

Investment Objective & Strategy

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

Performance %

	3M	12M	36M	48M	60M	72M
Total Shareholder Return	0.6	11.7	77.8	123.0	103.3	254.6
NAV Return	2.1	11.3	68.6	115.8	79.5	185.4
FTSE Small (ex ITs)	6.4	11.9	35.1	46.9	7.9	82.3
FTSE AIM All Share	2.0	0.5	8.4	-2.4	-36.7	-18.0

Financial Year's Performance %

	2026	2025	2024	2023	2022	2021
Total Shareholder Return	2.4	20.8	15.4	28.2	22.2	59.3
NAV Return	7.1	21.1	5.1	21.4	27.5	44.3
FTSE All-Share Total Return	21.5	10.5	8.4	2.9	13.0	26.7

Investment Manager's Commentary

"The Lord giveth, the Lord taketh away". A NAV return of 2.1% matched AIM's performance during the quarter however this pedestrian gain masked some material moves both up and down within the portfolio. Overall we had many, many more winners than losers during the period, but the losers were concentrated in some of our largest positions which has been a burden on performance in the short term. Having met with all the companies that disappointed since their recent updates, we are confident that our medium-term theses are intact and that all will recover and go on to deliver material value for the portfolio. The market backdrop has been disappointment over Iran, where Trump has not been able to secure outright victory, yet has caused a major deterioration of their military capabilities and damage to their nuclear programme. Regime change, however, appears unlikely and disruption to the Straits of Hormuz ongoing, whilst the widening regional impact, linked to the (Iran backed) Houthis, is keeping oil & gas prices elevated, well above \$100 a barrel. With worldwide fuel stocks depleting and input costs in a range of related products rising, inflation is now a serious issue and presumably not what was hoped or planned for by the Trump administration, with mid-term elections imminent, assuming there was a plan. With the US economy buoyed by expanding AI industry spend, the US raised interest rates for the first time in 3 years. Bond yields rose, acting as a policeman to government spending largesse, but potentially creeping towards a level that will have wider asset class pricing impacts as the risk-free rate is affected and leveraged companies feel the squeeze. The French rioted. We await the UK budget.

The positives: Lots of our investments had positive updates and decent share price moves. [Capital Limited's](#) CEO told us "these are the best market conditions I've seen in 20 years", the shares rising 12.9%. [Eagle Eye Solutions](#) won some new impressive clients, such as EasyJet and Subway, rising 11.4%. [Pennant International](#) also announced new contract wins, up 24% and [Restore](#) had a solid update and gained 15.5%. [RM](#) at the end of the quarter announced the sale of the TTS division, which has de-risked our investment through the reduction in debt and moves the company closer to our desired focused on the Assessment division, it rose 10%. [Trifast](#) demonstrated further margin improvement, rising 25.3% whilst [Kooth](#) continued its recovery after a 'game-changing' fine imposed on Meta of \$18bn, the monies having being designated for young people's mental health services. The two main winners, though, were [Funding Circle](#) and [Tribal](#). The former upgraded market expectations, increased its buyback with interim profits up 4x and sales growing by 50%. The shares rose 26.8%. Tribal received multiple takeover approaches and rose 74.1%. We have an unrealised IRR of 111.8% in the investment.

The negatives: Firstly [Capita](#), which continues to struggle to stabilize the nightmare PR Civil Service Pension Scheme contract. Additional cash costs to meet desired service levels will impact profitability this year. We believe this is masking a material improvement across the rest of the business and have added heavily to the investment, which we think has multi-bagger potential now having fallen 19%. [Vanquis Banking](#) has been severely punished, falling 55.8%, despite meeting expectations, but downgrading their outlook and the medium-term return target horizon to 2028. The CEO has departed. This is a delay to, not a broken, recovery thesis. More irritating was the warning by [Videndum](#) so soon after the rescue re-financing. We suspect management took their eye off the ball operationally after the re-fi concluded and were overly focused on finding a full-time CEO to lead the company recovery. It finished the quarter capitalised at c.£100m. We believe Ebitda can recover to £50-60m. The new CEO has started.

Top Ten Holdings as % of NAV

RM	Education Services	9.1%
Capita	Business Services	7.4%
Funding Circle	Financial Services	6.7%
M&C Saatchi	Media & Communications	5.2%
Vanquis Banking Group	Financial Services	5.1%
Trifast	Industrial Services	4.9%
Restore	Business Services	4.7%
Capital Limited	Mining Services	4.5%
Marshalls	Construction Materials	4.5%
James Fisher & Sons	Industrial Services	4.3%
Total		56.4%
Cash & equivalents	Cash & equivalents	1.4%

We purchased one new holding; [LSL Property Services](#). Highly cash generative, the company is the leading provider of surveying services in the UK, runs the largest mortgage broking network and has a franchised estate agency business. High margins and a capital light business model are supporting strong dividends and share buybacks. The business has net cash and scope for further improved efficiency in its operations. On a PE of 7.6x and yield of 5.1%, this appears a simple example of how undervalued and overlooked the UK small companies equity market has become.

Holding Information

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

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

Source: Harwood Capital, Bloomberg. All data as at 30 September 2026

Fund Management Team



Richard Staveley has been the lead manager of Rockwood Strategic for 7 years. He was also lead fund manager of Majedie UK Small Companies, River & Mercantile UK Small Companies, and Société Générale UK Small Companies, all after he had qualified as a Chartered Accountant at PWC. He is a CFA Charterholder and has 27 years small company fund management experience.



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

Other Features

- 'Skin in the Game' - Christopher Mills (CIO and Founder of Harwood) and Richard Staveley own c.14% of the issued share capital of Rockwood Strategic plc.
- Premium listing on the London Stock Exchange.
- Investment universe of >500 UK small companies, majority below £250m market capitalisation at point of purchase.
- Focused portfolio, majority of capital in top ten 10 holdings.
- Ability to hold up to 15% in private companies or instruments.
- There is significant information on the Investment Opportunity, Philosophy and Process on the website www.rockwoodstrategic.com
- The website also hosts recordings of recent video interviews with the manager and the latest Fund Presentation.

Investment Advisory Group (>200 years combined experience)

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

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

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

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

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

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

Board Directors

Noel Lamb (Chairman), Paul Dudley (Audit Chair), Sangita Shah

Company History

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

How to Invest

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

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

Contact Information

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Important Information

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

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