

Investment Objective & Strategy

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

Performance %

	YTD	3M	12M	36M	48M
Total Shareholder Return	24.4	-4.1	43.7	67.7	192.9
NAV Return	22.5	0.9	36.5	48.3	136.1
FTSE Small (ex ITs)	11.5	5.0	17.9	-5.8	59.2
FTSE AIM All Share	-3.0	-3.1	2.0	-40.5	-22.9

Financial Year's Performance %

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

Investment Manager's Commentary

This was a stable quarter for the Fund's NAV, consolidating recent gains, yet also reflective of a mix of both strong and weak individual share performances. Labour won a huge majority in the General Election, despite a low popular vote as Conservative support tired and splintered. Early government comments about the fiscal outlook has clearly impacted sentiment in the Investment, business and entrepreneurial communities as potential changes to taxation are speculated upon. We believe this affected a small number of our AIM holdings, despite them reporting strong financial results. Hopefully the imminent budget will be supportive of our UK stock markets. The Bank of England and Federal Reserve cut interest rates for the first time since March 2020, indicating inflation was under control. The Middle Eastern conflict escalated and Biden dropped his candidacy for US President. Right-wing parties made significant ground in a range of European elections and China ended the quarter with a strong stimulus package. Gold continued to strengthen, as did UK house prices.

Four holdings did particularly well this quarter. Funding Circle, (SME lending platform) reported Interim results and completed the sale of its US business. The results were ahead of expectations with maiden profitability for the company now expected ahead of plan in 2024. This is a key catalyst as further loan growth should drive significant future profitability. The business is targeting 15-20% growth rates and >15% profit margins. It announced a further buyback programme, given the cash-rich balance sheet. The shares rose 43% during the quarter. James Fisher & Sons is performing in-line with our thesis, up 10.7%. During the period the company completed the sales of RMS Pumptools for £90m and Martek Holdings for £12m, allowing a re-financing of the bank facilities on improved terms. Interim results were solid, as restructuring comes to an end and we now expect profit improvement as current margins and ROCE rise from 7.6% and 7.5% respectively to target levels of 10% and 15%. Capita announced the sale of Capita One for £180m transforming their balance sheet. The shares rose 41%. Finally, Galliford Try announced a string of contract awards for road building, water and the NHS. In its excellent final results sales increased 27%, profits 40% and the order book reached a record £3.8billion. With over £150m in average net cash, the dividend was raised 47% and a £10m buyback started. The shares rose 29% and have increased 76% since our original purchase.

Three holdings performed poorly this quarter. Flowtech Fluidpower reversed last quarter's gain, -19%, as they suffered from challenging end-markets. Near term profit expectations were reduced. A lot of restructuring has now occurred and with a unified brand launched in June, we remain confident the new management will deliver for shareholders. Indeed, they conducted an opportunistic acquisition during the period which will support profit growth in '25. Secondly, Centaur Media's Xeim division also disappointed, guiding down profit expectations, the shares falling 23%. Finally, Hostmore's high operational and financial leverage could not cope with challenging summer trading conditions and has eventually gone into administration.

We purchased a new holding, Facilities by ADF, which hires over 700 premium-quality serviced vehicles for TV and Film productions to the world's largest content production companies such as Netflix, Amazon, Sky, Disney, Apple, HBO, ITV and BBC. The industry has structural growth, yet is recovering from the 'writers strike'. There are high barriers to entry and attractive margins. Sales are expected to have almost doubled in the

Top Ten Holdings as % of NAV

Company	Sector	%
Funding Circle	Financial Services	14.2%
RM plc	Education Services	10.6%
Filtronic	Technology	7.8%
Trifast	Industrials	7.2%
M&C Saatchi	Media	6.3%
Fischer (James) & Sons	Industrials	5.1%
STV Group	Media	4.3%
Galliford Try Holding	Construction	4.1%
Flowtech Fluidpower	Distribution	4.0%
Capita	Business Services	3.9%
Total		67.5%
Cash & equivalents	Cash & equivalents	3.4%

Key Risk Considerations

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

Key Facts as at 30 September 2024

Manager	Richard Staveley
Year end	March
NAV £m	87
Share price (Mid)	255p
NAV per share	252.7p
Premium to NAV	0.9%
No. of holdings	22
Net cash	£3.0m
AMC	1%
Performance fee	10% over 6% p.a. hurdle, high watermark
Bloomberg Ticker	RKW.LN
ISIN	GB00BRRD5L66
Sedol	BRRD5L6

Holding Information

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

Fund Management Team



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



Nicholas Mills joined Harwood Capital in 2019 to work on the Oryx International Growth Fund Limited and North Atlantic Smaller Companies Investment Trust plc strategies. He had previously spent five years at Gabelli Asset Management in New York as an analyst. He is also a Non Executive Director at Niox plc and Hargreaves Services plc.

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

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

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

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

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

Other Features

- 'Skin in the Game' - Christopher Mills (CIO and Founder of Harwood) and Richard Staveley own 26.1% of the issued share capital of Rockwood Strategic plc.
- Premium listing on the London Stock Exchange.
- Investment universe of >500 UK small companies, sub £250m market capitalisation at point of purchase.
- Focused portfolio, majority of capital in top ten 10 holdings.

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 primarily on UK publicly listed small companies and was renamed Gresham House Strategic plc. Richard Staveley joined as Fund Manager in 2019.

In October 2021 Harwood Capital was appointed as investment manager

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 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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