the S&P 500 falling 4.6%. This was the largest quarterly underperformance of US shares to the rest of the world for 23 years. Whilst the FTSE 100 did well, driven to some extent by Banks, U.K small companies remain out of favour. Only 10% of UK goods exports go to the US, equating to 1.9% of GDP. Tariff uncertainty, though, is affecting a soggy economic backdrop and the Chancellor's spring statement did little for confidence, which sadly did not include much needed ISA reform to funnel more investment into publicly listed British companies. There was not a single IPO over £100m. UK interest rates were reduced to 4.5%. We expect further cuts during 2025, possibly at an accelerating pace, which historically has been a catalyst for better UK small companies performance. It will surprise many to find out the AIM All share Index is exactly the same level as March 2020 as Covid hit.

Three holdings did particularly well this quarter. Argentex released a very positive trading statement and announced license wins in Dubai and Australia. It appears the recovery is on track. Filtronic announced a further expansion of their strategic agreement with SpaceX and upgraded profit expectations. Vanquis Banking Group also demonstrated material progress in their recovery and was also bolstered by long over due changes to the regulatory costs of handling (almost always spurious) customer claims, in addition to improving confidence that motor finance redress is a limited risk for the group.

Financial results of a number of our investments showed tangible and significant progress. Due to market conditions, many of the share prices have yet to react to their improved profitability or lower risk profiles. M&C Saatchi's operating margins are now 15.2%, with net cash and 28% growth in their non-cyclical Government Issues activities. James Fisher profits increased 31% with net debt slashed. At Capita, net debt was also massively reduced and profit before tax rose 22.2%. Funding Circle sales grew 23% and achieved its first ever profit. Restore profits grew 14%, announced a value enhancing acquisition and yet remains on an estimated PE of 10x. With much elbow grease applied, we were delighted that the renamed Chesterfield Special Cylinders (formerly Pressure Technologies Plc) was able to announce a maiden contract win with General Dynamics Electric Boat for the US submarine programme and an important hydrogen related project win, as Government 'HAR' programs to kick-start Hydrogen infrastructure commence.

A few holdings with exposure to negative economic sentiment were weak, in particular industrials such as Flowtech Fluidpower and Trifast and also advertising exposed STV. We expect self-help at the former two and the pivot to Studios in the latter, to offset these sensitivities in the years ahead. Facilities by ADF updated again on difficult end markets, however we were pleased our engagement initiatives have resulted in the appointment of the highly experienced Russell Down as Chairman and Mark Adams as NED. Van Elle also flagged difficult market conditions, but in both instances, namely TV & Film content production and UK infrastructure spend, we are highly confident strong future end-market growth will reassert itself.

In light of excellent financial results, we were delighted to have had the opportunity to add further to existing holdings on short term weakness given the upside we've identified to intrinsic value. We increased the size of each investment in Restore, Capita, STV, Van Elle and Mercia Asset Management by over a third. We also started building one new investment during the period. We realised some of our gains in Funding Circle, yet remain optimistic on its future growth. 'Uncertainty' has risen since period end, impacting many investors' approaches. In contrast we have a lot of confidence further progress will be demonstrated across the portfolio in the year ahead and discounts to fair value will narrow.

Top Ten Holdings as % of NAV

RM	Education Services	13.9%
Filtronic	Technology	9.4%
Trifast	Industrials	6.5%
Vanquis Banking Group	Financial Services	6.0%
M&C Saatchi	Media	5.2%
Fischer (James) & Sons	Industrials	4.8%
Restore	Business Services	4.8%
Funding Circle	Financial Services	4.6%
Capita	Business Services	4.0%
Mercia Asset Management	Financial Services	3.9%
Total		63.1%
Cash & equivalents	Cash & equivalents	1%

Key Risk Considerations

Past performance is not a reliable indicator of current or future performance, and investors may not get back the original amount invested. Investment in RKW may not be appropriate for investors who plan to withdraw their money within 5 years. Shares of RKW may trade at a discount or a premium to Net Asset Value ("NAV") for a variety of reasons. On a sale you could realise less than the NAV and less than you initially invested. RKW's portfolio is focused towards small companies; these may involve a higher degree of risk than larger sized companies.

Key Facts as at 31 March 2025

Manager	Richard Staveley
Year end	March
NAV £m	96.6
Share price (Mid)	253p
NAV per share	248.79p
Premium to NAV	1.7%
No. of holdings	24
Net cash	£1m
AMC	1%
Performance fee	10% over 6% p.a. hurdle, high watermark
Bloomberg Ticker	RKW.LN
ISIN / Sedol	GB00BRRD5L66 / BRRD5L6

Holding Information

- Richard Staveley is a Non-Executive Director at Chesterfield Special Cylinders
- Investment Advisory Group ("IAG") member Jamie Brooke is a Non-Executive Director at Flowtech Fluidpower and Chairman of Titon Holdings.
- Nick Mills is a Non-Executive Director at Trifast

Fund Management Team



Richard Staveley has been the lead manager for Rockwood Strategic (previously GHS Plc) for the last 5 years. He was also lead fund manager of Majedie UK Small Companies, R&M UK Small Companies, and Société Générale UK Small Companies, all after he had qualified as a Chartered Accountant at PWC. He is a CFA Charterholder and has 25 years small company fund management experience.



Nicholas Mills has over a decade of investment experience having joined Harwood Capital LLP in 2019 after spending 5 years at Gabelli Asset Management in New York. He acted primarily as a Research Analyst covering the multi-industrial space and also gained experience in Merger Arbitrage strategies and Closed End Funds. He has a Bachelor of Science Degree from Boston College's Carroll School of Management. He also works on North Atlantic Small Companies IT and is Co-Fund Manager of Oryx International Growth Limited. He currently sits on the Boards of Niox Group Plc, Trifast Plc and Hargreaves Services Plc.

Other Features

- 'Skin in the Game' - Christopher Mills (CIO and Founder of Harwood) and Richard Staveley own 24% of the issued share capital of Rockwood Strategic plc.
- Premium listing on the London Stock Exchange.
- Investment universe of >500 UK small companies, sub £250m market capitalisation at point of purchase.
- Focused portfolio, majority of capital in top ten 10 holdings.
- Ability to hold up to 15% in private companies or instruments.
- There is significant information on the Investment Opportunity, Philosophy and Process on the website www.rockwoodstrategic.com
- The website also hosts recordings of recent video interviews with the manager and the latest Fund Presentation.

Investment Advisory Group (>200 years combined experience)

Christopher Mills; Founder of Harwood Capital, JO Hambro Capital Management and Harwood Wealth. CEO North Atlantic Smaller Companies IT, Executive Director of Oryx International Growth Fund Ltd, >45 years investment experience

Adam Parker; Co-Founder of Majedie Asset Management, formerly at Mercury Asset Management, >35 years UK small companies fund management experience (Oxford, Chemistry).

Jamie Brooke; Formerly Hannover, Lombard Odier, Henderson Global, Gartmore, 3i and Deloitte (ACA), >30 years UK small companies investment experience. NED at Flowtech Fluidpower, Titon Holdings and Chapel Down plc. Director Kelso Plc (Oxford, Maths).

Rupert Dyson; Founder of Edale Capital LLP, formerly Sloane Robinson and Invesco, >30 years European equities investing experience (Bristol, History).

Yuri Khodjamirian; Formerly an analyst and fund manager at Majedie Asset Management, >15 years UK and Global equities experience. CIO Tema ETFs and founder of www.snippet.finance (Cambridge & LSE, Economics and Bioscience Enterprise).

David Potter; >50 years of financial services and transaction experience incl. CSFB, Samuel Montagu, Midland Bank and CEO of Guinness Mahon, 25 years of NED/Chair roles (Oxford, PPE).

Board Directors: Noel Lamb (Chairman), Ken Lever, Paul Dudley

Company History

- Initially listed as NewMediaSpark in 1999 into the heights of the TMT boom, the company's tech-biased investment portfolio was gradually exited in the years that followed.
- In 2015 it adopted a new investment strategy focused on UK publicly listed small companies and renamed Gresham House Strategic plc. Richard Staveley joined as Fund Manager in 2019.
- In October 2021 Harwood Capital was appointed as investment manager and in April 2022 the company was re-named Rockwood Strategic plc and re-started actively investing under the returning lead fund manager, Richard Staveley.
- In September 2022 the company migrated from the AIM to the premium segment of the London Stock Exchange.
- In October 2023 the company effected a share sub-division on a 10-for-1 basis.

How to Invest

Investors can access the strategy on the London Stock Exchange (ticker: RKW).

Prospective investors can buy shares through their wealth manager, financial adviser, investment platform or stockbroker.

Contact Information

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Important Information

An investment should be considered only as part of a balanced portfolio. To ensure you understand whether this product is suitable against your individual needs and risk tolerance, please read the information provided on the website and the key information document, available at rockwoodstrategic.co.uk, which provides more information about the risk profile of the investment. If you are in any doubt as to the suitability of RKW for your investment needs, we recommend you seek independent professional advice prior to investing.

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