

## Investment Objective & Strategy

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

### Performance %

|                          | YTD | 3M   | 12M  | 36M  | 48M   | 60M   |
|--------------------------|-----|------|------|------|-------|-------|
| Total Shareholder Return | 7.4 | -1.9 | 10.6 | 99.7 | 83.9  | 221.0 |
| NAV Return               | 8.2 | -1.6 | 10.8 | 93.9 | 62.9  | 159.1 |
| FTSE Small (ex ITs)      | 4.2 | -1.1 | 2.3  | 31.2 | -3.6  | 62.9  |
| FTSE AIM All Share       | 8.8 | 1.6  | 5.8  | -2.9 | -37.0 | -18.4 |

### Financial Year's Performance %

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

### Investment Manager's Commentary

Q3 was characterised by deteriorating sentiment in the UK regarding the fiscal outlook. A range of 'kite-flying' tax measures were speculated on, stoking concerns about the nature of inevitable tax rises to be announced in the November budget. UK growth remained sluggish but positive, whilst inflation stayed well above targeted levels, CPI being 3.8% in August. Expectations for interest rate cuts were therefore dampened, although The Bank of England did reduce base rates to 4%. Gold continued its run, its best year since 1979 and US markets also performed strongly, with AI hype pumping the Nasdaq by 11.2%. The dollar remained weak, the period ending with a shutdown of the Federal Government. France and Japan lost their PMs, Trump had a regal visit as Tariff policy settled to c.16% on average. There were no UK IPOs in Q3.

In summary there were more 'soft' updates from our investments than 'beats' during the period and, in that context, a small fall in NAV is understandable. Weak updates were released by M&C Saatchi (-25%), due mainly to a particularly poor performance from its Australian business. Results detail highlights a lot of resilience across the rest of the group. The shares are now valued on a PE of sub 10x '26 with net cash of over £20m. We believe there is considerable strategic value in their specialist services and have engaged with the company regarding initiating buybacks. STV announced a significant warning (-35%), relatively soon after their ebullient Capital Markets Day. We have since engaged with the company and are delighted that Clive Whiley has subsequently been appointed as Chairman. The core broadcast division is now accelerating cost-cutting and, when the pension fund payments conclude, we expect monster cash flows to enable a scaling of the Studios content business. Van Elle (-23%) also warned on profits, having earlier guided that stronger performance was emerging for the business. We are engaged with the company to ensure the realisation of shareholder value is prioritised, the shares are at a big discount to book value (a fleet of well-invested hard assets). Finally, Pennant International (-27%) required 'bridging' finance, due to a major contract award delay, which we provided through a modest equity placing at a material discount to our view of the company's fair value. Kooth was weak (-25%), despite reiterating good performance in California. We observe outstanding value in the shares.

Of course, other holdings almost entirely offset the setbacks outlined above due to positive developments. Most satisfying has been the excellently executed break-up of Centaur Media (+25%) conducted by Martin Rowland who we brought in as Chair. Sales of The Lawyer, Mini MBA and Marketing Week, when combined with existing cash, total c. £71m, the company still owns Econsultancy and Influencer Intelligence. The market capitalisation at period end was £62m. Efficient market? Vanquis Banking's (+23%) interim results detailed further turnaround progress. The business moved into profit with good news emerging of much reduced expensive complaint volumes alongside better clarity over limited vehicle finance commission liabilities.

We purchased three new holdings in the quarter. Treatt Plc manufactures and sells ingredients, mainly to the beverage industry. It has experienced a collapse in profitability and valuation de-rating, despite being very well-invested, and having a blue-chip customer base. Whilst we were still building our position, a derisory takeover offer emerged. Secondly, Tribal Group was also added to the portfolio, the world leading provider of software systems for the education sector, primarily Universities, which is completing a transition to a SaaS model. Harwood's stake is now 15%.

### Top Ten Holdings as % of NAV

|                        |                    |       |
|------------------------|--------------------|-------|
| Vanquis Banking Group  | Financial Services | 9.1%  |
| RM                     | Education Services | 9.0%  |
| Capita                 | Business Services  | 8.4%  |
| Trifast                | Industrials        | 5.6%  |
| Filtronic              | Technology         | 5.1%  |
| Capital Limited        | Mining Services    | 4.7%  |
| Funding Circle         | Financial Services | 4.6%  |
| Restore                | Business Services  | 4.4%  |
| M&C Saatchi            | Media              | 4.3%  |
| Fischer (James) & Sons | Industrials        | 4.1%  |
| Total                  |                    | 59.3% |
| Cash & equivalents     | Cash & equivalents | 7.3%  |

### 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 2025

|                   |   |
|-------------------|---|
| Manager           | Richard Staveley                        |
| Year end          | March                                   |
| NAV £m            | 134.8                                   |
| Share price (Mid) | 282p                                    |
| NAV per share     | 279.91p                                 |
| Premium to NAV    | 1%                                      |
| No. of holdings   | 24                                      |
| Net cash          | £9.8m                                   |
| AMC               | 1%                                      |
| Performance fee   | 10% over 6% p.a. hurdle, high watermark |
| Bloomberg Ticker  | RKW.LN                                  |
| ISIN / Sedol      | GB00BRRD5L66 / BRRD5L6                  |

Finally, we realised our investment in Galliford Try, generating a 48.2% IRR and 2.4x money multiple. Initially purchased in Q2 2022, our investment thesis has been delivered over three years via a material valuation re-rating of the equity and excellent turnaround of the company's operating performance.

### Holding Information

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

## Fund Management Team



**Richard Staveley** has been the lead manager of Rockwood Strategic for over 5 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 over 25 years small company fund management experience.



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

## Other Features

- 'Skin in the Game' - Christopher Mills (CIO and Founder of Harwood) and Richard Staveley own 19% of the issued share capital of Rockwood Strategic plc.
- Premium listing on the London Stock Exchange.
- Investment universe of >500 UK small companies, sub £250m market capitalisation at point of purchase.
- Focused portfolio, majority of capital in top ten 10 holdings.
- Ability to hold up to 15% in private companies or instruments.
- There is significant information on the Investment Opportunity, Philosophy and Process on the website [www.rockwoodstrategic.com](http://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](http://www.snippet.finance) (Cambridge & LSE, Economics and Bioscience Enterprise).

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

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

## Company History

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

## How to Invest

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

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

## Contact Information

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## Important Information

An investment should be considered only as part of a balanced portfolio. To ensure you understand whether this product is suitable against your individual needs and risk tolerance, please read the information provided on the website and the key information document, available at [rockwoodstrategic.co.uk](http://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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