

Investment Objective & Strategy

The Fund targets investments capable of delivering 15% IRRs over a 3-5 year time horizon in publicly listed UK Small companies. The strategy targets up to 10 'core' positions which represent the majority of NAV and a further 15-25 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, backed up with material shareholdings in target investments.

Performance %

	YTD	3M	12M	36M
Total Shareholder Return	1.1	1.1	22.8	85.3
NAV Return	-2.7	-2.7	27.0	61.4
FTSE Small (ex ITs)	-6.9	-6.9	3.2	29.7

Financial Year's Performance %

	2022	2021	2020	2019
Total Shareholder Return	22.8	59.3	-5.3	20.4
NAV Return	27.0	44.3	-14.3	8.0
FTSE All-Share Total Return	13.0	26.7	-18.5	6.4

Key Facts as at 31 March 2022

Manager	Richard Staveley
Year end	March
NAV £m	40.7
Share price (Mid)	1420
NAV per share	1601.7
Discount to NAV	11.30%
No. of holdings	9
Net cash	£9m
AMC	£120,000 p.a <£60m NAV, 1% thereafter
Performance fee	10% over 6% p.a. hurdle, high watermark
Bloomberg Ticker	RKW.LN
ISIN	GB00BYRH4982
Sedol	BYRH498

Investment Manager's Commentary

This is our first Factsheet issued by Harwood Capital LLP following the recent Ordinary Vote passed by shareholders to replace the prior Investment Policy with the revised active strategy. The first quarter of 2022 was characterised by the Omicron variant of the COVID-19 virus, high inflation leading to an inflection point in the direction of interest-rates by Central Banks and the invasion by Russia of Ukraine. These factors have elevated equity market volatility, but not this fund's. We urge investors to note this is a great demonstration of why the fund's NAV is, and will be, moved primarily by stock specific factors and not macro-economic ones. The monetary policy change is most relevant to this strategy. For over a decade equity market participants have become overly used to extremely accommodative monetary policy, which has resulted in valuation multiple expansion of long-duration equities, most commonly 'Growth' shares. The 'boost' to this investment style has clearly now peaked. Going-forward, the 'value' factor, a key component of our investment philosophy, should increasingly benefit, particularly the cashflow generating companies we target.

We are confident in the upside potential of the portfolio with a range of good trading updates during the quarter. The previous investment policy has meant our diversification is much less than can be expected going forward. We have exciting strategic investment theses for all the holdings and expect our 'engaged' style will lead to the un-locking of material shareholder value. To this end we have been intimately involved with the appointment of new Board members to 5 of our 9 companies in recent months.

Top 10 Holdings as % of NAV

Company	Sector	%
Crestchic	Industrials	15.82%
Flowtech Fluidpower	Distribution	11.68%
Centaur Media	Media	9.82%
Pressure Technologies	Industrials	9.81%
Smooove	Technology	7.56%
M&C Saatchi	Media	7.95%
Van Elle	Services	5.20%
Bonhill	Media	2.65%
Lakes Distillery	Consumer	7.62%
Cash & equivalents	Cash & equivalents	21.89%

Holding Information

- Nick Mills is a Non-Executive Director at Crestchic
- Richard Staveley is a Non-Executive Director at Bonhill
- The Lakes Distillery holding is a bond which is due for maturity in June 2022
- Crestchic was formerly called Northbridge Industrial Services
- Smooove was formerly called ULS Technology

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 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.

Experienced Fund Management Team



Richard Staveley was formerly lead manager for GHS plc, Majedie UK Small Companies, R&M UK Small Companies, Société Générale UK Small Companies, after he qualified as an ACA at PWC. He is a CFA charterholder and has >20 years small company fund management



Nick Mills joined Harwood Capital in '19 to work on the Oryx International Growth and NASCIT strategies. He had previously spent five years at Gabelli Asset Management in New York as an analyst. He is also a NED at Circassia Group plc and Hargreaves Services plc .

Investment Advisory Group (150 years combined experience)

Christopher Mills; Founder of Harwood Capital, JO Hambro Capital Management and Harwood Wealth. CEO North Atlantic Small Companies IT, Executive Director of Oryx International Growth, >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), 29 years UK small companies investment experience (Oxford, Maths). NED at Flowtech Fluidpower and Chapel Down plc. Jamie will join the IAG from 8/9/22

Rupert Dyson; Founder of Edale Capital LLP, formerly Sloane Robinson and Invesco, 28 years European equities investing experience (Bristol, History)

Yuri Khodjamirian; Formerly an analyst and fund manager at Majedie Asset Management, 13 years UK and Global equities experience (Cambridge & LSE, Economics and Bioscience Enterprise). Private company adviser and founder of snippetfinance.com

Other Features

- 'Skin in the Game' - Christopher Mills and Richard Staveley have purchased 29.9% of the issued share capital
- AIM listed Investment Company
- Investment universe of nearly 1000 UK small companies
- Focused portfolio, majority of capital in <10 holdings
- Ability to hold up to 15% in private companies or instruments

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.

In October 2021 Harwood Capital was appointed as manager and spent 4 months realising investments and returning c.£25million of capital to shareholders.

In April 2022 the company was re-named Rockwood Strategic plc and re-started actively investing under the returning lead fund manager, Richard Staveley.

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

www.rockwoodstrategic.co.uk

info@harwoodcapital.co.uk

+44 20 7640 3200

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.

This factsheet is for information purposes only and does not constitute an offer, solicitation or investment recommendation for the purchase or sale of any securities or financial instruments mentioned and should not be relied on by any person for making an investment decision. Nothing in this factsheet should be construed as investment advice and is therefore not a recommendation to buy or sell shares in RKW.