

30 June 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	9.5	13.6	8.3	107.3	92.0	199.7
NAV Return	10.0	14.4	13.8	88.5	81.0	160.3
FTSE Small (ex ITs)	5.3	13.3	8.6	19.6	-0.6	61.0
FTSE AIM All Share	7.1	13.0	0.8	-12.1	-38.3	-12.8

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

Q2 was dominated by the announcement of detailed global trade tariffs by President Trump, which, as is his modus operandi, turned out to be a negotiating stance resulting in subsequent reductions and delayed implementation. The final agreements are yet to be concluded. Uncertainty filled corporate boardrooms leading to the lowest level of global dealmaking in ten years and there was further weakness in the Dollar which has now had its worst H1 since 1973, a year when the US lost the Vietnam war, the Watergate scandal erupted and the first oil crisis hit. During the quarter the US bombed Iran and the President attacked both the judiciary and the Federal Reserve. The Bank of England reduced interest rates to 4.25%. Political pressure within the Labour Party led to U-turns on key cost reductions and subsequent bond market concerns over the fiscal outlook. Equity markets quickly rebounded from the panic of April; the AIM All-share is up 7.1% YTD, an outperformance of the S&P 500 which is up 6.2%. Currency adjusted, the outperformance is even greater and seems to be building momentum.

Capita Plc (+72%) reiterated profit guidance in a Q1 update and announced a number of contract wins. Vanquis Banking Group (+72%) had a positive Q1 trading statement and flagged that costly complaints volumes had markedly fallen. Filtronic (+55%) announced new orders with SpaceX, Viasat, Airbus and Leonardo and a year end trading update with sales up 120% and profit upgrades. Capital Limited (+43%) indicated in its Q1 statement that improvements to contract delivery and business performance were emerging following Founder Jamie Boyton's return to an Executive Chair role.

Kooth Plc (+38%) released a report on their key State of California contract, indicating strong performance. Centaur Media Plc (+19%) received a takeover offer for its MiniMBA business unit of £19m. The new Executive Chair, sourced by Harwood, is starting to unlock shareholder value. We engaged with Mercia Asset Management Plc (+24%) regarding capital allocation and were delighted to see them announce a buyback programme. Van Elle (+30%) announced a very sensible exiting of their HGV fleet, improving capital efficiency. There were two Capital Market Events of note during the period. Firstly Funding Circle Plc showcased a highly impressive senior team and a clear strategy for much higher profitability over the coming years. Having previously taken profits in this investment, up 283% since initial purchase, we have repurchased some shares with renewed confidence in the outlook. Secondly, STV outlined their updated strategy to 2030, a key component being a target of £200m revenues from their Studios division alongside a 10% margin. The current valuation of STV, if their ambitions are achieved is, frankly, ludicrous and we have also been adding to our position.

We did weather some knocks during the quarter. Firstly RM Plc (-26%) was volatile around its FTSE All-share Index inclusion and due to the emergence of a large non-institutional seller, which has been placed since quarter end. The company confirmed solid trading and also announced an extension to its accommodative banking facilities. Secondly we were extremely surprised to be informed that Argentex Plc (-94%) was in financial distress, despite having recently announced audited profitable results with a significant net cash position. The debacle, in our opinion, was a result of management incompetence and poor Board oversight. The company received multiple rescue takeover offers, but we will suffer a significant loss on the investment.

Top Ten Holdings as % of NAV

Filtronic	Technology	8.2%
RM	Education Services	8.1%
Vanquis Banking Group	Financial Services	8.0%
Capita	Business Services	6.4%
M&C Saatchi	Media	6.2%
Trifast	Industrials	5.4%
Funding Circle	Financial Services	4.6%
Kooth	Healthcare	4.5%
Restore	Business Services	4.2%
Fischer (James) & Sons	Industrials	4.2%
Total		59.8%
Cash & equivalents	Cash & equivalents	8.5%

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 30 June 2025

Manager	Richard Staveley
Year end	March
NAV £m	124.3
Share price (Mid)	287.5p
NAV per share	284.51p
Premium to NAV	1%
No. of holdings	25
Net cash	£10.6m
AMC	1%
Performance fee	10% over 6% p.a. hurdle, high watermark
Bloomberg Ticker	RKW.LN
ISIN / Sedol	GB00BRRD5L66 / BRRD5L6

During the period we added to a number of holdings with the proceeds of fund issuance and commenced the purchase of two new investments. We were pleased to join the FTSE All-share Index and FTSE Small Companies Index during the quarter. Whilst fund momentum remains positive, supported by significant fundamental progress in the underlying holdings and a recognition of attractive valuations, we are wary of broader economic activity, fiscal ill-discipline and frail corporate and consumer confidence. Fortunately 'self-help' is the key driver to the portfolio.

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 over 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 20% 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).

Richard Pease; >40 years of fund management experience incl. Head of European Equities with Jupiter Asset Management, New Star Asset Management and Henderson. Founded Crux Asset Management (Durham, General Arts).

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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