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This document, which comprises a prospectus relating to Rockwood Strategic PLC (the "**Company**"), has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. This document has been made available to the public as required by the Prospectus Regulation Rules.

This document has been approved by the FCA of 12 Endeavour Square, London E20 1JN, as the competent authority under the UK Prospectus Regulation. Contact information relating to the FCA can be found at <http://www.fca.org.uk/contact>.

The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in securities.

This prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

The Ordinary Shares are admitted to listing in the closed-ended investment funds category of the Official List of the FCA and are traded on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. The Ordinary Shares rank *pari passu* in all respects.

Rockwood Strategic PLC

(incorporated and registered in England and Wales with registered number 03813450)

Issue of up to 12,877,954 Ordinary Shares

Sponsor and Financial Adviser

Singer Capital Markets Advisory LLP

The Company and each of the Directors, whose names appear on page 23 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Singer Capital Markets Advisory LLP ("**SCM Advisory**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as sponsor and financial adviser for the Company and for no one else in relation to the arrangements referred to in this document. SCM Advisory will not regard any other person (whether or not a recipient of this document) as its client in relation to the arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the contents of this document or any transaction or arrangement referred to in this document.

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permissible by law, disclaim all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which they might otherwise have in respect of the contents of this document or any other statement made or purported to be made by them or on their behalf in connection with the Company or the Ordinary Shares.

No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and any supplementary prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager or SCM Advisory. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and MAR, the delivery of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or SCM Advisory or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the applicable securities laws of any state or other jurisdiction of the United States. Outside the United States, the Ordinary Shares may be sold to persons who are not "US Persons", as defined in and pursuant to Regulation S under the US Securities Act ("**US Persons**"). The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**US Investment Company Act**"), and investors are not and will not be entitled to the benefits of the US Investment Company Act. No offer, purchase, sale or transfer of the Ordinary Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

Dated: 31 July 2024

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SUMMARY

1.	Introduction and warnings
(a)	Name and international securities identifier number (ISIN) of the securities
	Ordinary Shares with ISIN GB00BRRD5L66 and TIDM RKW.
(b)	Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)
	The issuer's name is Rockwood Strategic PLC (the " Company "). The Company's registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR and its telephone number is 020 7264 4444. The Company's Legal Entity Identifier is 213800K6BRTXR7RNG709.
(c)	Identity and contact details of the competent authorities approving the document
	This document has been approved by the FCA with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 (0) 20 7066 1000, as competent authority under the UK Prospectus Regulation.
(d)	Date of approval of this document
	This document was approved by the FCA on 31 July 2024.
(e)	Warning
	The summary should be read as an introduction to the prospectus. Any decision to invest in Ordinary Shares should be based on a consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Ordinary Shares.
2.	Key information on the issuer
(a)	Who is the issuer of the securities?
(i)	<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation</i> The Company is a public company limited by shares incorporated under the laws of England and Wales with its registered office in England. The Company's Legal Entity Identifier is 213800K6BRTXR7RNG709. The Company was incorporated on 26 July 1999 as Targetwin Public Limited Company with registered number 03813450. The Company has changed its name on five occasions since incorporation: • From Targetwin Public Limited Company to Newmedia Spark PLC on 12 October 1999 • From Newmedia Spark PLC to Spark Ventures PLC on 23 October 2007 • From Spark Ventures PLC to Gresham House Strategic PLC on 27 October 2015 • From Gresham House Strategic PLC to Rockwood Realisation PLC on 20 December 2021 • From Rockwood Realisation PLC to Rockwood Strategic PLC on 29 April 2022 The principal legislation under which the Company operates is the Companies Act, 2006. The Company is not regulated as a collective investment scheme by the FCA.
(ii)	<i>Principal activities</i> The Company is an externally managed closed ended investment company investing in a focused portfolio of smaller UK public companies. As at 26 July 2024, the Company's unaudited basic Net Asset Value (NAV) was calculated as £83.3 million and the Net Asset Value per Ordinary Share (unaudited) was 258.77 pence. The Company was admitted to trading on AIM on 28 October 1999 and, on 29 September 2022, its entire issued share capital was admitted to listing in the closed-ended investment funds category (then known as the premium segment) of the Official List and to trading on the main market of the London Stock Exchange.

	The principal activity of the Company is to invest in accordance with the Company's investment policy with a view to achieving its investment objective. The Company operates as an Investment Trust within the meaning of Chapter 4 of Part 24 of the CTA 2010.																
(iii)	Investment Objective The Company seeks investments in securities that the Investment Manager believes can generate a 15 per cent. IRR¹ over the medium to long-term, principally through capital appreciation, and typically expects a holding period of at least three to five years. Investments are sought where the securities are valued at less than the Investment Manager's view of their intrinsic value. The Investment Manager seeks to invest in businesses which it believes offer opportunities for value to be unlocked or created through strategic, management or operational changes, typically leading to improved returns, profits and growth. For larger, 'core' holdings, the Company seeks to acquire influential block stakes (targeting between 5 per cent. and 25 per cent. of the 'core' holdings' issued ordinary share capital) for cash or share consideration and in conjunction with other funds managed or advised by the Investment Manager when additional capital is needed.																
(iv)	Major Shareholders So far as is known to the Company, and as notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3 per cent. or more of the issued Ordinary Shares or the Company's voting rights: <table> <thead> <tr> <th>Name</th><th>Percentage of voting rights</th></tr> </thead> <tbody> <tr> <td>Harwood Capital LLP</td><td>25.96%</td></tr> <tr> <td>Interactive Investor</td><td>9.66%</td></tr> <tr> <td>Hargreaves Lansdown Asset Management</td><td>8.63%</td></tr> <tr> <td>Unicorn Asset Management</td><td>4.25%</td></tr> <tr> <td>James Sharp & Co</td><td>4.08%</td></tr> <tr> <td>Charles Stanley</td><td>4.00%</td></tr> <tr> <td>A J Bell Securities</td><td>3.47%</td></tr> </tbody> </table>	Name	Percentage of voting rights	Harwood Capital LLP	25.96%	Interactive Investor	9.66%	Hargreaves Lansdown Asset Management	8.63%	Unicorn Asset Management	4.25%	James Sharp & Co	4.08%	Charles Stanley	4.00%	A J Bell Securities	3.47%
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A J Bell Securities	3.47%																
(v)	Directors The Board of the Company comprises Noel Lamb (Independent Non-Executive Chairman), Kenneth Lever (Non-Executive Director, Chairman of the Audit Committee) and Paul Dudley (Independent Non-Executive Director).																
(vi)	Investment Manager The Company is externally managed by the Investment Manager, Harwood Capital LLP ("Harwood"), which is authorised and regulated by the Financial Conduct Authority to act as an alternative investment fund manager. The investment team comprises Richard Staveley, Nicholas Mills and Stavros Jones who manage the assets of the Company on a day-to day basis. Harwood is a significant shareholder of the Company, owning 25.96 per cent. of the Company's issued share capital. As a result, the Company and Harwood have entered into a Relationship Agreement dated 5 September 2022 to regulate the relationship between them and to ensure that the Company can continue to operate in compliance with the appropriate Corporate Governance standards. The Company also has an established Investment Advisory Group. This comprises Christopher Mills, Yuri Khodjamirian, Rupert Dyson, Jamie Brooke, Adam Parker and David Potter.																
(vii)	Identity of statutory auditors																

¹ The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

	The statutory auditors of the Company are BDO LLP of 55 Baker Street, London, W1U 7EU.						
(b)	What is the key financial information regarding the issuer?						
	Table 1: Additional information relevant to closed end funds						
	<i>Share class</i>	<i>Total NAV*</i>	<i>No. of Ordinary Shares**</i>	<i>NAV per Ordinary Share*</i>	<i>Historical performance of the Company</i>		
	Ordinary	£83,310,688	32,194,886	258.77 pence	NAV Performance	Total for the three years to 30 June 2024 of 61.2 per cent. to 250.51p/share which compares to the FTSE Small Cap (ex-ITs) of –8.5 per cent. The Total Shareholder Return in this period was 78.7 per cent.	Return
	* Unaudited basic NAV calculated as at 26 July 2024.						
	** As at the Latest Practicable Date.						
	Table 2: Income Statement for closed end funds						
						<i>Year ended 31 March 2024 (audited) £'000</i>	
	Total income					3,829	
	Income					1,114	
	Net gains on investments at fair value					2,715	
	Administrative expenses						
	Management fee					(191)	
	Performance fee					-	
	Other expenses					(742)	
	Profit/loss before finance costs and taxation					2,896	
	Finance costs					(1)	
	Profit/loss before taxation					2,895	
	Taxation					-	
	Profit for the financial year					2,895	
	Basic and Diluted earnings per ordinary share for profit from continuing operations and for profit of the year (pence)					10.59p	
	Table 3: Balance Sheet for closed end funds						
						<i>As at 31 March 2024 (audited) £'000</i>	
	Total Net Assets					64,261	
	Leverage Ratio					-	
	The auditors' report on the Company's financial statements for the financial year ended 31 March 2024 was unqualified.						
(c)	What are the key risks that are specific to the issuer?						

	• A downturn in the performance of UK equity capital markets could adversely affect the Company's performance. • Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets which could adversely affect the Company's performance. • Investing in companies with smaller market capitalisations carries a higher risk profile than larger and more established companies. • The valuation of an individual portfolio company will depend on a number of future factors outside of the control of the Company and could go down as well as up. • Dependence on the Investment Manager in making successful investments and being retained by the Company. The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective. • The Company will be reliant on maintaining HMRC approval as an Investment Trust in order to continue to gain certain tax benefits. • There can be no assurance that the Directors will be able to find a replacement manager on acceptable terms if the Investment Manager resigns or if the Directors terminate the Investment Management Agreement.
3.	Key information on the securities
(a)	What are the main features of the securities?
(i)	Type, class and ISIN The Company intends to issue Ordinary Shares of £0.05 each with ISIN GB00BRRD5L66.
(ii)	Currency, denomination, par value and number of securities issued The currency of the Ordinary Shares is Sterling. The issued share capital of the Company as at the Latest Practicable Date consists of 32,194,886 Ordinary Shares of £0.05 each, all of which are fully paid or credited as fully paid.
(iii)	Rights attached to the Ordinary Shares <i>Voting rights</i> – The holders of Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company. On a show of hands, every holder of Ordinary Shares present in person or by proxy shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy shall have one vote for each share held by them. <i>Dividend rights</i> – Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board. <i>Capital Distribution</i> – Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a winding-up. <i>Variation of rights</i> – The consent in writing of the holders of at least three quarters in nominal value of the issued Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.
(iv)	Rank of securities in the issuer's capital structure in the event of insolvency Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a

	winding-up.
(v)	Restrictions on the free transferability of Ordinary Shares There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws and the restrictions on transfer contained in the Articles. The Board may not refuse to register a transfer of a certificated share if the transfer is: (i) in respect of only one class of shares; (ii) is in favour of not more than four joint transferees; (iii) is duly stamped (if required); (iv) is not in favour of a minor, infant, bankrupt or person with mental disorder; and (v) is lodged at the registered office of the Company, or such other place as the Board may decide accompanied by the certificate for the shares to which it relates. The Board may refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis. The Board may also, in circumstances permitted by the FCA and the London Stock Exchange, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares. Further, the Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the FCA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that the exercise of such powers does not disturb the market in the shares.
(vi)	Dividend policy Subject to the terms of the Articles, the Directors may from time to time, as they see fit, pay such dividends on the Ordinary Shares as appear to the Directors to be justified. The dividend policy of the Company is to pay out at least 85 per cent. of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum pay-out ratio to comply with the requirements of the Investment Trust rules.
(b)	Where will the securities be traded? Ordinary Shares, as at the date of this document, are admitted to listing in the closed-ended investment funds category of the Official List and to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.
(c)	What are the key risks specific to the securities? • The value and/or market price of the Ordinary Shares may go down as well as up. • There can be no guarantee that an active secondary market in the Ordinary Shares will be sustained or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Ordinary Share. • If the Directors issue further Ordinary Shares on a non-pre-emptive basis the proportions of the voting rights held by existing Ordinary Shareholders will be diluted.
4.	Key information on the offer of securities to the public and/or admission to trading on a regulated market
(a)	Under which conditions and timetable can I invest in this security? This document is being published in order to provide the Company with the capacity to issue up to a further 12,877,954 Ordinary Shares (representing 40 per cent. of the Company's issued share capital as at the Latest Practicable Date) under the UK Prospectus Regulation for a period of 12 months from the date of this document via one or more tap issues. This is intended to enable the Board to continue managing any premium in share price of the Ordinary Shares. The Company is not offering any new shares nor any other securities in connection with the

	publication of this document. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction. <i>Dilution</i> The maximum number of Ordinary Shares that (subject to the passage of the Resolutions) may be issued under this prospectus is 12,877,954 Ordinary Shares, representing 40 per cent. of the Company's issued share capital at the Latest Practicable Date. If 12,877,954 Ordinary Shares were to be issued during the life of this document, and an existing Shareholder did not participate in any such issues, there would be a dilution of approximately 28.6 per cent. in such Shareholder's voting control of the Company immediately after publication of this document. <i>Expenses</i> The Company has incurred and will incur issue expenses that arise from, or are incidental to, the publication of this document. These expenses include the fees payable under the Sponsor Agreement, printing, legal and accounting fees and any other applicable expenses. The costs and expenses of, and incidental to, the publication of this document are expected to be approximately £200,000. The costs and expenses of, and incidental to, each issue of Ordinary Shares will depend on subscriptions received but are not expected to exceed 2 per cent. of the gross proceeds of the relevant issue. It is intended that the costs and expenses of any issue of Ordinary Shares (including any commissions and expenses payable to SCM Securities) will be covered by issuing such Ordinary Shares at a premium to the prevailing Net Asset Value per Ordinary Share at the time of issue.
(b)	Why is this prospectus being produced?
(i)	Since January 2024, the Ordinary Shares have regularly traded at a premium to the Net Asset Value per Ordinary Share, indicating strong ongoing demand for the Ordinary Shares in the market. As part of the Board's efforts to satisfy demand for Ordinary Shares and instil a degree of premium management, the Company issued 6,318,818 Ordinary Shares in the period from 19 May 2023 to 30 April 2024 by way of the regular issue of new Ordinary Shares.² On 30 April 2024, this equated to 20 per cent. of its issued share capital during the prior twelve-month period. These issues are commonly known as tap issues. The Board remains cognisant of the need to comply with the requisite provisions of the UK Prospectus Regulation when issuing new Ordinary Shares and, more particularly, the rolling requirement that the Company should not issue and admit to trading on a regulated market more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus. Accordingly, this document is being published in order to provide the Company the capacity to continue issuing Ordinary Shares outside of the exemption. This document will allow the Company to issue up to a further 12,877,954 Ordinary Shares (representing 40 per cent. of the Company's issued share capital as at the Latest Practicable Date) under the UK Prospectus Regulation for a period of 12 months from the date of this document via one or more tap issues. This is intended to enable the Board to continue managing any premium in share price of the Ordinary Shares.
(ii)	<i>The use and estimated net amount of the proceeds</i> The Directors intend to use the net proceeds of any issues of Ordinary Shares to purchase investments in accordance with the Company's investment objective and investment policy. The net proceeds of any issues of Ordinary Shares are dependent, <i>inter alia</i>, on the number of Ordinary Shares issued, the price at which such Ordinary Shares are issued and any associated costs.

² Adjusted for the 10 for one share sub-division announced on 4 October 2023.

(iii)	<i>Material conflicts of interest</i> As at the date of this document, there are no interests that are material to the publication of this document or the issue of any Ordinary Shares thereunder.
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RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Prospective investors should note that the risks relating to the Company, its investment strategy and operations and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but prior to making any investment decision, prospective investors should also consider carefully all the information contained in this document, including the following risk factors. This risk factor section is not intended to be exhaustive nor is it an explanation of all of the risk factors involved in investing in the Company. It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Directors currently consider not to be material or of which they are not currently aware.

An investment in the Ordinary Shares should not be regarded as short-term in nature and involves a high degree of risk, including but not limited to the risks referred to below in relation to the Company and the Ordinary Shares. If any of the risks referred to in this document were to occur this could materially and adversely affect the Company's business, financial condition and results. If that were to occur, the trading price of the Ordinary Shares and/or the Net Asset Value could decline significantly and investors could lose all or part of their investment. An investment in the Ordinary Shares is only suitable for investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

As required by the UK Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors should, therefore, review and consider each risk.

RISKS ASSOCIATED WITH THE COMPANY AND ITS INVESTMENT OBJECTIVE AND POLICY

The performance of UK equity capital markets

The Company predominantly invests in UK listed equities with a market capitalisation of under £250 million. The Company's performance will be affected by, amongst other things, general conditions affecting the underlying performance of UK equity capital markets, whether as a whole or specific to the Company's investments. Asset valuations of UK listed or quoted companies can fluctuate sharply as a result of underlying trends and changes in market confidence. The Company's ability to dispose of its holdings, and the price realised upon any such disposals, also depends on the general conditions affecting the UK equity capital markets at the time of the disposal. The Company's business and results of operations may be materially adversely affected by a number of factors outside of its control, including but not limited to a general UK equity capital market contraction. If conditions affecting the UK equity capital market negatively impact the price of the Company holdings, this may have a material adverse effect on the Company's business and results of operations.

The Company's investments may be less liquid than larger companies traded on the London Stock Exchange and will be particularly illiquid in the case of unquoted securities. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, equity market or other conditions. This could have an adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting the objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The success of the Company depends on the Investment Manager's ability to identify and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Investment Manager to apply its investment approach in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be successful in implementing its investment approach or that the Company will generate investment returns for Shareholders or indeed avoid investment losses.

The Company has no employees and is reliant on the performance of third-party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

Investor returns are dependent upon the Company successfully pursuing its investment policy. The success of the Company depends *inter alia* on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The Company may not be able to pay a dividend

There is no guarantee that a dividend in respect of any period will be paid.

If under the laws applicable to the Company there were to be a change to the basis on which dividends could be paid by it, this could have a negative effect on the Company's ability to pay dividends. Furthermore, if there are changes to the accounting standards or to the interpretation of accounting standards applicable to the Company this could have an adverse effect on the Company's ability to pay dividends.

As at the date of this document, the dividend policy of the Company is to pay out at least 85 per cent. of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum payout ratio to comply with the requirements of the Investment Trust rules.

Economic conditions

Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets. In addition, the performance of the underlying issuers of the Company's investments, the price and liquidity of its investments and the level of income it receives from its investments may be

affected, substantially and either adversely or favourably, by a variety of other factors (many of which are outside the control of the Company or the Investment Manager), including, but not limited to:

- changes in economic conditions (including, for example, unemployment, recession, inflation, volatile exchange rates, changes in interest rates and low business or consumer confidence);
- changes in industry conditions or the competitive environment;
- restricted availability of financing;
- changes in law, taxation, regulation or government policy;
- foreign currency fluctuations;
- exchange controls or withholding taxes;
- stock market movements and investor perceptions;
- natural disasters, political and diplomatic events, terrorism, social unrest, civil disturbances or the outbreak of war; and
- insofar as they are affected by any of the above, the response of the issuers to the above.

The effects of both normal market fluctuations and potential economic crises may impact the Company's business, operating results or financial condition

The Company may experience fluctuations in its operating results due to fluctuations in markets generally, which may be considered normal or may be the result of a financial or economic crisis or other macroeconomic shock. The Company's results may be affected in these circumstances by, for example, changes in the values of investments made by the Company, changes in operating expenses, and general economic and market conditions (including changes to interest rates, credit spreads, equity risk premium, inflation and bond ratings, changes in laws or regulations, national and international political circumstances as well as the general market pricing of similar investments).

Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may materially adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Company may be subject to certain risks arising from potential geopolitical and economic impacts, including those arising from the war in Ukraine and the Middle East, and current and potential interest rate rises and increases in inflation

The Company may be subject to certain risks arising from potential geopolitical and economic impacts, including those arising from the war in Ukraine and the Middle East, and current and potential interest rate rises and increases in inflation. The current war in Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world has significantly increased the level of macroeconomic and market uncertainty globally and may cause further unforeseen, long term and far-reaching consequences for the global economy and the individual economies of countries to which the Company may be directly or indirectly exposed. Such consequences could have a negative impact on the performance of the Company's portfolio which may, in turn, have a material adverse effect on the Company's performance.

Changes in law or regulations, or a failure to comply with any laws or regulations, may adversely affect the business, investments and performance of the Company and the Investment Manager

The Company is subject to the continuing obligations imposed by the FCA and the London Stock Exchange on all issuers whose shares are respectively admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market.

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the FCA.

Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Any changes in the laws and regulations affecting the Company, the Investment Manager may have an adverse effect on the ability of the Company, the Investment Manager to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Ordinary Shares. In such event, the investment returns of the Company may be materially affected.

Investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to continue satisfying the conditions for approval as an Investment Trust under Chapter 4 of Part 24 of the CTA 2010. A failure to maintain HMRC approval as an Investment Trust, including as a result of a change in tax law or practice, could result in the Company not being able to benefit from the current exemption for Investment Trusts from UK tax on chargeable gains and could adversely affect the Company's returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain status as an Investment Trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an Investment Trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

The Company's investment strategy may involve the use of leverage, which will expose the Company to risks associated with borrowing

The Company may use borrowings to seek to enhance investment returns and may have to provide security over a portion of the Company's assets or deliver a portion of the Company's assets as collateral. While the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share. The use of borrowings also exposes the Company to capital risk and interest costs.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The Company's Investment Policy limits borrowing to no more than 20 per cent. of gross assets, calculated at the time of drawdown of the relevant borrowings.

RISKS RELATING TO THE COMPANY'S PORTFOLIO

Investing in companies with smaller market capitalisations

The Company invests primarily in a focused portfolio of smaller capitalisation UK public companies. Such companies can be expected to have less mature businesses, a more restricted depth of management and a higher risk profile than larger and more established companies. As such smaller capitalisation companies often do not have the financial strength, diversity and resources of larger and more established companies and they may find it more difficult to operate successfully, especially in periods of or low or negative economic growth. The risk of insolvency of such companies is generally higher and it can be more challenging to access publicly available information in respect of such companies. Smaller capitalisation companies are more likely to depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their businesses and prospects and the value of the investments in them made by the Company.

The relatively small market capitalisation of the Company's holdings can make the market in their shares illiquid. Therefore, prices of small market capitalisation securities are often more volatile than prices of larger capitalisation stocks.

The Company may invest in securities that are not readily tradable, which may make it difficult for the Company to sell its investments and may lead to volatility in the market price of Ordinary Shares in the Company. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices. There can therefore be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the valuation of that investment.

The valuation of an individual portfolio company

There can be no assurance that the Company's investments will ultimately be realised for amounts equal to, or greater than, their current valuations, or that the past performance information based on such valuations will accurately reflect the realisation value of such investments. The actual realised returns generated by unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the current valuations are based. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations.

The Investment Manager's due diligence may not identify all risks and liabilities in respect of an investment

To the extent the Investment Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may incur, directly or indirectly, unexpected liabilities. In addition, if there is a failure of due diligence, there may be a risk that investments are made which are not consistent with the investment objective and investment policy of the Company, and that investments are made that fail to perform in accordance with projections. This may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

The AIM market

It is expected that the majority of the Company's investible universe will comprise companies whose securities are admitted to trading on AIM. An investment by the Company in securities quoted on AIM may carry a higher risk than an investment in shares listed on the Official List. AIM has been in existence since 1995 but its future success and liquidity in the market for securities admitted to trading on AIM cannot be guaranteed.

Investing in unquoted companies

The Company retains flexibility to invest in non-listed investments in certain situations that will not cumulatively exceed 15 per cent. of the Company's Net Asset Value (NAV) at the time of any investment. Such investments are considered smaller, more vulnerable to changes in markets and technology, and dependent on the skills of a small management team. Operating results in such companies will be difficult to predict. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise. There can therefore be no guarantee of the ability to realise an unquoted investment or that any such realisation will be on a basis which necessarily reflects the Company's valuation of that investment.

Sectoral Diversification

The Company has no limits on the amount it may invest in any sector. This may lead to the Company having significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to Shareholders.

Cash and Cash-equivalent Investments

A proportion of the Company's assets may be held in cash or cash-equivalent investments from time to time. When assets are held in cash or cash-equivalent investments, they will be out of the market and will not benefit from positive stock market movements (but may give some protection against negative stock market movements). Although the Company's performance is measured in Sterling, a proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure.

RISKS RELATING TO THE INVESTMENT MANAGER

Dependence on Investment Manager in making successful investments and being retained by the Company

The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective.

The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's investment professionals, in particular Richard Staveley, and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Investment Manager's ability to strategically recruit, retain and motivate new talented personnel. However, the Investment Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive. This could give rise to a significant public perception risk regarding the potential performance of the Company and such perception could in turn lead to volatile trading and a fall in the Company's share price. Although the Directors will have broad discretion to monitor the performance of the Investment Manager and to appoint a replacement, the performance of the Investment Manager or that of any replacement cannot be guaranteed.

There can be no assurance that the Directors will be able to find a replacement manager on acceptable terms if the Investment Manager resigns or if the Company terminates the Investment Management Agreement

The Investment Manager Agreement is terminable on six months' notice. The Investment Manager would, from the date such notice takes effect, cease to make investment decisions on behalf of the Company. The Company would, in these circumstances, have to find a replacement investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company.

The investment professionals of the Investment Manager will attend to matters unrelated to the investment activities of the Company

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and Ordinary Share price.

The Investment Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The Investment Manager and its affiliates are involved in other financial, investment or professional activities which could potentially give rise to conflicts of interest with the Company and could affect the amount of time allocated by such persons to the Company's business. In particular, the Investment Manager manages funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company but will not in any such circumstances be liable to account for any profit earned from any such services.

The Investment Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Investment Manager and its affiliates also provide management services to other clients. The Investment Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably among the Company and its other clients in accordance with established allocation procedures and protocol, where applicable, to the extent possible over a period of time. The Investment Manager will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Manager may purchase, sell or exchange for one or more of its other clients if the Investment Manager believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

No such conflict as described above currently exists and the Investment Manager will be able to manage any perceived conflicts in relation to the above that arise in the future.

Risks of relying on third parties to provide the administrative and management functions

Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive function. In particular, the Investment Manager, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company. Notwithstanding these factors, nothing in this risk factor should be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to listing in the closed-ended investment funds category of the Official List.

The Company's third-party service providers are themselves subject to operational risks, which can arise from inadequate or failed processes, systems or resources or from external factors affecting these. The information technology and other systems of such service providers, or their business processes and procedures on which the Company may depend, may not perform as expected, including recovery from unanticipated disruptions to their business. Any such inadequacies or failures could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

The termination of the Company's relationship with any third-party service provider, or any delay in appointing a replacement for such service provider, could disrupt the Company's business materially and could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

Risks relating to the Ordinary Shares

The value and/or market price of the Ordinary Shares may go down as well as up

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount originally invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount or premium control policy will be successful or capable of being implemented. In addition, the issue of new Ordinary Shares, and the purchase of Ordinary Shares, by the Company pursuant to the Company's stated discount management policy is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The market value of an Ordinary Share may therefore vary considerably from its Net Asset Value.

In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities for reasons unrelated to their operating performance and prospects. A number of factors outside the control of the Company may have an impact on its performance and the price of the Ordinary Shares, which may rise or fall rapidly. The factors which may affect the Ordinary Share price include (but are not limited to): (i) the Company's expected and actual performance; (ii) other transactions secondary issues in the market; and (iii) general political, economic and market conditions.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares

The Ordinary Shares are admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market. However, there can be no guarantee that an active secondary market in the Ordinary Shares will develop or be sustained or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Ordinary Share. The number of Ordinary Shares to be issued under this document is not yet known and there may be a limited number of holders of Ordinary Shares. Limited numbers and/or holders of Ordinary Shares may mean that there is limited liquidity in such Ordinary Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which a Shareholder can effect such realisation; and/or (iii) the price at which such Ordinary Shares trade in the secondary market.

While the Directors retain the right to effect redemptions and repurchases of Ordinary Shares in the manner described in this Prospectus, this right will only be exercised in specific circumstances and for the purpose of returning capital growth. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Ordinary Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at Net Asset Value per Ordinary Share or at all is dependent on the existence of a liquid market for the Ordinary Shares.

The Company may issue new equity, which may dilute Shareholders' equity

If the Directors decide to issue further Ordinary Shares on a non-pre-emptive basis the proportions of the voting rights held by Ordinary Shareholders at the date of this document will be diluted on the issue of such shares as each Ordinary Share carries the right to one vote.

IMPORTANT INFORMATION

General

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this document and any supplementary prospectus published by the Company and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or SCM Advisory. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and MAR, neither the delivery of this document nor any purchase of, Ordinary Shares, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to:

(a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, or other disposal of, or subscription for Ordinary Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

All Shareholders are entitled to the benefit of and are bound by and are deemed to have notice of, the provisions of the Articles.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

Apart from the responsibilities and liabilities, if any, which may be imposed on SCM Advisory by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regime would be illegal, void or unenforceable, SCM Advisory does not accept any responsibility whatsoever or make any representation or warranty, express or implied, as to the contents of this document, including its accuracy or completeness or for any other statement made or purported to be made by SCM Advisory or on their behalf in connection with the Company, the contents of this document, any transaction or arrangement referred to in this document or the Ordinary Shares and nothing contained in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. SCM Advisory does not assume any responsibility for the accuracy, completeness or verification of this document and accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement.

SCM Advisory and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company and/or the Investment Manager for which they would have received fees. SCM Advisory may provide such services to the Company, the Investment Manager or any of their respective affiliates in the future.

SCM Advisory and any of its affiliates acting as an investor for its or their own account(s) may subscribe for Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or

otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments. Accordingly, references in this document to Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, SCM Advisory and any of its affiliates acting as an investor for its or their own account(s). SCM Advisory does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Notice to prospective investors in the United States

The Company has not been and will not be registered under the US Investment Company Act, and investors are not and will not be entitled to the benefits of the US Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, Ordinary Shares may only be offered and sold outside the United States in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S.

The Company reserves the right, in its absolute discretion, to refuse to permit a transfer of interests in the Company and to require compulsory transfer of interests in the Company and intends to exercise this discretion as the Company determines to be necessary for the purposes of compliance with the US Securities Act, the US Investment Company Act and other US legislation.

Except as otherwise expressly agreed with the Company, Ordinary Shares may not be acquired by investors subject to Title I of ERISA, or to the prohibited transaction provisions of Section 4975 of the US Tax Code, or by others holding the assets of such investors as defined in Section 3(42) of ERISA and applicable regulations.

The Ordinary Shares have not been approved or disapproved by the SEC or any state securities commission, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this document. Any representation to the contrary is unlawful.

Non-mainstream pooled investments ("NMPI")

The Company intends to continue operating as an Investment Trust within the meaning of Chapter 4 of Part 24 of the CTA 2010 and as such, the Ordinary Shares would remain 'excluded securities' under the FCA's rules. Accordingly, the promotion of the Ordinary Shares are not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

Information to distributors

Solely for the purposes of the product governance requirements contained within the FCA's PROD3 Rules on product governance within the FCA Handbook (the "**FCA PROD3 Rules**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the FCA PROD3 Rules) may otherwise have with respect thereto, the Ordinary Shares the subject of this document have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in FCA Glossary; and (ii) eligible for distribution through all distribution channels as are permitted by PROD3 (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the FCA Glossary) should note that: the market price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an

appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

PRIIPS REGULATION

In accordance with the UK PRIIPs Regulation, a Key Information Document in respect of the Ordinary Shares has been prepared by the Company and is available to investors at www.rockwoodstrategic.co.uk. If you are distributing the Ordinary Shares, it is your responsibility to ensure that the Key Information Document is provided to any clients that are "retail clients" pursuant to the UK PRIIPs Regulation.

The Company is the only manufacturer of the Ordinary Shares for the purposes of the UK PRIIPs Regulation and SCM Advisory is not a manufacturer for these purposes. SCM Advisory does not make any representations, express or implied, nor accepts any responsibility whatsoever for the contents of any Key Information Document prepared by the Company nor accepts any responsibility to update the contents of any Key Information Document in accordance with the UK PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future distributors of Ordinary Shares. SCM Advisory and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Document prepared by the Company.

Website

Without limitation, and save for the Historical Financial Information incorporated by reference in Part 9 (*Documents incorporated by reference*) of this document, neither the contents of the Company's or the Investment Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this document and any supplementary prospectus published by the Company alone.

Forward-looking statements

This document contains forward-looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 7 (*Additional Information*) of this document.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Noel Lamb (<i>Non-Executive Chairman</i>) Kenneth Lever (<i>Non-Executive Director</i>) Paul Dudley (<i>Non-Executive Director</i>)
Registered office	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR
Principal Place of Business and business address of the Directors	6 Stratton Street London United Kingdom W1J 8LD
Investment Manager	Harwood Capital LLP Stratton Street London United Kingdom W1J 8LD
Sponsor and Financial Adviser	Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX United Kingdom
Company Secretary	Shakespeare Martineau LLP 6 th Floor 60 Gracechurch Street London EC3V 0HR
Administrator	Link Alternative Fund Administrators Limited 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London United Kingdom SE1 2AU
Solicitors to the Sponsor and Financial Adviser	Norton Rose Fulbright LLP 3 More London Riverside London United Kingdom SE1 2AQ
Reporting Accountants	Simmons Gainsford Professional Services Limited 14th Floor 33 Cavendish Square London United Kingdom

Auditor

W1G 0PW

BDO LLP
55 Baker Street
London
W1U 7EU

Registrar

Link Asset Services
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

PART 1

THE COMPANY

1 INTRODUCTION

Rockwood Strategic PLC is a closed-ended investment company incorporated in England and Wales on 26 July 1999. The Company aims to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation, by investing primarily in a focused portfolio of smaller UK public companies. The Company's investment manager is Harwood Capital LLP ("**Harwood**" or the "**Investment Manager**"). The Company operates as an Investment Trust within the meaning of Chapter 4 of Part 24 of the CTA 2010.

Harwood has constructed a portfolio predominantly made up of publicly listed UK companies of under £250 million market capitalisation at the point of investment, whose shares are believed to be valued at less than the Investment Manager's view of their intrinsic value. Details of the Portfolio and of the Company's performance to date are set out in Part 2 (*The Portfolio and Performance*) of this document and details of the Investment Manager are set out in Part 4 (*Directors, Investment Manager and Administration*) of this document.

As at 26 July 2024, the unaudited basic Net Asset Value (**NAV**) was calculated as £83.3 million and the Net Asset Value per Ordinary Share (unaudited) was 258.77 pence. The NAV Total Return performance of the Company's portfolio in the three years to 30 June 2024 was 61.2 per cent. which compares to –8.5 per cent. for the FTSE Small Cap (ex-ITs). The Company's Total Shareholder Return in this period was 78.7 per cent.

2 INVESTMENT OBJECTIVE AND INVESTMENT POLICY

Investment Objective

The Company seeks investments in securities that the Investment Manager believes can generate a 15 per cent. IRR³ over the medium to long-term, principally through capital appreciation, and typically expects a holding period of at least three to five years.

Investments are sought where the securities are valued at less than the Investment Manager's view of their intrinsic value. The Investment Manager seeks to invest in businesses which it believes offer opportunities for value to be unlocked or created through strategic, management or operational changes, typically leading to improved returns, profits and growth.

For larger, 'core' holdings, the Company seeks to acquire influential block stakes (targeting between 5 per cent. and 25 per cent. of the 'core' holdings issued ordinary share capital) for cash or share consideration and in conjunction with other funds run by the Investment Manager when additional capital is needed.

Investment Policy

The Company has an active investing policy and will invest predominantly in a diversified portfolio of publicly listed or quoted UK equities capitalised under £250 million at the point of investment. The Company retains flexibility to invest in non-listed investments in certain situations that will not cumulatively exceed 15 per cent. of the Company's Net Asset Value (NAV) at the time of any investment.

The Company intends to invest in a concentrated portfolio with the top 10 investments constituting the majority of its capital. There will be up to 10 'core' investments. Initial 'core' holding weightings are expected to represent between 4 to 15 per cent. of the NAV at the time of investment, although the

³ The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

Company will have discretion to invest up to 20 per cent. of NAV, at the time of investment, in a single holding or in the securities of any one issuer, if a suitable opportunity arises. The remainder of the portfolio is expected to be invested in a focused group of between 15-25 investments. These will meet the investment criteria but are where the opportunity to establish a 'core' size investment has not arisen yet, or are more liquid corporate recovery/'special' situations where the targeted return objectives can be expected but where a large stake is not deemed necessary to influence or generate change.

The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in the respective valuations of its assets.

For maximum flexibility, given the full range of potential future corporate situations 'core' investments may result in the Company investing directly or indirectly in companies listed in non- UK OECD countries (e.g. demerged overseas division or a re-listing elsewhere). Non-UK OECD investments will cumulatively not exceed 25 per cent. of NAV at the time of investment.

The investment policy will not be to seek or target investments in privately held companies, however, in order to ensure the maximum realisation of shareholder value, these will be allowable if: (i) a public-to-private transaction occurs, and/or (ii) the investment is unlisted preferred equity and convertible debt and other debt instruments enabling flexibility of exposure within the capital structure when 'core' investments are identified.

The Company may, from time to time, use borrowing for short-term liquidity purposes, which could be achieved by putting a bank facility in place or other types of borrowing instruments, but will limit borrowing to no more than 20 per cent. of gross assets, calculated at the time of drawdown of the relevant borrowings.

The Company will not invest in other listed closed ended investment funds.

No material change will be made to the investment policy without the prior approval of Shareholders by ordinary resolution and the prior approval of the FCA in accordance with the Listing Rules.

3 INVESTMENT STRATEGY AND PROCESS

3.1 *Investment strategy*

The Company is invested in a focused portfolio of smaller UK public companies. The strategy identifies undervalued shares, where the potential exists to improve returns and where the company is benefitting, or will benefit, from operational, strategic or management changes. These unlock, create or realise shareholder value for investors.

3.2 *Investment process*

The investment process of the Investment Manager is focused on establishing a proper understanding of a potential investment's business fundamentals, a clear view of intrinsic worth and the catalysts for change and value realisation. Significant due diligence is completed on all 'core' investments by the Investment Manager and the Company seeks to incorporate the benefits of the networks, experience and insights of both its Board and the members of its IAG to enhance this process. No 'core' investments are made until the above have been consulted. There are four stages to the investment process:

- (a) Idea identification is driven both organically and systematically. The Investment Manager generates ideas through its interest in markets, innate curiosity about companies and incentive to find outstanding investment opportunities. The Investment Manager has large, established networks across the UK small cap universe. This is bolstered by the networks of the IAG. In addition, the Investment Manager quantitatively screens the small cap universe for companies with depressed valuations and profitability relative to history. These ideas inevitably lead to an initial company

meeting (they often have met them historically), preliminary analysis and the development of a simple potential investment thesis.

- (b) Due diligence is then commenced on those companies where the initial thesis and meeting confirm an opportunity may exist. The amount is significantly greater for potential 'core' investments. Huge amounts of information is now available to investors. The key is having the skill to know what is important, the ability to analyse and enhance the Investment Manager's understanding of risks and specific drivers of a company's intrinsic value and the time and dedication to do the work required. A focused portfolio significantly increases the time the Investment Manager has relative to other competitors, where typical small cap portfolios have 60 to >100 holdings. During the process for potential 'core' investments, the IAG is contacted for their insight, network opportunities and initial concerns. This is then incorporated into the diligence process. Prior to entering into a 'core' position a thorough investment memorandum is circulated to the IAG and Board. The Investment Manager would seek executive management buy-in to the strategic and operational changes required to drive value and where appropriate will seek Board representation. For non-'core' investments a simpler investment memorandum is documented.
- (c) Execution: The Investment Manager has full responsibility for investment decisions which will have been discussed within the Investment Team and, for 'core', the IAG members. For 'core' investments a 'block' stake or company financing event is usually needed which will involve liaison with company advisers. All orders are managed by Harwood's highly experienced in-house dealer. Regularly, the opportunity for a 'core' position is not immediately available and thus a 'springboard' position will be taken if the upside is clear and patience is required to scale up.
- (d) Post investment, holdings are monitored by the Investment Manager through on-going financial results analysis, meetings with management and board members, input from industry, sector and company analysts or experts. For all investments exit theses are established at the outset. For 'core' investments this will often require high levels of board engagement, communication with other shareholders of the investee company's views, and a pro-active approach, leading to a sale of the business and a control premium. Secondary market sales are also possible as other investors reconsider a rehabilitated company, usually with business and share price momentum.

4 DIVIDEND POLICY

Subject to the terms of the Articles, the Directors may from time to time, as they see fit, pay such dividends on the Ordinary Shares as appear to the Directors to be justified. The dividend policy of the Company is to pay out at least 85 per cent. of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum required to comply with the requirements of the Investment Trust rules.

Shareholders at the Annual General Meeting are being asked to approve the Directors' recommendation for the payment of a final dividend of 0.6 pence per Ordinary Share in respect of the year ended 31 March 2024, such payment expected to be made on 2 September 2024 to Shareholders on the register at close of business on 9 August 2024.

5 VALUATION POLICY

The unaudited Net Asset Value per Ordinary Share is calculated in Sterling by the Administrator using third-party data and reviewed by the Investment Manager on a weekly basis. Such calculations are published weekly, on a cum-income and ex-income basis, through a Regulatory Information Service.

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with IFRS. Publicly traded securities are valued by reference to their bid price on the relevant exchange or, where that price is not available, the closing price.

Full valuations of the Company's investments are conducted by the Company's Audit Committee as at 31 March for each financial period. Interim valuations are performed by the Company's Audit Committee on a half-yearly basis as at 30 September.

Every six months, the lead fund manager within Harwood is asked to revalue the investments that they look after and submit a valuation recommendation to the investment committee and the finance team of Harwood. The investment committee considers the recommendation made, and assuming the finance team confirms that the investment valuation calculations are correct, submits its valuation recommendations to the Board of the Company to consider. The final valuation decision taken by the Board is made after taking into account the recommendation of the Investment Manager.

Investments in quoted companies are recognised on trading date and valued at the closing bid price as at the end of the reporting period. Unquoted investments are valued according to the Directors' best estimate of the Company's share of that investment's value. This value is calculated in accordance with the International Private Equity and Venture Capital Valuation Guidelines (the IPEV of December 2022) and industry norms which include calculations based in appropriate earnings or sales multiples.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- (a) there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- (b) there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- (c) it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

6 ESG POLICY

The Company has no employees and delegates its day-to-day management and administration to third parties. The Board considers its key stakeholders to be its Shareholders, the Investment Manager and its third-party service providers while also taking into account the Company's responsibilities to regulators and the wider community. Given the out-sourced nature of the Company's operations, the Company has very little direct impact on the community or the environment. However, the Directors recognise that the Investment Manager can influence an investee company's approach to Environmental, Social and Governance (ESG) matters. The Investment Manager is committed to operating responsibly. The Investment Manager also recognises that the integration of ESG considerations into its investment assessments is important and that when these factors are addressed well they can have a positive impact on the financial performance of the fund investments.

The Investment Manager assesses ESG factors during due diligence and incorporates conclusions into its engagement, strategic and operational plan, investment thesis and investment risk assessment. The Investment Manager continues to monitor factors post-investment and engage when appropriate. The Investment Manager expects companies to be minimising their environmental footprint, without damaging the outlook for cash earnings and will engage where necessary to address lack of active attention in this area. The Investment Manager believes successful companies incorporate the interests of multiple stakeholders into their business operations and their strategy for maximising shareholder value. The governance factor is most important to the Investment Manager and investment strategy, enabling effective approaches to environmental and social factors. The

Investment Manager actively engages with companies as an integrated part of its philosophy and process. This is often including through board representation, which helps ensure corporate governance is structured appropriately, 'groupthink' is avoided and the investee company's board is working effectively to deliver shareholder value.

7 REPORTS, ACCOUNTS AND MEETINGS

The audited accounts of the Company are prepared under IFRS and the annual report and accounts are prepared up to 31 March each year. Copies of the report and accounts are published by the end of June each year. The Company also prepares an unaudited half-yearly report covering the six months to 30 September each year, which are published within the following three months.

The Company holds an annual general meeting each year. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

8 SHARE CAPITAL MANAGEMENT

8.1 *Premium management*

In the event that the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share, the Company may issue new Ordinary Shares.

The Directors are seeking authority, at the Annual General Meeting, to issue up to 6,438,976 Ordinary Shares (being an amount equal to 20 per cent. of the total issued share capital of the Company as at the date of the notice) on a non-pre-emptive basis (such authority to expire at the conclusion of the annual general meeting to be held in 2025, or 15 months from the date of the Annual General Meeting, whichever is earlier).

Should the Directors deem that there is demand for further Ordinary Shares at any point within the next 12 months, under this document the Directors are able to issue a further 6,438,978 Ordinary Shares above the maximum permissible under the AGM Authority, provided the Directors have obtained the requisite further Shareholder authority at a general meeting.

Investors should note that the issuance of new Ordinary Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the number of new Ordinary Shares that may be issued.

8.2 *Discount management*

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

The Directors are seeking a general Shareholder authority, at the Annual General Meeting, to purchase in the market up to 4,829,233 Ordinary Shares, and intend to seek a renewal of the authority to buyback Ordinary Shares from Shareholders at each annual general meeting of the Company thereafter.

Pursuant to this authority, and subject to the Companies Act and discretion of the Directors, the Company may repurchase Ordinary Shares in the market on an on-going basis at a discount to NAV with a view to increasing the NAV per Ordinary Share and assisting in controlling any discount to NAV per Ordinary Share in relation to the price at which such Ordinary Shares may be trading.

Purchases by the Company may be made only at prices below the estimated prevailing NAV per Ordinary Share based on the last published NAV but taking account of movements in investments, stock markets, and currencies, in consultation with the Investment Manager and

at prices where the Directors believe such purchases will result in an increase in the NAV per Ordinary Share of the remaining Ordinary Shares.

The Directors will consider repurchasing Ordinary Shares when the price per Ordinary Share plus the pro forma cost to the Company per Ordinary Share repurchased is less than 95 per cent. of the NAV per Ordinary Share. The pro forma cost per Ordinary Share should include any brokerage commission payable and costs of realising portfolio securities to fund the purchase. The Directors may, at their discretion, also consider repurchasing Ordinary Shares at a smaller discount to NAV per Ordinary Share, provided that such purchase would be accretive to NAV per Ordinary Share for any continuing Shareholders.

No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The implementation of any Ordinary Share buyback programme will be subject at all times to compliance with the Companies Act, the Articles and all other applicable legal and regulatory requirements, including, the Listing Rules. Pursuant to the Listing Rules, any purchase of Ordinary Shares by the Company pursuant to a general authority by its Shareholders that represents 15 per cent. or more of the issued share capital of the Company (excluding treasury shares) must either (i) have the full terms of the share buyback specifically approved by Shareholders, or (ii) be by way of a tender offer to all Shareholders.

Whilst the Company has the ability to repurchase Ordinary Shares, the Directors are aware of the Concert Party's interest in the Company in light of The Takeover Code and the requirement to make a mandatory offer for the Company under Rule 9 of The Takeover Code should the combined interest of the Concert Party equal or exceed 30 per cent. of the Company's issued share capital.

8.3 ***Treasury Shares***

Any Ordinary Shares repurchased pursuant to the general buy-back authority may be held in treasury. These Ordinary Shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Ordinary Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

As at the Latest Practicable Date, the Company's issued share capital consisted of 32,194,886 Ordinary Shares of £0.05 each, of which none were held in treasury.

PART 2

THE PORTFOLIO AND PERFORMANCE

1 THE PORTFOLIO

As at 30 June 2024, the Portfolio comprised 22 holdings and the Company's unaudited Net Asset Value was £80.7 million.

Details of the holdings in the Portfolio as at 30 June 2024 are set out in the table below:

<i>Holding</i>	<i>Public/ private</i>	<i>Market cap (£m)</i>	<i>Holding as a percentage of NAV (%)</i>	<i>Company's stake in investee company's issued share capital (%)</i>
FUNDING CIRCLE HOLDINGS	Public	£336m	13.12%	3.2%
RM	Public	£68m	11.63%	13.9%
FILTRONIC	Public	£155m	10.56%	5.5%
M AND C SAATCHI	Public	£238m	7.25%	2.5%
TRIFAST ORD SHS	Public	£97m	6.89%	5.7%
FLOWTECH FLUIDPOWER ORD SHS	Public	£70m	5.20%	6.0%
STV GROUP ORD SHS	Public	£124m	5.08%	3.3%
FISHER(JAMES)AND SONS ORD SHS	Public	£160m	4.93%	2.5%
CENTAUR MEDIA ORD SHS	Public	£53m	4.17%	6.0%
RESTORE ORD SHS	Public	£361m	4.09%	0.9%
Other Listed Equities	Public		25.25%	
Other Unlisted securities	Public		1.04%	
Cash (net of liabilities)	Public		0.79%	
Total			100.00%	

2 PERFORMANCE

Details of the performance of the Company's Portfolio as at 30 June 2024 are set out in the table below:

<i>Performance</i>	<i>Year to date</i>	<i>3 Months</i>	<i>12 Months</i>	<i>36 Months</i>	<i>48 Months</i>
Total Shareholder Return	29.8%	26.7%	32.3%	78.7%	179.1%
Strategic NAV Return	21.5%	21.6%	29.4%	61.2%	132.1%
FTSE Small-Cap (ex ITs)	6.2%	7.9%	14.4%	-8.5%	48.3%

Performance for the Company will be dominated by the investment returns driven by the stock specific outcomes of the portfolio holdings due to a relatively concentrated approach versus other listed UK small company funds. The Investment Performance objective is 15 per cent. IRRs⁴ from individual investments over the typical investment time horizon of three to five years. This requires an absolute return investing mindset and not a 'benchmark' relative one. The intended outcome, if stock selection is positive, is that each investment doubles in value prior to sale. On-going costs and fees will reduce

⁴ The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

performance and thus the Company will seek to minimise these. Performance overall will be affected over shorter time periods by the market valuation backdrop in the equities asset class and, within this, sentiment towards UK equities relative to overseas equities and small company valuations relative to large companies, which to a certain extent has historically been driven by risk appetite. However, over the target investment time horizon, due to the Investment Manager's focus on both intrinsic value and change catalysts to ensure this is realised, if the Investment Manager's analysis and judgement are sound, stock selection contribution may outweigh broader market considerations.

PART 3

MARKET OVERVIEW

1 PERFORMANCE

The Investment Manager believes there is currently a structural investment opportunity for enhanced returns in small cap equities. This has been shown across geographies over history and is clearly evident in the UK as demonstrated in the multi-decade research of Dimson & Marsh, the 'small cap effect' established by Fama & French in 1993 and the long-term performance of both the Deutsche Numis Small Companies Index (Bottom 10 per cent. of the UK stock-market, re-calculated annually, from 1955-2023) of 14.2 per cent. per annum on average and the Deutsche Numis Small Companies 1000 Index (Smallest 1000 companies) of 15.7 per cent. on average. This compares favourably with large cap indices and in doing so has generated a performance premium over the longer term of smaller company equities vs larger ones.

Annualised percentage rates of return to end-2023

Total return index (XIC unless shown as IIC)	1yr	2yrs	3yrs	4yrs	5yrs	10yrs	20yrs	25yrs	30yrs	40yrs	50yrs	69yrs
DNSCI IIC	6.6	-5.6	2.1	1.8	5.6	5.6	9.0	8.6	8.2	10.5	13.1	14.0
DNSCI	10.1	-4.9	3.3	1.4	5.7	4.9	9.2	9.0	8.6	10.7	13.3	14.2
DNSC 1000	6.6	-7.7	2.1	1.2	3.9	4.6	8.3	9.9	9.1	10.9	13.8	15.7
DNSC plus AIM	3.2	-10.2	-1.1	0.4	4.4	3.9	7.1	7.2	7.1	9.3	12.1	13.3
Mid Cap	13.3	-4.1	2.9	-0.5	4.9	4.9	8.8	8.1	7.9	10.5	12.7	12.9
Large Cap	8.1	5.9	9.6	4.1	6.6	5.1	6.6	4.8	6.6	9.5	11.4	11.0
Alternative Markets IIC	-7.2	-20.0	-11.7	-4.8	-1.2	0.2	1.1	0.5	0.8	2.6	na	na
All Share IIC	7.8	2.5	7.2	3.2	6.1	5.1	6.9	5.5	6.8	9.6	11.6	11.5
Mid Cap – Large Cap	5.2	-9.9	-6.7	-4.6	-1.7	-0.3	2.2	3.2	1.3	1.0	1.4	1.8
DNSCI – Large Cap	2.0	-10.8	-6.3	-2.7	-0.9	-0.3	2.6	4.2	2.0	1.3	1.9	3.1
DNSC 1000 – Large Cap	-1.5	-13.6	-7.5	-2.9	-2.8	-0.5	1.7	5.1	2.6	1.5	2.5	4.6
Capital gains index												
DNSCI IIC	2.6	-8.9	-1.2	-1.2	2.4	2.4	5.8	5.4	5.0	7.0	8.8	9.0
DNSCI	6.2	-8.1	0.2	-1.4	2.8	1.9	6.1	5.9	5.5	7.3	9.0	9.2
DNSC 1000	3.4	-10.6	-0.7	-1.3	1.1	1.8	5.4	6.9	6.0	7.5	9.5	10.3
DNSC plus AIM	0.0	-12.9	-3.6	-1.9	1.9	1.3	4.5	4.5	4.3	6.1	8.0	8.5
Mid Cap	9.0	-7.5	-0.3	-3.2	2.0	1.8	5.6	4.8	4.7	6.9	8.4	8.1
Large Cap	3.9	1.7	5.4	0.2	2.4	1.0	2.5	1.1	2.7	5.2	6.6	6.3
Alternative Markets IIC	-9.2	-21.6	-13.2	-6.2	-2.7	-1.6	-0.5	-1.0	-0.7	0.7	na	na
All Share IIC	3.8	-1.3	3.3	-0.4	2.3	1.2	3.1	1.9	3.1	5.6	7.0	6.8
Mid Cap – Large Cap	5.1	-9.2	-5.7	-3.5	-0.5	0.8	3.1	3.8	2.0	1.6	1.8	1.7
DNSCI – Large Cap	2.3	-9.9	-5.2	-1.6	0.4	1.0	3.6	4.9	2.8	2.1	2.4	2.9
DNSC 1000 – Large Cap	-0.5	-12.3	-6.1	-1.6	-1.3	0.8	2.9	5.8	3.4	2.3	2.9	4.0

Source: Elroy Dimson, Scott Evans and Paul Marsh, Deutsche Numis

The Investment Manager believes the causes of this long-term outperformance are due to:

- the premium received by small companies for faster than average growth, as large companies struggle to find material new growth avenues due to their size and maturity;
- the illiquidity premium captured, as lower equity valuations are given to less liquid securities by the majority of market participants who wish to be able to sell and buy their investments rapidly. Large funds need to purchase significant stakes in small companies in order to have a material, relevant percentage position weighting within their portfolios, which they tend to then

avoid due to the inherent illiquidity. This is most acute in the open-ended OEIC sector (which dominates professional UK equity market assets) where daily redemption risk resides; and

- a risk premium attached to many smaller companies for the immaturity of their business model or industry, relative lack of diversification and the reduced funding options compared with the well-banked large companies sector (all of which can dissipate over time).

The Investment Approach

The Investment Manager believes that active investment management can potentially deliver an additional return over that offered by the average UK small company equity via enhanced stock selection, through:

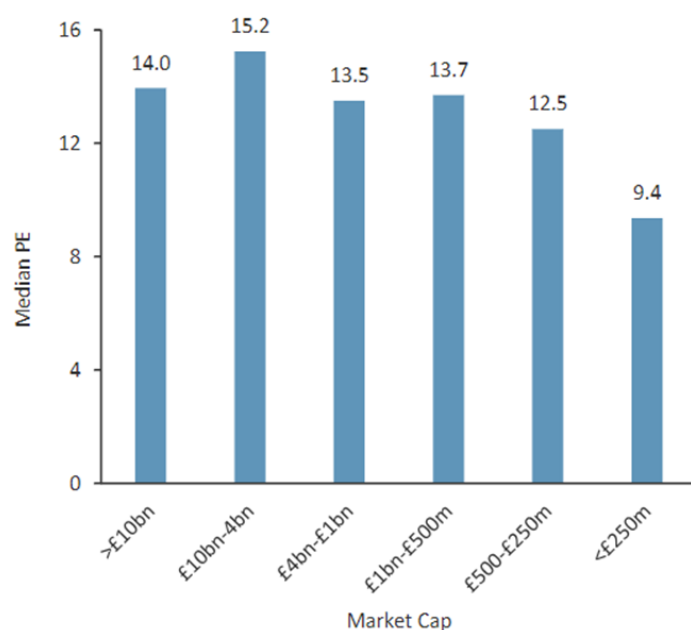
- the application of a 'value' philosophy;
- the application of proprietary company research and due diligence which can enable:
 - the avoidance of excess or market unrecognised risks;
 - the identification of under-appreciated or 'hidden' intrinsic value;
 - an insightful understanding of the value creation potential of a company; and
- higher than average levels of investor engagement with the company, board, executive management and stakeholders to deliver shareholder value.

Market Trends

The Investment Manager believes that recent stock market industry dynamics have enhanced the opportunity within the investment universe due to greater likelihood of inefficient markets:

- A reduction in company research coverage by stockbrokers in recent years (due to a combination of collapsed commission fees and MiFID2 regulations) has been occurring and for a significant proportion of small companies there may be none, one or possibly just two professional, broking research providers. The research is dominated by those providers paid for by the company, lacking independence. Furthermore, due to the lack of investor payment for research and the low levels of liquidity (and thus dealing commission opportunity), the Investment Manager has observed a material reduction in deep, detailed, thorough, insightful and broad industry research and financial results analysis.
- The Investment Manager believes that due to higher market concentration of assets under management within a small number of large institutions, their huge scale prohibits them from considering a large part of the UK universe due to liquidity requirements. Many 'small' company Investment Trusts invest primarily in considerably higher market capitalisations than £250 million. As a result, the Investor Manager believes there is a structural opportunity to find outstanding investment opportunities in an inefficient market place, with over-looked and misunderstood companies. Recent UK stock valuation data by size cohorts suggests the lowest valuation shares are in the exact universe targeted by the strategy.

Figure 7a: Leading P/E by market cap

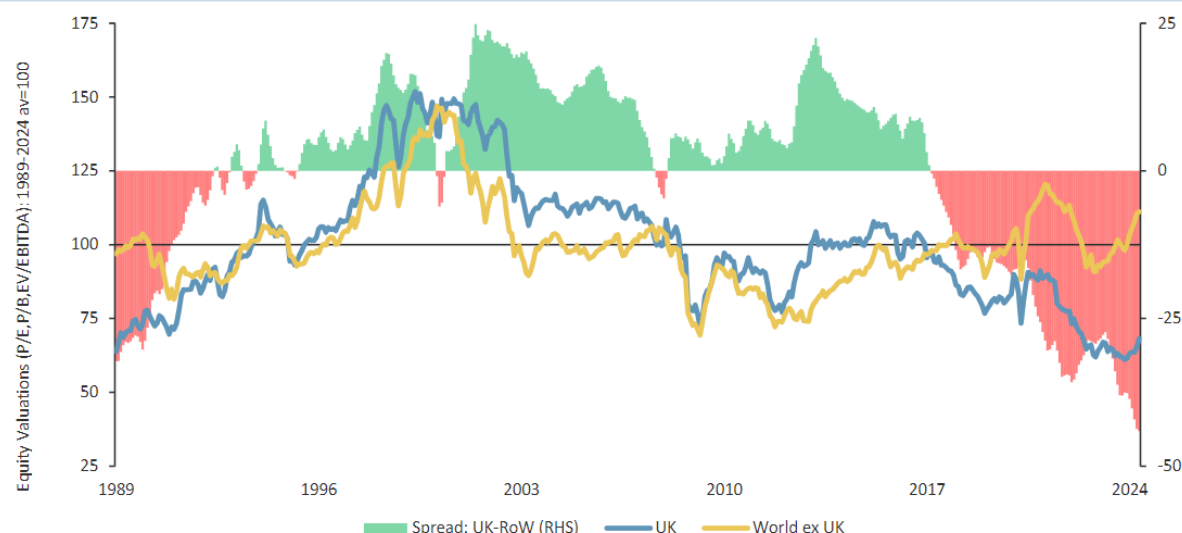


Source Panmure Gordon, Refinitiv

Recent Market Developments

- In the near term the Investment Manager believes the opportunity is further enhanced due to the out of favour status relative to history of the UK stock market relative to global (mainly the US) stock markets.
- The UK discount started widening following the calling of the Brexit Referendum in 2016 and has since increased with investor flows into Global, the momentum of US technology mega-caps.

Figure 3a: Valuation Premium/Discount (100=35Y average)



Source Panmure Gordon, Refinitiv

- Finally, there is growing recognition by authorities and politicians (of all mainstream parties) that further positive stimulus and policy actions are required to stimulate increased interest in UK equities in general and improved demand. Recent examples include the 'Mansion House

Reforms' (10/7/23), a consultation initiated on the introduction of a tax advantaged British ISA allowance (6/3/24) and the Edinburgh Reforms (9/12/23).

PART 4

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

1 THE DIRECTORS

The Directors are responsible for the Company's investment objective and investment policy and have overall responsibility for the Company's activities including the review of investment performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager. All of the Directors are subject to annual re-election by the Company's shareholders, pursuant to the Articles.

The Directors are as follows:

Noel Lamb (aged 68) (*Independent Non-Executive Chairman*)

Noel is a Non-Executive Director of Nippon Active Value Fund plc and a Director of Guinness Asset Management Funds Plc (an Irish umbrella open-ended investment company). Noel graduated from Exeter College, Oxford University and is a barrister-at-law. He joined Lazard Brothers & Co Limited in 1987 and from 1992 to 1997 he was the managing director of Lazard Japan Asset Management where he was the fund manager for their Japanese equities. In 1997, he moved to the Russell Investment Company where he established the investment management capability of Russell in London. In 2002, he was promoted to Chief Investment Officer in North America where he managed assets of \$150bn until his departure in 2008.

Kenneth Lever (aged 70) (*Independent Non-Executive Director*)

Ken is Chair of the audit committee at Rockwood Strategic PLC, Chairman of Marston's plc and Cirata plc, Deputy Chairman and Non-Executive Director of Rainier Developments Limited. Ken was previously Chief Executive of Xchanging plc and during his career has held listed company executive board positions with Vertu Motors plc, Tomkins plc, Albright and Wilson plc, Alfred McAlpine plc and private equity owned Numonyx BV. In his early career Ken qualified as a Chartered Accountant and became a partner in Arthur Andersen. Until 2014 Ken was a member of the UK Accounting Standards Board. He graduated from Manchester University with a degree in Management Sciences.

Paul Dudley (aged 52) (*Independent Non-Executive Director*)

Paul is a Fellow of the Institute of Chartered Accountants of England and Wales and is a Member of the UK's Chartered Institute of Securities and Investment. Paul founded Aer Ventures (formerly HD Capital Partners Ltd) in 2011 where he is Managing Partner, advising and leading corporate transactions on numerous public and private companies. Previously he worked at stockbroking firm WH Ireland where he was approved as a Qualified Executive acting as the Corporate Finance adviser on fundraisings and M&A transactions and also at Sigma Capital Group plc, a venture capital investment firm, where he advised on investment into emerging growth companies. Earlier in his career, after qualifying at PricewaterhouseCoopers, Paul was seconded to the listing department of the London Stock Exchange. He is currently a director of Celsius Resources Ltd, Watercycle Technologies Ltd and Pyne Gould Corporation Ltd.

2 THE INVESTMENT MANAGER

2.1 Introduction

The Company has appointed Harwood as the Company's alternative investment fund manager to provide portfolio management and risk management services to it pursuant to the Investment Management Agreement (details of which are set out in paragraph 2.3 below and in paragraph 7.1 of Part 7 (*Additional Information*) of this document).

2.2 **Management team**

The personnel of the Investment Manager who are involved with the provision of investment management services to the Company consists of the following individuals:

Richard Staveley (*Lead Fund Manager*)

Richard has over 24 years' experience of equity investment and fund management. Having qualified as a chartered accountant at PricewaterhouseCoopers, Richard joined Bradshaw Asset Management, as assistant fund manager in 1999. He subsequently joined Société Générale Asset Management where he became Head of UK Small Companies and a CFA charterholder. In 2006, he co-founded River and Mercantile Asset Management where he launched both the UK Small Company Fund, the UK Income Fund and was Head of Research. In 2013, he joined Majedie Asset Management to co-manage and subsequently solely manage the UK small company investments. In 2019 he joined Gresham House Plc as fund manager for Gresham House Strategic Plc, the Strategic Public Equity LP and eventually the Gresham House UK Small Companies Fund. In 2021, Harwood was appointed as the investment manager for the Company, at which point Richard was re-appointed as Lead Fund Manager. He currently sits as Non-Executive Director on the boards of Pressure Technologies Plc and Centaur Media Plc.

Nicholas Mills (*Assistant Fund Manager*)

Nicholas is a director of Harwood Capital Management Ltd and joined Harwood Capital LLP in 2019. He has ten years of equity investment experience, initially at Gabelli Asset Management in New York where he spent five years as a Research Analyst covering the industrial sector and gaining experience in Merger Arbitrage strategies and the marketing of Closed End Funds. Since joining Harwood Capital LLP, Nicholas has performed UK equity analysis and fund management roles for Oryx International Growth Fund and the North Atlantic Smaller Companies Investment Trust. He has a Bachelor of Science Degree from Boston College's Carroll School of Management. He is currently a Non-Executive Director at Niox Plc, Hargeaves Services Plc and Trifast Plc. He was previously Non-Executive Director at Crestchic Plc.

Christopher Mills (*Advisory Group Member and CIO Harwood Capital LLP*)

Christopher has over 50 years investment experience and has been Chief Executive Officer and principal shareholder of Harwood Capital Management since 2011. He founded JO Hambro Capital Management with Jamie Hambro in 1993 acting as Chief Investment Officer and Harwood Wealth with Alan Durant in 2013 until their respective sales in 2011 and 2020. He is CEO of North Atlantic Smaller Companies Investment Trust ("**NASCIT**") which he has managed since 1982 and Executive Director of Oryx International Growth Fund which he has managed since 1995. NASCIT has delivered a total NAV per share of nearly 200x under Mr. Mills' management. He has sat on the board of over 100 companies during his career including most recently Augean, MJ Gleeson, SureServe, Frenkel Topping, Assetco, Ten Entertainment, Bigblu Broadband, Trellus Health, SourceBio International and is currently Chairman of EKF Diagnostics and Renalytix AI.

2.3 **Investment Management Agreement**

In consideration of the Investment Manager performing portfolio management services, the Investment Manager receives a performance and management fee (details of which are set out in paragraph 7.1 of Part 7 (*Additional Information*) of this document).

2.4 **Custody Arrangements**

The Company's custodian to all assets is Caceis Bank (previously RBC Investor Services Trust). The Company and its manager are sub-threshold AIF/AIFMs. As such, the Company does not have a depositary. The relationship between the Company and the custodian is

governed by the Custody Agreement. Details of the Custody Agreement are set out in paragraph 7.7 of Part 7 (*Additional Information*) of this document.

3 OTHER ADVISERS

3.1 *Company Secretary*

Shakespeare Martineau LLP has been appointed to provide company secretarial services to the Company pursuant to the Company Secretarial Agreement (details of which are set out in paragraph 7.5 of Part 7 (*Additional Information*) of this document).

3.2 *Registrar*

Link Company has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (details of which are set out in paragraph 7.4 of Part 7 (*Additional Information*) of this document).

4 FEES AND EXPENSES

4.1 *Expenses incurred in respect of the publication of this document and the issues of Ordinary Shares*

The Company has incurred and will incur expenses that arise from, or are incidental to, the publication of this document and the issue of Ordinary Shares thereunder. These expenses include fees payable under the Sponsor Agreement, printing, legal and accounting fees and any other applicable expenses. The costs and expenses of, and incidental to, the publication of this document are expected to be approximately £200,000.

The costs and expenses of, and incidental to, each issue of Ordinary Shares will depend on subscriptions received but are not expected to exceed 2 per cent. of the gross proceeds of the relevant issue. It is intended that the costs and expenses of any issue of Ordinary Shares (including any commissions and expenses payable to SCM Securities) will be covered by issuing such Ordinary Shares at a premium to the prevailing Net Asset Value per Ordinary Share at the time of issue.

4.2 *Ongoing annual expenses*

The Company incurs annual fees, charges and expenses in connection with the day to day running of the Company, which include fees paid to the Investment Manager and other service providers in addition to other expenses. The fees and expenses for the Company in respect of the year ended 31 March 2024 (including the ongoing annual expenses of the Company) can be found in the Historical Financial Information incorporated into this document by reference as set out in Part 9 (*Documents incorporated by reference*) of this document.

5 CONFLICTS OF INTEREST

The Company has effective procedures in place to monitor and deal with conflicts of interest. A register has been set up to record all actual and potential conflict situations which have been declared. All declared conflicts have been approved by the Board. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

As at the date of this document, there are no material potential conflicts of interest which any of the services providers to the Company, may have as between their duty to the Company and duties owed by them to third parties and their other interests.

6 CORPORATE GOVERNANCE

6.1 *Introduction*

The Board considers that the principles and recommendations of the AIC Code of Corporate Governance issued in July 2019 (the "**AIC Code**") provide the most appropriate framework for the Company's governance and reporting to shareholders. The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "**UK Code**") as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Company has maintained its compliance with the AIC Code, except as follows:

- The Directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement committee. The functions that are carried out by these committees are dealt with by the full Board.
- As the Company has no employees and its functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

The Board has established an Audit Committee. This committee undertakes specific activities through delegated authority from the Board. Terms of reference for the committee have been adopted and are reviewed on a regular basis by the Board.

The AIC Code is made up of 17 principles and 35 provisions over five sections covering:

- Board Leadership and Purpose;
- Division of Responsibilities;
- Composition, Succession and Evaluation;
- Audit, Risk and Internal Control; and
- Remuneration.

Details of how the Company has complied with the principles and provisions of the AIC Code are set out in the Corporate Governance Report on pages 19 to 21 of the Company's Annual Report and Accounts for the financial year ended 31 March 2024.

6.2 *Audit Committee*

The Audit Committee is chaired by Ken Lever. The Audit Committee's other member is Paul Dudley. The Chair of the Company and the Investment Manager are not members of the committee but are invited to attend meetings of the Audit Committee from time to time. The Audit Committee operates within a scope and remit defined by specific terms of reference determined by the Board. The Audit Committee meets twice a year to review and discuss the Company's half-year and full year accounts.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported and monitored. The role of the Audit Committee includes:

- (a) monitoring the integrity of the published financial statements of the Company;
- (b) reviewing and reporting to the Board on the significant issues, judgements, and estimates made in the preparation of the Company's published financial statements;

- (c) monitoring and reviewing the quality and effectiveness of the external auditor and their independence; and
- (d) considering and making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of the external auditor; (v) reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery, and corruption; and (vi) monitoring and reviewing the internal control and risk management systems of the Company's service provider.

PART 5

THE ISSUE OF ORDINARY SHARES

1 INTRODUCTION

The maximum number of Ordinary Shares that may be issued under this document is 12,877,954 Ordinary Shares, representing 40 per cent. of the Company's issued share capital at the Latest Practicable Date.

The Directors are seeking authority, at the Annual General Meeting, to issue up to 6,438,976 Ordinary Shares (being an amount equal to 20 per cent. of the total issued share capital of the Company as at the date of the notice) on a non-pre-emptive basis (such authority to expire at the conclusion of the annual general meeting to be held in 2025, or 15 months from the date of the Annual General Meeting, whichever is earlier) (the "**AGM Authority**"). If the AGM Authority is passed, the Directors will be authorised to issue such number of Ordinary Shares non-pre-emptively in the 12 months from the date of this document.

Should the Directors deem that there is demand for further Ordinary Shares at any point within the next 12 months, under this document the Directors are able to issue a further 6,438,978 Ordinary Shares above the maximum permissible under the AGM Authority, provided the Directors have obtained the requisite further Shareholder authority at a general meeting (the "**Top-up Authority**"). If both Resolutions are passed, the Directors will be authorised to issue the maximum of 12,877,954 Ordinary Shares under this document.

2 BACKGROUND TO, REASONS FOR AND THE BENEFITS OF THE ISSUE OF ORDINARY SHARES, AND USE OF PROCEEDS

Since January 2024, the Ordinary Shares have regularly traded at a premium to the Net Asset Value per Ordinary Share, indicating strong ongoing demand for the Ordinary Shares in the market. As part of the Board's efforts to satisfy demand for Ordinary Shares and instil a degree of premium management, the Company issued 6,318,818 Ordinary Shares in the period from 19 May 2023 to 30 April 2024 by way of the regular issue of new Ordinary Shares.⁵ On 30 April 2024, this equated to 20 per cent. of its issued share capital during the prior twelve-month period. These issues are commonly known as tap issues.

The Board remains cognisant of the need to comply with the requisite provisions of the UK Prospectus Regulation when issuing new Ordinary Shares and, more particularly, the rolling requirement that the Company should not issue and admit to trading on a regulated market more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus. Accordingly, this document is being published in order to provide the Company with the capacity to continue issuing Ordinary Shares outside of the exemption. This document will allow the Company to issue up to a further 12,877,954 Ordinary Shares (representing 40 per cent. of the Company's issued share capital as at the Latest Practicable Date) under the UK Prospectus Regulation for a period of 12 months from the date of this document via one or more tap issues.

This is intended to enable the Board to continue managing any premium in share price of the Ordinary Shares.

The Directors intend to use the net proceeds of any issues of Ordinary Shares to purchase investments in accordance with the Company's investment objective and policy. The Directors believe that the continued issue of Ordinary Shares is in the best interest of the Company and Shareholders and should yield the following principal benefits:

⁵ Adjusted for the 10 for one share sub-division announced on 4 October 2023.

- enable in a timely and efficient manner the acquisition of assets to seek to create further value for Shareholders;
- spread operating costs over a larger capital base, reducing the Company's ongoing charges ratios;
- improve liquidity and enhance the marketability of the Ordinary Shares, resulting in a broader investor base over the longer term;
- continue to enable the Board to satisfy demand for Ordinary Shares and instil a degree of premium control; and
- the price at which the Company expects to issue new Ordinary Shares will mean that the issue of new Ordinary Shares is not dilutive in NAV terms and may, depending on the level of premium at which the new Ordinary Shares are issued, be NAV accretive.

3 ISSUES OF ORDINARY SHARES

The Company may issue Ordinary Shares at any time from 31 July 2024 until 30 July 2025 (or any earlier date on which the maximum number of Ordinary Shares available for issue under this prospectus have been reached). The Company will have the flexibility to issue Ordinary Shares on a non-pre-emptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share. It is expected that any admission of Ordinary Shares will become effective and dealings will commence between 31 July 2024 and 30 July 2025.

The net proceeds of any issues of Ordinary Shares are dependent, *inter alia*, on the number of Ordinary Shares issued, the price at which such Ordinary Shares are issued and any associated costs. As at the date of this document, the actual number of Ordinary Shares to be issued under this document is not known. Where new Ordinary Shares are issued, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant issue price less the costs and expenses of such issuance.

Issues will be suspended at any time when the Company is unable to issue Ordinary Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. Issues may resume when such conditions cease to exist.

Applications will be made to the Financial Conduct Authority for any Ordinary Shares to be issued to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

4 CONDITIONS

Any issue of Ordinary Shares under this document will be conditional, *inter alia*, on:

- the Company having in place sufficient Shareholder authority for the issue of such Ordinary Shares on a non-pre-emptive basis; and
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules.

In circumstances in which the conditions are not fully met, further issues of Ordinary Shares will not take place.

5 THE ISSUE PRICE

The minimum price (in Sterling) at which Ordinary Shares will be issued will be equal to the Net Asset Value per Ordinary Share at the time of issue together with a premium intended to at least cover the costs and expenses of the relevant issue (including, without limitation, any commissions).

The Company may not issue Ordinary Shares for cash on a non-pre-emptive basis at a price below the prevailing Net Asset Value per Ordinary Share without Shareholder approval.

6 THE SCM SECURITIES ENGAGEMENT LETTER

The SCM Securities Engagement Letter provides for SCM Securities to be paid commissions by the Company in respect of the Ordinary Shares to be issued. Any Ordinary Shares subscribed for by SCM Securities may be retained or dealt in by it for its own benefit. Under the SCM Securities Engagement Letter, SCM Securities is also entitled at its discretion and out of its own resources at any time to rebate to any third-party part or all of its fees relating to any issue of Ordinary Shares.

7 DILUTION

The maximum number of Ordinary Shares that (subject to the passage of the Resolutions) may be issued under this document is 12,877,954 Ordinary Shares, representing 40 per cent. of the Company's issued share capital at the Latest Practicable Date.³

If 12,877,954 Ordinary Shares were to be issued during the life of this document, and an existing Shareholder did not participate in any such issues, there would be a dilution of approximately 28.6 per cent. in such Shareholder's voting control of the Company immediately after publication of this document.

8 ADMISSION, CLEARING AND SETTLEMENT

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form.

The ISIN number of the Ordinary Shares is GB00BRRD5L66 and the SEDOL code is BRRD5L6.

Any Ordinary Shares issued will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

9 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Settlement of transactions in the Ordinary Shares may take place within the CREST system if any holder of such Ordinary Shares so wishes.

10 OVERSEAS PERSONS

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled "Important Information" of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

11 PROFILE OF A TYPICAL INVESTOR

The Ordinary Shares are designed to be suitable for institutional investors and professionally advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an

investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares.

PART 6

TAXATION

Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Ordinary Shares. The following comments summarise certain limited aspects of the United Kingdom tax consequences applicable to Shareholders who hold their Ordinary Shares as absolute beneficial owners and as an investment. The comments do not constitute legal or tax advice or purport to be a complete analysis of all tax considerations relating to the Ordinary Shares. They are based on current UK tax legislation, tax rates, and what is understood to be current HMRC published practice (which may not be binding on HMRC), in each case as at the date of this document, all of which are subject to change, possibly with retrospective effect. The comments are a general guide and do not apply to certain types of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment.

The comments only address the position of Shareholders who: (i) are resident (and, in the case of individuals, domiciled or deemed domiciled) for tax purposes solely in the United Kingdom (and to whom split-year treatment does not apply); (ii) do not have a branch, agency, or permanent establishment in any jurisdiction other than the UK in connection with which they acquired or hold their Ordinary Shares; (iii) except as expressly stated otherwise, do not hold their Ordinary Shares on a tax exempt basis. Each prospective investor must consult their own advisers with regard to the tax consequences of an investment in Ordinary Shares.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

Investment Trust status

It is the intention of the Directors of the Company for the Company to continue to operate as an Investment Trust approved by HMRC under section 1158 of the CTA 2010 and pursuant to regulations made under section 1159 of the CTA 2010. The comments below are made on this basis; however, as stated in this document, Investment Trust status cannot be guaranteed.

Dividends

Deduction of tax at source

The Company is not required to withhold at source on account of UK tax when paying a dividend.

Individual Shareholders

Subject to what follows, any UK resident and domiciled individual Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income.

An annual tax-free dividend allowance of £500 is available for the tax year 2024/25. Dividends received in excess of this allowance and which are not within the "streaming regime" (see below) will be taxed, for the tax year 2024/25 at 8.75 per cent. (for basic rate taxpayers), 33.75 per cent. (for higher rate taxpayers) or 39.35 per cent. (for additional rate taxpayers).

UK individual Shareholders who hold their Ordinary Shares through the tax-free wrapper of an individual savings account ("ISA") should be exempt from tax in respect of dividends received from the Company.

The Company may be able to take advantage of a modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming regime").

Under the streaming regime, the Company may designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. If the Company were to designate any dividend it pays in this manner, such interest distributions would be deductible from its income in calculating its taxable profit for the relevant accounting period. For individual Shareholders, the above dividend tax treatment and allowance would no longer apply and instead such Shareholders would be required to treat such amounts as receipts of interest from the Company for UK tax purposes. UK individual Shareholders would be subject to UK income tax at their highest marginal rate (currently rates of 20 per cent. for basic rate taxpayers, 40 per cent. for higher rate taxpayers, and 45 per cent. for additional rate taxpayers). UK tax is not required to be deducted from such distributions.

Corporate Shareholders

Subject to what follows, Shareholders within the charge to UK corporation tax will be subject to corporation tax on dividends paid by the Company, unless the dividends fall within an exempt class in Part 9A of Corporation Tax Act 2009 and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder. Subject to the comments below regarding the streaming regime, it is expected that dividends paid by the Company would generally be exempt for Shareholders within the charge to UK corporation tax, although Shareholders which are "small companies" (for the purposes of UK taxation of distributions) should expect to be subject to tax.

For Shareholders that are subject to corporation tax on dividends, they will be liable for corporation tax at the prevailing rate. As at the date of this document, the rate is 25 per cent. (if the main rate applies) or 19 per cent. (if the small profits rate applies).

Shareholders within the charge to UK corporation tax that receive dividends designated by the Company as interest distributions under the streaming regime (described above under the sub-heading "*Individual shareholders*") would be subject to corporation tax as if such amounts were interest received by the Shareholder as a creditor under a loan relationship.

Chargeable gains

Individual shareholders

A disposal of Ordinary Shares may, depending on the circumstances of the Shareholder and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax.

For UK tax resident individual Shareholders, UK capital gains tax may be payable at a rate of 10 per cent. (for the tax year 2024/25) to the extent that individuals are subject to income tax at the basic rate and any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20 per cent. (for the tax year 2024/2025). The rate of capital gains tax for individuals who are higher or additional rate taxpayers is 20 per cent. (for the tax year 2024/2025). Such individual Shareholders may be entitled to claim a capital gains annual exempt amount (£3,000 for the tax year 2024/2025).

UK tax resident individual Shareholders who hold their Shares through an ISA should be exempt from UK capital gains tax in respect of disposal proceeds.

Corporate Shareholders

Shareholders within the charge to UK corporation tax will (subject to any available exemption or relief) be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares.

UK corporation tax is charged on chargeable gains at the rate of corporation tax applicable to that Shareholder.

A gain accruing to a corporate Shareholder on a disposal of the Ordinary Shares may qualify for the substantial shareholding exemption if certain conditions are met, including conditions regarding the amount of the shareholding and the length of ownership, the investing company and the investee company. If the substantial shareholding exemption applies in respect of a disposal, any gain on the disposal is exempt from corporation tax and any loss on the disposal is not an allowable loss.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements below are intended as a general guide to the current position. They do not apply to certain categories of persons, such as intermediaries (in relation to which certain stamp duty or SDRT exemptions may apply) or persons connected with depositary arrangements or clearance services (in relation to which a higher rate may apply).

The issue of new Ordinary Shares will not give rise to a liability to UK stamp duty or SDRT.

Any conveyance or transfer on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount of value of the consideration given for the transfer (rounded up, if necessary, to the nearest £5). The purchaser normally pays the stamp duty/SDRT. An exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the transaction(s) exceeds £1,000. A charge to SDRT at the rate 0.5 per cent. will arise in relation to an unconditional agreement to transfer such Ordinary Shares. However, where within six years of the date of the agreement (or, if the agreement was conditional, the date the agreement became unconditional), an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

A transfer of shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the Ordinary Shares) will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

PART 7

ADDITIONAL INFORMATION

1 THE COMPANY AND THE INVESTMENT MANAGER

The Company was incorporated in England and Wales on 26 July 1999 with registered number 03813450 as a public company limited by shares under the Companies Act.

The Company's registered office is 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR with telephone number 020 7264 4444.

The principal legislation under which the Company operates is the Companies Act. As an Investment Trust, the Company is not regulated as a collective investment scheme by the FCA. However, the Company and the Shareholders are subject to the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation, MAR and the rules of the London Stock Exchange.

The Investment Manager, Harwood Capital LLP, was incorporated as a limited liability partnership on 21 March 2003 under number OC304213. Its registered office is at 6 Stratton Street, Mayfair, London, W1J 8LD and its telephone number is 020 7640 3200. Its LEI is 213800SEMFKBARI5RC62. The Investment Manager is regulated in the conduct of investment business by the FCA with authorisation number 224915. The Investment Manager's website is at www.harwoodcapital.co.uk.

2 SHARE CAPITAL

The issued share capital of the Company as at 31 March 2024 was 31,189,090 Ordinary Shares. As at the Latest Practicable Date, there were 32,194,886 Ordinary Shares in issue and no Ordinary Shares were held in treasury.

The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to Section 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities. A special resolution is being proposed at the Annual General Meeting to disapply the statutory pre-emption rights so that the Board has authority to issue (or sell from treasury) new Ordinary Shares up to an aggregate nominal value of £321,948.86 for cash on a non-pre-emptive basis, such authority to expire at the conclusion of the annual general meeting in 2025 and 15 months from the passage of the resolution at the Annual General Meeting.

Any Ordinary Shares issued will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.

There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws and the restrictions on transfer contained in the Articles.

3 DIRECTORS AND MAJOR SHAREHOLDERS

Kenneth Lever was appointed to the Board on 1 January 2016. Noel Lamb was appointed to the Board on 20 January 2022. Paul Dudley was appointed to the board on 1 September 2022.

As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Noel Lamb	Nippon Active Value Fund Plc 55 Queen's Gate Company Limited Guinness Asset Management Funds Plc	Irish Grouse Conservation Trust
Kenneth Lever	Marston's Plc Rainier Developments Limited Rainier Real Estate Limited Cirata Plc Cirata Group Ltd Cirata International Ltd Cirata Ltd Barts Square Freehold Owners Limited SVBM Ltd	BSH Pension Trustee Limited Biffa Limited RPS Group Limited Blue Prism Group Limited Vertu Motors plc
Paul Dudley	Aer Ventures Ltd Watercycle Technologies Limited Skyhill Partners Ltd Celsius Resources Ltd Pyne Gould Corporation Ltd Innox Consultants Ltd	Torrum Limited Katoro Gold Plc Energy Minerals Investments Ltd

The Directors in the five years before the date of this document:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships, liquidations or administrations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

So far as is known to the Company, and as notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3 per cent. or more of the issued Ordinary Shares or the Company's voting rights:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of voting rights</i>
Harwood Capital LLP	8,356,390	25.96%
Interactive Investor	3,110,803	9.66%
Hargreaves Lansdown Asset Management	2,777,030	8.63%
Unicorn Asset Management	1,367,060	4.25%
James Sharp & Co	1,312,790	4.08%
Charles Stanley	1,289,110	4.00%
A J Bell Securities	1,116,349	3.47%

All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.

As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

There is no information disclosed by the Company under MAR over the last 12 months which is relevant at the Latest Practicable Date.

4 INTERESTS OF THE INVESTMENT MANAGER

As at the Latest Practicable Date, the Investment Manager held the following interests (beneficial or non-beneficial) in the share capital of the Company:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Harwood Capital LLP	8,356,390	25.96%
Richard Staveley	369,005	1.15%

5 RELATED PARTY TRANSACTIONS

Save as described in note 15 to the 2024 Annual Report, which forms part of the Historical Financial Information incorporated into this document by reference as set out in Part 9 (*Documents incorporated by reference*) of this document, there are no 'related party transactions' (within the meaning of IFRS) required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of the Historical Financial Information and up to the date of this document.

6 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

6.1 Introduction

In accordance with the Companies Act and the memorandum of association of the Company, the Company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

6.2 Share capital

The share capital of the Company is made up of Ordinary Shares and the liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Board may determine.

6.3 Shares

The holders of Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company. On a show of hands, every holder of Ordinary Shares present in person or by proxy shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy shall have one for each share held by them.

Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a winding-up.

6.4 ***Issue of Shares***

Subject to the statutes and to the authority contained in a resolution of the Company in general meeting creating or authorising the same, the Board is generally and unconditionally authorised to allot or grant options over, offer or otherwise deal with or dispose of any shares in the capital of the Company or right to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally on such terms and conditions as it may determine.

6.5 ***Variation of class rights***

The consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class to be varied will be required for the variation of any rights attached to those shares or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.

6.6 ***Winding up***

The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted or about to be constituted, for the purposes of carrying out the sale.

If the Company shall be wound up voluntarily, the liquidator may, with the authority of a special resolution and any sanction required by law, divide among the members (excluding any members holding shares as treasury shares) in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of members how such division shall be carried out as between the members or different classes of members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit but so that no member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

6.7 ***Dividends***

Notwithstanding any other Article, but subject to the statutes and any preferential or other special rights attached to shares, the Company or the Board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

Except as otherwise provided by these Articles or the rights attaching to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid (excluding any shares held as treasury shares).

Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

Subject to the statutes, the Board may in its absolute discretion declare and pay to the members such interim dividends (including a dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the Company's financial and trading position. If the share capital of the Company is divided into

different classes, the Board may pay interim dividends in respect of shares which rank after shares conferring preferred rights, unless at the time of payment a preferential dividend is in arrears.

The Board may, with the prior authority of an ordinary resolution of the Company, direct that dividends may be satisfied in whole or in part by the distribution of specific assets including paid up shares, debentures or other securities of any other company.

6.8 *Transfer and transmission of shares*

Subject to the Articles, any member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal.

The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. Transfers of shares in uncertificated form shall be effected by means of the relevant system in accordance with the statutes and the Articles.

The Board may not refuse to register a transfer of a certificated share if the transfer is i) in respect of only one class of shares; ii) is in favour of not more than four joint transferees;

iii) is duly stamped; iv) is not in favour of a minor, infant, bankrupt or person with mental disorder; and v) is lodged at the registered office of the Company, or such other place as the Board may decide accompanied by the certificate for the shares to which it relate.

The Board may refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

The Board may also, in circumstances permitted by the FCA and the London Stock Exchange, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares.

Further, the Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the FCA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that exercise of such powers does not disturb the market in the shares.

Where any class of shares is a participating security and the Company is entitled to sell, transfer, dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the Articles and the facilities and requirements of the relevant system:

- (a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
- (b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- (c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;

- (d) to take any action that the Board considers appropriate to achieve the sale, transfer, disposal of, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of it; and
- (e) to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant operator register of securities are a complete and accurate reproduction and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on such information.

6.9 ***Alteration of capital and purchase of shares***

Consolidation and Sub-Division

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; or
- (c) subject to statute, sub-divide all or any of its shares into shares of a smaller amount (provided that the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived) and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

Fractions

If, as the result of consolidation and division or sub-division of shares, members become entitled to fractions of a share, the Board may on behalf of the members deal with the fractions as it thinks fit.

6.10 ***Notices***

A notice or other document or information to be sent to or by any person under the Articles (other than a notice calling a meeting of the Board or of a committee of the Board) shall be in writing or, subject to the Articles, shall be sent using electronic means to an electronic address for the time being notified for that purpose to the person sending the notice or other document or information.

Any notice or other document or information sent addressed to a member or another person at his registered address (or another address within the United Kingdom or an electronic address notified for the purpose) is deemed to be received, if personally delivered, at the time of delivery or, if sent by first class post, on the next Business Day after the letter is posted or, if sent by second class post, on the second Business Day after the letter is posted or, in the case of a notice or other document or information in electronic form, on the same day it is sent. A notice or other document or information left at such an address within the United Kingdom is deemed to be received on the day it is left.

Any member present, either personally or by proxy, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.

6.11 ***Notice of general meetings***

An annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Companies Act.

Notice shall be given to such members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the Auditors.

Every notice of meeting shall specify the place, date and time of the meeting and the general nature of the business to be transacted and, if a meeting is convened to pass a special resolution, the intention to propose the resolution as a special resolution.

Where the Company has given an electronic address in any notice of meeting, any documents or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice.

The accidental omission to send notice of any general meeting or, in cases where it is sent out with the notice, an invitation to appoint a proxy, to, or the failure to send either due to circumstances beyond the Company's control to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting.

6.12 ***Conflicts of interest***

The Directors may authorise, to the fullest extent permitted by law:

- any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
- a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

If a matter, or office, employment or position, has been authorised by the Directors in accordance with the Articles then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

- the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
- a Director shall not, by reason of his office as a Director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

6.13 ***Disclosure of Interest in Shares***

Section 793 of the Companies Act allows a public company to issue a notice requiring a person it knows, or has reasonable cause to believe, has an interest in its shares (or to have had an interest in the previous three years) to confirm or deny the fact, and, if the former, to disclose certain information about the interest, including information about any other person with an interest in the shares.

Where notice is served by the Company under section 793 on a shareholder, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that shareholder, and the shareholder or other person fails to give the Company the information required within 14 days following the date of service of the notice, the Board may serve a "disenfranchisement notice" whereupon sanctions apply, unless the Board otherwise decides. These sanctions include a loss of entitlement to voting or attendance rights at a general meeting or at a meeting of the holders of that class of shares, a loss of the right to a dividend where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class, and the placement of restrictions on the transferability of the shares.

The sanctions will cease to apply seven days after the earlier of receipt by the Company of all information required by the section 793 notice, in a form satisfactory to the Board, in relation to any default shares.

6.14 ***Remuneration and appointment of Directors***

The Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board.

The total number of Directors is not subject to a maximum but must not be fewer than two. There shall be available to be paid out of the funds of the Company to the Directors as fees in each year an aggregate sum as the Board may determine (such aggregate sum not to exceed two hundred and fifty thousand pounds (£250,000)), such sum to be divided among such Directors in such proportions as the Board may decide or, in default of agreement, equally.

6.15 ***Disqualification and retirement of Directors***

At every annual general meeting all the directors at the date of the notice convening the annual general meeting shall retire from office and may offer themselves for re-appointment by the members.

A Director who retires at an annual general meeting, whether by rotation or otherwise, may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

6.16 ***Indemnity***

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director or a director of an associated company at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director of the Company (or of an associated company).

6.17 ***Proceedings of the Board***

Subject to statute, the Articles and to directions given by the Company in general meeting, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the Company's constitution and no direction made by the Company in general meeting invalidates any prior act of the Board which would have been valid if the alteration or direction had not been made.

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

The quorum necessary for the transaction of business may be decided by the Board and until decided otherwise is two persons present in person or by alternate director. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

The Board shall cause minutes to be made of all appointments of officers and committees made by the Board and of any remuneration fixed by the Board and the names of the Directors present at all meetings of the Board and committees of the Board, the Company or the holders of a class of shares or debentures and all orders, resolutions and proceedings of such meetings and any such minutes of any meeting, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the matters stated in them.

A Director or his alternate director or a member of a committee of the Board may participate in a meeting of the Board or of a committee of the Board through the medium of conference telephone or video conference or similar form of communication equipment notwithstanding that the persons participating may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

A resolution in writing or contained in electronic form executed by or on behalf of all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all members of a committee of the Board is as valid and effective as a resolution passed at a Board meeting.

6.18 ***Borrowing powers***

The Board may exercise all the power of the Company to borrow money.

6.19 ***Untraced Shareholders***

The Company is entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if:

- during a period of six years prior to the date of the publication of the advertisements in at least two United Kingdom national daily newspapers (or, if published on different dates, the earlier date) at least three dividends (whether interim or final) in respect of the share in question have been paid and all warrants, orders and cheques in respect of the share sent in the manner authorised by the Articles have been returned undelivered or remained uncashed and no communication has been received by the Company from the Member or person entitled by transmission;
- the Company, on expiry of the period of six years, has inserted advertisements in at least two United Kingdom national daily newspapers giving notice of its intention to sell the share; and

- during the period of three months following the publication of the advertisements (or, if published on different dates, the later of the two advertisements) and prior to the date of sale the Company has not received any communication from the Member or person entitled by transmission.

If during the period of six years or a further period ending on the date when all the requirements of the Articles have been satisfied, an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of the Articles are satisfied in respect of the additional share, the Company is entitled to sell the additional share.

7 MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, to which the Company or any member of its group are a party in the two years immediately preceding the date of this document and are, or may be, material or contain any provision under which the Company or a member of its group has any obligation or entitlement which is or may be material to it as at the date of this document:

7.1 *Investment Management Agreement*

The Investment Management Agreement dated 10 October 2021, as amended and restated on 29 November 2021, 7 April 2022 and 31 July 2024, between the Company and the Investment Manager pursuant to which the Investment Manager has agreed to be appointed as the AIFM of the Company.

The Investment Manager will manage the Portfolio on a discretionary basis in accordance with the investment policy or as otherwise agreed with the Directors from time to time. Subject to the investment policy, the Investment Manager will have complete discretion for the account and as the agent of the Company (and without prior reference to the Company) to buy, sell (including, without limitation, short sales), retain, redeem, hold, convert, execute, exchange or otherwise deal in investments, borrow securities, make deposits, subscribe to issues and offers for sale of, and accept placings, underwritings and sub-underwritings, of any investments, effect transactions whether or not on any recognised market or exchange (including, without limitation, derivatives transactions, repurchase and reverse repurchase transactions, and securities lending transactions), negotiate, settle and sign on behalf of the Company account opening and any other related trading documentation and otherwise act as the Investment Manager judges appropriate in relation to the management and investment of the Portfolio provided that any investment which represents more than 15 per cent. of Net Asset Value at the time that such investment is made will need the prior approval of the Directors provided further that any investment or divestment decision shall be made by the Investment Manager.

In consideration for its services thereunder, the Investment Manager is entitled to the following management and performance fees:

- once the Company's NAV equals £60 million or higher, the Investment Manager will be entitled to an annual management fee of 1 per cent. of NAV (plus VAT, if any), calculated as 1/12th of an amount equal to 1 per cent. of the NAV before deduction of that month's investment management fee and before deduction of any accrued performance fees, payable monthly;
- the Investment Manager is entitled to a performance fee equal to 10 per cent. of outperformance over the higher of a 6 per cent. per annum total return hurdle and the high watermark. The 6 per cent. per annum compounds weekly. The performance fee is calculated annually;
- provided that the Company's average NAV over the performance fee period (calculated as the average of each month-end NAV) is at or below £100 million,

performance fees in any performance fee period are capped at 3 per cent. of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3 per cent. cap will not be paid and will instead be deferred into the next performance fee period; and

- if the average NAV over the performance fee period (calculated as the average of each month-end NAV) exceeds £100 million, the performance fee shall be further limited such that the combined investment management and performance fees shall not exceed 3 per cent. of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the cap will not be deferred and will not become payable at any future date.

The Investment Manager's appointment as investment manager is terminable by the Investment Manager or the Company on not less than six months' notice.

The Investment Management Agreement may also be terminated by either the Investment Manager or the Company at any time if the other party has gone into liquidation, administration or receivership, has committed a material or continuing breach of the Investment Management Agreement or, by the Investment Manager, if it reasonably believes that the provision of services under this Agreement is in breach of the rules, guidance, principles and codes comprised in the handbook of the FCA, as amended, replaced or supplemented from time to time (the "**FCA Rules**").

In addition, the Company may terminate the Investment Management Agreement at any time if:

- the Investment Manager ceases to be able to fulfil its obligations under the Investment Management Agreement due to any change in the laws of England or the FCA Rules or regulatory practice and/or because it ceases to hold all necessary regulatory consents, licences, authorisations, approvals or equivalent;
- both:
 - Richard Staveley ceases to: (i) devote substantially all of his time to the performance of his duties under the Investment Management Agreement or (ii) be employed by the Investment Manager or an Associate of the Investment Manager, or be a partner of the Investment Manager; and
 - Christopher Mills ceases to: (i) devote sufficient time to fulfil his duties under the Investment Management Agreement or (ii) be employed by the Investment Manager or an Associate of the Investment Manager, or be a partner of the Investment Manager,

and in each case a replacement for either nominated by the Investment Manager and approved by the Company is not appointed within a period of three months;

- by any act or omission the Investment Manager causes either: (i) the Ordinary Shares to be suspended from trading on the premium listing segment of the Main Market without the agreement of the sponsor of the Company; or (ii) the London Stock Exchange to cancel the admission of the Ordinary Shares to trading on the premium listing segment of the Main Market;
- on the completion of the liquidation of the Company or if there has been a takeover or sale of the Company; or
- if the Investment Manager commits gross or repeated or persistent negligence, wilful default or fraud with respect to its duties under the Investment Management Agreement.

The Investment Management Agreement shall terminate automatically if the Investment Manager ceases to be authorised by the FCA.

7.2 ***The Relationship Agreement***

The Relationship Agreement dated 7 April 2022, as amended and restated on 5 September 2022, between the Company and Harwood whereby Harwood is recorded as a significant shareholder on account of it owning (at the time of the agreement) 28.9 per cent. of the Company's issued share capital. The Relationship Agreement was entered into to regulate the relationship between Harwood and the Company and to ensure that the Company can continue to operate in compliance with the appropriate corporate governance standards.

Under the terms of the Relationship Agreement, Harwood has undertaken to the Company that it shall (and shall procure that each of its Affiliates shall) exercise its voting rights to:

- procure that the Company and its subsidiary undertakings from time to time ("**Group**") and the business of the Group shall be managed for the benefit of the Company's shareholders as a whole and independently of Harwood;
- that all transactions, agreements and arrangements between any member of the Group and Harwood or any of its Affiliates shall be on an arm's length basis and on normal commercial terms;
- the Board shall at all times be comprised of a chair who is independent of Harwood and any of its Affiliates ("**Independent Chair**") and other directors who are independent of Harwood and any of its Affiliates ("**Independent Directors**") who together make up a majority of the Board, and if an Independent Director ceases to be either an Independent Director or a Director, one or more new Independent Directors will be appointed to the Board to ensure compliance with the same;
- the Company shall at all times have a constitution that allows the election and re-election of Independent Directors to be conducted in accordance with the applicable Listing Rules;
- the Audit Committee and any other corporate governance committee of the Board shall be comprised of two Independent Directors and shall be chaired by an Independent Director;
- the quorum for any meeting of the Board or a committee thereof to consider a Board Reserved Matter shall be two Independent Directors and, in all other cases, shall be three Directors of whom two shall be Independent Directors unless a majority of the Independent Directors otherwise consent in writing;
- only the Independent Directors shall be permitted to vote on any resolution of the Board or a committee thereof in respect of a Board Reserved Matter unless a majority of the Independent Directors otherwise consent in writing;
- subject to the applicable laws and the provisions of the Relationship Agreement, the Company shall be managed in accordance with the AIC Code or any other corporate governance regime adopted by the Board from time to time; and
- the provisions of the Relationship Agreement are properly and promptly observed and given full force and effect according to the spirit and intention of the Relationship Agreement.

Harwood has undertaken to the Company that it shall (and shall procure that each of its Affiliates shall) not:

- influence or seek to influence the running of the Board;
- subject to the above, take any action that would have the effect of preventing or might reasonably be expected to prevent the Company from complying with its obligations under the Listing Rules and any of the applicable laws;
- propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules ;
- exercise its voting rights in the Company in respect of any resolution relating to a transaction, agreement or arrangement with or relating to Harwood or any of its Affiliates;
- exercise its voting rights in the Company in respect of any resolution to cancel the Company's admission to trading on the premium listing segment of the Main Market other than:
 - (a) with the consent of the Independent Directors; or
 - (b) in connection with an offer for the entire issued share capital of the Company made by a person other than Harwood; or
 - (c) where the Ordinary Shares are already or will be admitted to trading on a UK regulated market; and
- exercise its voting rights in the Company to procure or seek to procure any amendment to the Company's Articles which would be inconsistent with the provisions of the Relationship Agreement.

The Relationship Agreement shall continue for so long as: (a) Harwood and/or any of its Affiliates holds (in aggregate) an interest, directly or indirectly, in 10 per cent. or more of the aggregate voting rights of the Company, and otherwise shall terminate immediately; or (b) the Ordinary Shares are admitted to trading on the premium listing segment of the Main Market or any other UK regulated market; or (c) the Investment Management Agreement remains in force, failing which this agreement shall terminate three months thereafter.

The Relationship Agreement is governed by the laws of England and Wales.

7.3 ***The Sponsor Agreement***

The Sponsor Agreement dated 31 July 2024 between the Company, the Investment Manager and SCM Advisory pursuant to which SCM Advisory is appointed as sponsor to the Company in connection with the publication of this document and the applications to be made to the Financial Conduct Authority for any Ordinary Shares to be issued under this document to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market.

Under the terms of the Sponsor Agreement, the Company has agreed to pay SCM Advisory a sponsor fee on publication of this document in relation to the sponsor services provided.

The obligations of SCM Advisory under the Sponsor Agreement are conditional upon certain conditions that are customary for agreements of this nature.

The Sponsor Agreement, which may be terminated by SCM Advisory in certain customary circumstances, contains customary warranties given by the Company and the Investment Manager to SCM Advisory in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Investment Manager have agreed to indemnify SCM Advisory in relation to certain liabilities it may incur in respect of its appointment.

The Sponsor Agreement is governed by the laws of England and Wales.

7.4 **The Registrar Agreement**

The Registrar Agreement dated 3 January 2012 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar is entitled to receive an annual inclusive fee of £25,132 from the Company. This fee is based on there not being more than 10,000 shareholders on the register at the start of each fee year. Should the number of holders exceed this amount, a charge of £1.50 per additional shareholder will apply. Additional fees payable by the Company include, *inter alia*, attendance at AGM/EGMs, fees for inter-CREST and non-CREST transfers of shares and any transfers in excess of 3,000 in a quarter. The Registrar is also entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

The Registrar Agreement contains an indemnity in favour of the Registrar against losses resulting from the Company's breach of the agreement and against claims by third parties except to the extent that the losses or claims are due to the fraud, gross negligence or wilful default of the Registrar, its affiliates or their agents, directors, officers or employees.

The Registrar Agreement is terminable by either party giving to the other: (i) not less than six months' written notice; (ii) not less than three months' written notice should the parties not reach agreement regarding any increase of the fees; or (iii) immediately upon service of written notice in the event of a material and continuing breach of contract or insolvency.

The Registrar Agreement is governed by the laws of England and Wales.

7.5 **The Company Secretarial Agreement**

The Company Secretarial Agreement dated 16 November 2022 between the Company and the Company Secretary whereby the Company Secretary is appointed to act as company secretary of the Company.

The Company Secretary is entitled to receive an annual fee from the Company for its services of £27,500 plus VAT.

The Company Secretarial Agreement is terminable by either party giving to the other not less than three months' written notice or immediately in the event of a material and continuing breach of contract or insolvency.

7.6 **The Placing Agreement**

The Placing Agreement dated 6 September 2022 between the Company, the Investment Manager, SCM Advisory and SCM Securities, pursuant to which SCM Advisory was appointed as sponsor to the Company and, subject to certain conditions, SCM Securities agreed to use reasonable endeavours to procure subscribers for Ordinary Shares.

The Placing Agreement contained customary warranties given by the Company and the Investment Manager to SCM Advisory and SCM Securities in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Investment Manager agreed to indemnify SCM Advisory and SCM Securities in relation to certain liabilities it may incur in respect of the relevant placing programme.

The Placing Agreement is governed by the laws of England and Wales.

7.7 **Custody Agreement**

The Custody Agreement dated 8 June 2022 between the Company and Caceis Bank (previously known as RBC Investor Services Trust (UK Branch)) ("**Caceis**") whereby Caceis is named as the custodian of the Company's assets. Under the Custody Agreement the Company, in its capacity as beneficial owner of the Assets has appointed Caceis to act as the custodian of the Assets with responsibility for the safekeeping of the Assets. Caceis shall hold the Assets in the Account. The Company may designate an Investment Manager in respect of the Assets and (or part thereof).

All documents of title to investments constituting Assets shall be held by Caceis or by a sub-custodian, or in accordance with Authorised Instructions. All such documents of title shall be held separately from any documents of title to investments that belong to Caceis, the Client or any other client of Caceis.

Caceis may hold Securities forming part of the Assets through a Securities System on the terms of business of the operators of such Securities System, and may effect settlement in accordance with the customary or established trading and processing practices and procedures in the jurisdiction or market in which any transaction in respect of the Assets occurs.

In performing the Services, Caceis may hold Assets, or settle transactions in such property, in any jurisdiction in which the principal trading market for the relevant property is located, or where such property is acquired or presented for payment.

Caceis shall ensure that the Assets deposited with a third party are identifiable separately from assets belonging to Caceis and from assets belonging to that third party.

Ownership of all Assets shall at all times and in all circumstances be clearly recorded in the books and records of Caceis as belonging to the Client. Caceis may co-mingle Assets with property of other clients of Caceis.

Caceis may appoint sub-custodians (who may be affiliated with or otherwise related to Caceis) to assist in the performance of its obligations under this Agreement, and may enter into sub-custodian agreement on such terms and conditions as BCIS may in its discretion determine.

The Custody Agreement may be terminated by service of 90 days' written notice by either party to the other, or immediately in in number of customary default scenarios.

The Company and the Investment Manager are sub-threshold AIF/AIFMs. As such, the Company does not have a depositary.

The Custody Agreement is governed by the laws of England and Wales.

8 **TAKEOVER CODE**

8.1 **Concert Party**

Harwood together with Richard Staveley, who is the lead fund manager of the Company, and his connected parties are considered to be acting in concert with each other in relation to the Company for the purpose of the Takeover Code. Members of the Concert Party hold in aggregate 8,725,395 Ordinary Shares, which represents 27.10 per cent. of the Company's issued share capital.

8.2 **Mandatory bids**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Ordinary Shares which, when taken together with Ordinary

Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

- any person, together with persons acting in concert with him, is interested in Ordinary Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Ordinary Shares which increases the percentage of Ordinary Shares carrying voting rights in which he is interested,

such person would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary Shares by the person or their concert parties during the previous 12 months.

Any offer made in accordance with the paragraph above, must only be conditional on: the person having received acceptances in respect of Ordinary Shares which (together with Ordinary Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Ordinary Shares carrying more than 50 per cent. of the voting rights; and no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

Should any member of the Concert Party acquire any further interest in Ordinary Shares, the Takeover Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make an offer for the entire issued share capital of the Company at a price no less than the highest price paid by an individual member of the Concert Party or any other member of the Concert Party in the previous 12 months.

8.3 **Compulsory acquisitions**

The Companies Act provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, no later than two months after the expiration of those four months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an "**Acquisition Notice**"). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected was made.

9 **WORKING CAPITAL**

The Company is of the opinion that the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

10 **CAPITALISATION AND INDEBTEDNESS**

The following table, sourced without material adjustment from the Company's unaudited management accounting records, sets out the Company's capitalisation as at 30 June 2024. There has been no material change to this information since 30 June 2024.

*As at 30 June 2024
(unaudited)
(£'000)*

Total current debt (including current portion of non-current debt):

Guaranteed	-
Secured	-

Unguaranteed/unsecured	1,759
Total non-current debt (excluding current portion of non-current debt):	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Shareholder equity:	
Share capital	1,610
Legal reserve(s)	37,955
Other reserves	41,087
Total	80,652

The following table, sourced without material adjustment from the Company's unaudited management accounting records, shows the Company's net indebtedness as at 30 June 2024:

	<i>As at 30 June 2024 (unaudited) (£'000)</i>
(A) Cash	2,078
(B) Cash equivalents	-
(C) Other current financial assets	321
(D) Liquidity (A+B+C)	2,399
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	640
(F) Current portion of non-current financial debt	-
(G) Current financial indebtedness (E+F)	640
(H) Net current financial indebtedness (G-D)	(1,759)
(I) Non-current financial debt (excluding current portion and debt instruments)	-
(J) Debt instruments	-
(K) Non-current trade and other payables	-
(L) Non-current financial indebtedness (I+J+K)	-
(M) Total financial indebtedness (H+L)	(1,759)

As at 30 June 2024, the Company had no indirect or contingent indebtedness.

11 SIGNIFICANT CHANGE

Save to the extent disclosed below, there has been no significant change in the financial position of the Company since 31 March 2024, being the end of the last financial period for which audited financial statements of the Company have been published:

- the Company has issued for cash Ordinary Shares in April and May 2024 from its block listing facility, the details of which are set out in note 16 to the 2024 Annual Report;

- On 24 June 2024, the directors approved the payment of a dividend of 0.6 pence per Ordinary Share, to be paid on 2 September 2024.

12 LITIGATION

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company during the 12 months preceding the date of this document.

13 DEALING CODES, LEI AND WEBSITE

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BRRD5L66
SEDOL	BRRD5L6
TIDM	RKW
The LEI for the Company is	213800K6BRTXR7RNG709
The Company's website address is www.rockwoodstrategic.co.uk	

14 GENERAL

Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for the information contained in the sections within the risk factors headed "Risks associated with the Company and its investment objective and policy", "Risks relating to the Company's portfolio" and "Risks relating to the Investment Manager", paragraphs 2, 3, 5 and 6 of Part 1 (*The Company*), Part 2 (*The Portfolio and Performance*) and Part 3 (*Market Overview*), paragraph 2 of Part 4 (*Directors, Investment Manager and Administration*), the fourth paragraph of paragraph 1, and paragraphs 7.1 and 7.2 of Part 7 (*Additional Information*) of this document and any other information or opinion in this document related to or attributed to the Investment Manager. Such information or opinions have been included in this document with the consent of the Investment Manager. To the best of the Investment Manager's knowledge, such information and opinions contained are in accordance with the facts and such parts of this document make no omission likely to affect their import.

The auditors of the Company are BDO LLP with registered office 55 Baker Street, London, W1U 7EU. BDO LLP is a member firm of the Institute of Chartered Accountants of England and Wales.

15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available: (i) for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this document; and (ii) on the Company's website (www.rockwoodstrategic.co.uk):

- the Company's memorandum of association and Articles;
- the Historical Financial Information; and
- this document.

Dated: 31 July 2024

PART 8

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires.

2024 Annual Report	the Company's report and accounts for the year ended 31 March 2024;
Account	the account or accounts in which Caceis holds the Assets;
Administrator	Link Alternative Fund Administrators Limited;
Affiliates	means in relation to Harwood: (a) any person who holds shares in the Company on behalf of Harwood; and (b) any associates of Harwood;
AGM Authority	has the meaning given in paragraph 1 of Part 5 (<i>The Issue of Ordinary Shares</i>) of this document;
AIC	the Association of Investment Companies;
AIC Code	the AIC Code of Corporate Governance published by the AIC from time to time;
AIFM	an alternative investment fund manager within the meaning of the EU AIFM Directive and the AIFM Regime (as appropriate);
AIFM Regime	together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook;
AIM	AIM, the market of that name operated by the London Stock Exchange;
Annual General Meeting	the annual general meeting of the Company held at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR at 10.00 a.m. on Wednesday, 31 July 2024;
Articles	the articles of association of the Company from time to time in force;
Assets	any property (including all assets and investments (such as derivatives) other than cash) and all rights to any property (but excluding cash) delivered by the Company to, and accepted, by the Custodian at its discretion, from time to time for credit to the Account;
Auditor	BDO LLP;

Authorised Instructions	directions, instructions and any other communications whatsoever of the Company or the Investment Manager;
Board	the board of Directors of the Company or any duly constituted committee thereof;
Board Reserved Matter	any one or more of the following matters: (a) any entry into, variation, amendment or novation of any agreement or arrangement with Harwood or any of its Affiliates, including, without limitation, the Relationship Agreement and the Investment Management Agreement; (b) any decision as to whether to enforce any agreement or arrangement with Harwood or any of its Affiliates, including, without limitation, the Relationship Agreement and the Investment Management Agreement; (c) the adoption, amendment, replacement or abandonment of the corporate governance regime adopted by the Company from time to time; (d) the adoption, amendment, replacement or abandonment of the terms of reference for any committee of the Board; (e) the appointment or removal of an Independent Director; (f) any recommendation given by the Board relating to the appointment or removal of an Independent Director; (g) the appointment or dismissal of the Sponsor or the auditors to the Group;
Business Day	any day which is not a Saturday or Sunday or a public holiday in the City of London;
certificated or in certificated form	not in uncertificated form;
Companies Act	The Companies Act 2006 (as amended);
Company	Rockwood Strategic PLC;
Company Secretary	Shakespeare Martineau LLP;
Company Secretarial Agreement	the company secretarial agreement dated 16 November 2022 between the Company and Shakespeare Martineau LLP, details of which are set out in paragraph 7.5 of Part 7 (<i>Additional Information</i>) of this document;
Concert Party	Harwood and Richard Staveley;

CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
CRS	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD;
CTA 2010	the Corporation Tax Act 2010;
Custodian or Caceis	Caceis Bank (previously RBC Investor Services Trust);
Custody Agreement	the custody agreement dated 8 June 2022 between the Company and the Custodian, details of which are set out in paragraph 7.7 of Part 7 (<i>Additional Information</i>) of this document;
Directors	the directors from time to time of the Company and "Director" is to be construed accordingly;
Disclosure Guidance and Transparency Rules	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time;
DP Legislation	the applicable data protection legislation (including the UK GDPR and EU GDPR) and regulatory requirements in the UK and/or the EEA, as appropriate;
EEA	European Economic Area;
ERISA	US Employee Retirement Income Security Act of 1974, as amended;
EU	the European Union;
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time;
EU GDPR	the General Data Protection Regulation (EU) 2016/679;
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
Euroclear	Euroclear UK & International Limited, being the operator of CREST;
FATCA	the US Foreign Account Tax Compliance Act of 2010, as amended from time to time;
FCA	the Financial Conduct Authority or any successor authority;
FCA Handbook	the FCA handbook of rules and guidance as amended from time to time;

FCA Rules	has the meaning given in paragraph 7.1 of Part 7 (<i>Additional Information</i>) of this document;
FCA PROD 3 Rules	The FCA's PROD3 Rules on product governance with the FCA Handbook;
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force;
Group	has the meaning given in paragraph 7.2 of Part 7 (<i>Additional Information</i>) of this document;
Historical Financial Information	the Company's annual report and accounts for the financial year ended 31 March 2024;
HMRC	Her Majesty's Revenue and Customs;
IFRS	international financial reporting standards;
Independent Chair	has the meaning given in paragraph 7.2 of Part 7 (<i>Additional Information</i>) of this document;
Independent Director	has the meaning given in paragraph 7.2 of Part 7 (<i>Additional Information</i>) of this document;
Investment Advisory Group or IAG	the Investment Manager's advisory group on the Company;
Investment Management Agreement	the investment management agreement dated 10 October 2021, as amended and restated on 29 November 2021, 7 April 2022 and 31 July 2024, between the Company and the Investment Manager, details of which are set out in paragraph 7.1 of Part 7 (<i>Additional Information</i>) of this document;
Investment Manager or Harwood	Harwood Capital LLP;
Investment Trust	an investment trust as defined by s1158 CTA 2010;
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time);
ISIN	International Securities Identification Number;
Key Information Document	the key information document relating to the Ordinary Shares issued by the Company from time to time, produced pursuant to the UK PRIIPs Regulation;
LEI	Legal Entity Identifier;
Latest Practicable Date	30 July 2024, being the latest practicable date prior to the publication of this document to ascertain information contained herein;

Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time;
London Stock Exchange	London Stock Exchange plc;
MAR or Market Abuse Regulation	the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018;
Money Laundering Directive	the Council Directive on prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU/2015/849) as amended by the Money Laundering Directive (EU) 2018/843 of the European Parliament and of the Council of the Europe Union of 9 July 2018 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;
Money Laundering Regulations	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time;
Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
Net Asset Value per Ordinary Share or NAV per Ordinary Share	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation;
OECD	the Organisation for Economic Co-operation and Development;
Official List	the official list maintained by the FCA pursuant to Part VI of FSMA;
Ordinary Shares	ordinary shares of £0.05 nominal value in the capital of the Company and "Ordinary Share" shall be construed accordingly;
Performance Fee	the performance fee calculated and payable in accordance with Schedule 1 of the Investment Management Agreement;
Placing Agreement	the placing agreement dated 6 September 2022 between the Company, the Investment Manager, SCM Advisory and SCM Securities, details of which are set out in paragraph 7.6 of Part 7 (<i>Additional Information</i>) of this document;
Portfolio	the portfolio of investments made by the Company from time to time;
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time;

Register	the register of Shareholders of the Company;
Registrar	Link Group (the trading name of Link Market Services Limited) or such other person or persons from time to time appointed by the Company;
Registrar Agreement	the registrar agreement dated 3 January 2012 between the Company and the Registrar, details of which are set out in paragraph 7.4 of Part 7 (<i>Additional Information</i>) of this document;
Regulation S	Regulation S promulgated under the US Securities Act, as amended from time to time;
Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange;
Relationship Agreement	the relationship agreement dated 7 April 2022, as amended and restated on 5 September 2022, between the Company and Harwood, details of which are set out in paragraph 7.2 of Part 7 (<i>Additional Information</i>) of this document;
Relevant State	each member state of the EEA;
Resolutions	together, the AGM Authority and the Top-up Authority;
SEC	the US Securities and Exchange Commission;
Securities	any securities, instruments, rights or obligations of whatever kind including, without limitation, contracts for derivative products, currencies and options and other derivative instruments in relation thereto;
Securities System	an authorised domestic or foreign depository or clearing and settlement agency or system, including a trans- national book-based system, to hold Securities;
SEDOL	the Stock Exchange Daily Official List;
Shareholder	a holder of Ordinary Shares;
SCM Advisory	Singer Capital Markets Advisory LLP;
SCM Securities	Singer Capital Markets Securities Limited;
SCM Securities Engagement Letter	the engagement letter between the Company, SCM Advisory and SCM Securities dated 26 June 2024;
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK;
Sponsor Agreement	the sponsor agreement between the Company, the Investment Manager and SCM Advisory, details of which are set out in paragraph 7.3 of Part 7 (<i>Additional Information</i>) of this document;

SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK;
Sterling or GBP or £ or pence	the lawful currency of the United Kingdom;
Takeover Code	the UK City Code on Takeovers and Mergers, as amended from time to time;
Target Market Assessment	has the meaning given on page 20 of this document;
Top-up Authority	has the meaning given in paragraph 1 of Part 5 (<i>The Issue of Ordinary Shares</i>) of this document;
UK Code	The UK Corporate Governance Code;
UK MiFID II	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended;
UK PRIIPs Regulation	the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019;
UK Prospectus Regulation	the UK version of EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Prospectus (Amendment, etc) (EU Exit) Regulations 2019;
uncertificated or in uncertificated form	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
US Investment Company Act	US Investment Company Act of 1940, as amended;
US Person	any person who is a US person within the meaning of Regulation S under the US Securities Act;

US Securities Act	US Securities Act of 1933, as amended;
US Tax Code	the US Internal Revenue Code of 1986, as amended from time to time;
VAT	value added tax;

PART 9

DOCUMENTS INCORPORATED BY REFERENCE

The 2024 Annual Report was prepared in accordance with UK adopted international accounting standards and was audited by BDO LLP, whose report was unqualified.

The 2024 Annual Report (the "**Historical Financial Information**") contains information which is relevant to the issue of Ordinary Shares and the matters referred to in this document. This document is available on the Company's website at www.rockwoodstrategic.co.uk/results-reports/.

The table below sets out the information from the Historical Financial Information which is incorporated by reference into, and forms part of, this document and which is available for inspection as set out in paragraph 15 of Part 7 (*Additional Information*) of this document.

Any non-incorporated parts of the Historical Financial Information are either not relevant for the investor for the purposes of the issue of Ordinary Shares or the matters referred to in this document or the relevant information is covered elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in the Historical Financial Information shall not form part of this document.

<i>Document</i>	<i>Sections</i>	<i>Page numbers</i>
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