

Onward Opportunities Limited (ONWD LN) Factsheet: 31 December 2023

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INVESTMENT OBJECTIVE

The Company will seek to generate absolute returns of at least 15% per annum through investments in UK smaller companies.

KEY FACTS

Fund Characteristics:

Launch date	30th March 2023
Lead Fund Manager	Laurence Hulse
Fund currency	Pound Sterling
Fund size	£17.1m
Number of equity holdings	27
AIC Sector	UK Smaller Companies
Fund Structure	Investment Company (Offshore - Guernsey)
Administrator	Apex
Custodian	Butterfield
Management fee	1.50%, tapers to 1.0%
Performance fee	12.50% over 6% hurdle
ISA & SIPP eligible	Yes

PERFORMANCE

	Since Inception	Q4 2023	6 Months
ONWD	+2.5%	-1.4%	-2.8%
ONWD NAV	+11.3%	+6.1%	+10.5%
UK AIM All-Share	-5.3%	+5.1%	+1.3%

TOP 10 HOLDINGS

Holding Name	% of Portfolio	Valuation Value	% Unrealised IRR (Annualised Return)
ANGLING DIRECT PLC	10.0%	£1.71m	116.3%
EKF DIAGNOSTICS HOLDINGS	7.8%	£1.34m	87.5%
SPEEDY HIRE	7.6%	£1.30m	15.1%
MPAC GROUP PLC	6.2%	£1.06m	216.4%
TRANSENSE TECHNOLOGIES	5.9%	£1.01m	32.3%
REACT GROUP	5.6%	£958k	5.2%
FLOWTECH FLUIDPOWER PLC	4.0%	£684k	-6.8%
FRENKEL TOPPING GROUP	3.9%	£676k	31.7%
WINDWARD LTD	3.8%	£643k	287.6%
LIONTRUST ASSET MAN. PLC	3.6%	£611k	903.9%

LEAD FUND MANAGER



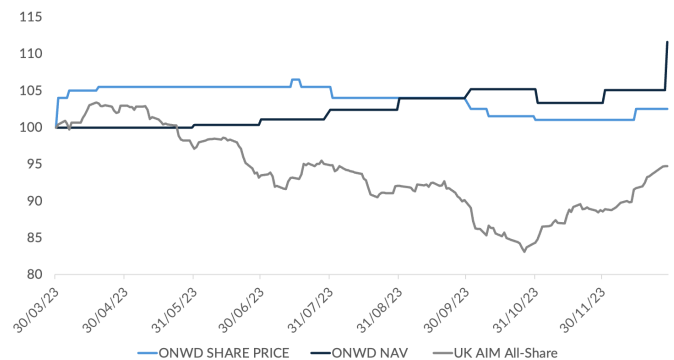
Laurence Hulse
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THE TEAM

Our investment committee has a combined experience of c.160 years and a history of value creation for clients. As a team, we are convinced that employing an active investment approach for identifying investment opportunities and driving those investments to an outcome can result in higher returns by capitalising on market inefficiencies.

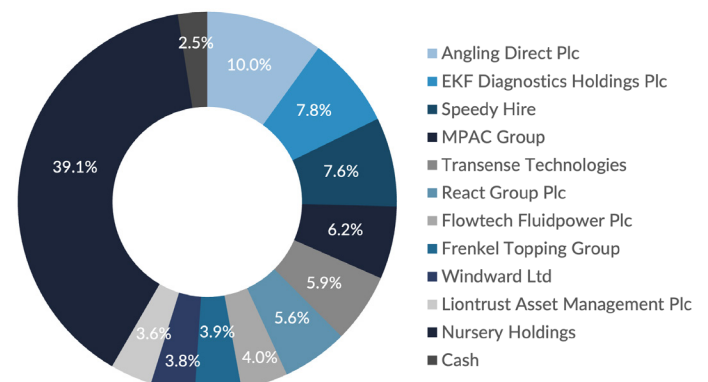
INVESTMENT PHILOSOPHY

To find out more information regarding our investment philosophy, please visit us at <https://onwardopportunities.co.uk/our-strategy/>



Source: Bloomberg as at 31.12.2023

TOP 10 HOLDINGS (%)



PERFORMANCE COMMENTARY

The Company built on the encouraging start of +4.1% Net Asset Value in Q3 to deliver a +6.1% gain for the fourth quarter, capping off a rewarding first financial year of investment performance (NAV growth) for the Company of +11.3% since inception (30/03/23), outperforming the UK AIM All-Share by 16.6%, which fell in the same period as the performance charts on the previous page depict. Perhaps most encouraging was the investment performance of the fund relative to its peers, which was top-decile. At the time of writing, Onward placed top-decile in the AIC UK Smaller Companies peers since inception. The standout performers of Q4 were; Springfield Properties (+58%), MPAC Group (+33%), Brickability (+28%), Somero Enterprises (+28%), Comptoir Libanais (+20%), Windward (+36%), Angling Direct (+17%) and Liontrust (+18%).

INVESTMENT ACTIVITY

At the end of Q3, the portfolio was c.60% invested in equities; this increased to 90% by the end of November after a busy period for the manager. New core holdings included MPAC Group, Speedy Hire and Windward. Several names entered the nursery including Somero Enterprises, Brickability and Premier Miton. The team are working toward another 3 holdings 'graduating' from the nursery into the core stable in Q124.

MPAC GROUP MPAC LN - NEW CORE HOLDING

MPAC is a business with a clear plan for earnings growth that we have been able to purchase on an EV/EBITDA of 2.5x. It is a designer and assembler of automated robotic packaging lines, with a strong foothold in defensive sectors, and a first-mover advantage in battery packaging, due to its historic specialism in 'side-loading'. New CEO Adam Holland (referenced extensively), has identified levers to recover margins to 10%+, and grow earnings with an expanding sales team and abating supply chain headwinds of 2022. This first stage we believe can well-more than double the value of the company and we are pleased to

DISCLAIMERS

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Investors should carefully consider the investment objectives and risks as well as charges and expenses of the fund before investing. The prospectus contains this and other information about the fund. If you're unsure of the suitability of an investment please seek advice. Tax rules can change and the value of any benefits depends on your personal circumstances.

The value of investments, and any income from them, can fall as well as rise so you could get back less than you invest. Past

report a very early +50% gain on our investment post period end; a great example of our screening process identifying emerging change in a company. There is then a longer-term opportunity in battery casing that if delivered could add significantly to returns.

SPEEDY HIRE SDY LN - NEW CORE HOLDING

Speedy Hire is a much better-known small cap stock that we have been tracking, undergoing a similar strategic and personnel change, designed to improve earnings and ROCE. A very impressive capital markets day in May revealed CEO Dan Evans clearly lives and breathes the industry, having worked his way up the organisation. He is well-placed to lead the cultural and operational changes required to get Speedy Hire firing on all cylinders again after a few difficult years and we have been gradually building our take through the course of the year. The shares pay a handsome 10% yield, while the 'Velocity' strategy plays out. We are particularly attracted to how rental has a tangible role to play in reducing emissions in the construction sector (which is currently a big challenge for Speedy's target market), and how this can drive earnings and perhaps even SDY's multiple.

SOMERO ENTERPRISES SOM LN - NURSERY POSITION

The team have tracked Somero for some time and opted to build a nursery position in Q4 at 275p. Somero is IP-heavy with its specialist concrete levelling systems, and we had observed strong data from the Dodge Momentum Index, giving confidence that there was still legs in the US CRE construction cycle where SOM has a key presence. Because of the cyclicity and activity concentration of Somero's earnings it is unlikely to make it into the core stable, but can and has been a strong source of alpha generation in the nursery.

performance is not a reliable indicator of current or future performance.

We believe the information provided here is reliable but should not be assumed to be accurate or complete.

All information accurate as at 31 December 2023

Sources for all tables and images: Dowgate Wealth 31.12.2023

The Key Information Document (KID) and Admission Document are available, in English, free of charge and can be obtained directly using the contact details in this document. They can also be downloaded from:

<https://onwardopportunities.co.uk/document-centre/>

An investor must always read these before investing.