

Onward Opportunities Limited (ONWD LN)

Factsheet: 30 June 2024



THE SMALL CAP AWARDS
IN ASSOCIATION WITH
MASTER INVESTOR
2024
WINNER
IPO of the Year

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	£20.4m
Number of equity holdings	24
AIC Sector	UK Smaller Companies
Fund Structure	Investment Company
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	Q2 2024	1 year
ONWD	+24.0%	+12.7%	+17.5%
ONWD NAV	+21.6%	+6.7%	+20.6%
UK AIM All-Share	-2.7%	+3.6%	+3.3%
Total Return			

TOP 10 HOLDINGS

Holding Name	% of Portfolio	Valuation Value	% Total Return
MPAC GROUP	8.3%	£1.67m	123.0%
ANGLING DIRECT	8.1%	£1.64m	19.4%
WINDWARD	7.8%	£1.57m	12.0%
TEAM17 GROUP	6.8%	£1.37m	46.3%
TRANSENSE TECHNOLOGIES	6.8%	£1.37m	32.8%
SPRINGFIELD PROPERTIES	6.3%	£1.29m	30.0%
REACT GROUP	6.3%	£1.28m	4.70%
EKF DIAGNOSTICS	5.9%	£1.19m	12.1%
SPEEDY HIRE	5.2%	£1.06m	3.50%
RBG HOLDINGS	5.2%	£1.05m	-29.6%

Total Returns are net

LEAD FUND MANAGER



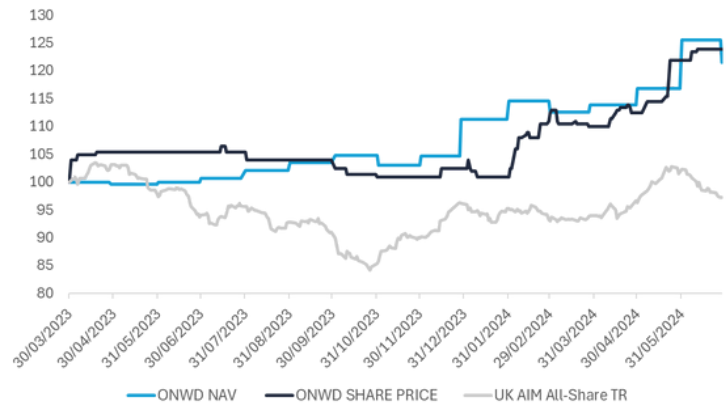
Laurence Hulse
Lead Fund Manager
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THE TEAM

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. To this end the investment committee members and lead manager have £1.8m of 'skin in the game', cash directly invested in the fund which is well over 5% of the issued capital.

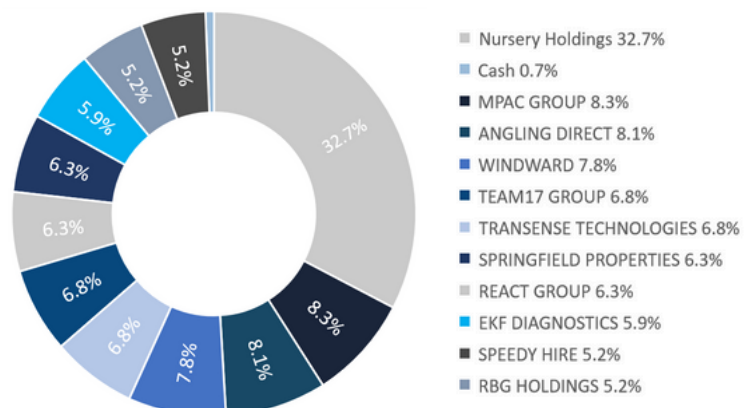
INVESTMENT PHILOSOPHY

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



Source: Bloomberg as at 30.06.2024

TOP 10 HOLDINGS (%)



PERFORMANCE COMMENTARY

The Company had another encouraging period of investment performance as the Net Asset Value of the portfolio increased by +6.7% for the second quarter of 2024, continuing a rewarding first 18-months of investment performance (NAV growth) for the company of +21.6% since inception. This meant the portfolio outperformed the UK AIM All-Share by +24.3% as the performance charts on the front page depict. Perhaps most encouraging remains the investment performance of the fund relative to its peers which has consistently been top quartile. At the time of writing Onward placed 4th/26 amongst AIC UK Smaller Companies peers over the past 12-months. Our efforts were also recognised with the award of IPO of the Year 2024 at the Small Cap Awards, a rare achievement for an investment company. The standout performers of the past 3 months were: Transense Technologies (+21.9%), Northcoders (+28.9%), Speedy Hire (+38.7%) and Aquis Exchange (+21.4%). A number of new nursery holdings entered the portfolio including Smiths News, Aquis and Northcoders. Windward was upweighted, graduating it from the nursery into a core holding. Miton was exited after a c.40% rally.

SMITHS NEWS PLC (SNWS LN) - NEW NURSERY POSITION

Whilst a very different business; Smith's News has some parallels with Transense; a history of a value destruction that has been quietly rectified by high-quality management, creating opportunities for growth and value creation. The business delivers newspapers, magazines and other low-ticket goods to newsagents in the UK and dominates the market with a 51% share. Whilst clearly an ex-growth industry, the new management have demonstrated a remarkable ability to grow profits and cash generation from falling turnover in recent years. Until now these have been used to pay down legacy debt from the previous team's ruinous M&A strategy. However, this process is now almost complete, freeing up material cash flows to be returned to shareholders or fund growth strategies. In this context we were able to invest at a 25% FCF yield and 2.3x EV/EBITDA multiple, which are very attractive metrics for either a return of capitals scenario or if the business pivots to growth.

WINDWARD LIMITED (WNWD LN) - NEW CORE HOLDING

Our Windward thesis was covered in detail in the previous factsheet, and it was encouraging to see the cadence of contract wins and product development continue in Q2. Most eye catching was the announcement of Windward's MAI Expert™, the industry's first maritime Gen AI agent, trained on the company's proprietary AI models and human expertise. In the RNS the company cited a tangible ROI per user "which starts from 5x for small organizations and up to 88x for large ones which have a significant screening volume." The recent acquisition of Preqin on 14x Sales again highlighted the value of data businesses and make Windward's ongoing progress in these areas is encouraging for our investment. The business is one of the few genuine artificial intelligence exposures on AIM and we are pleased to have it in the portfolio. We look forward to how this ongoing momentum is impacting trading and the timing of break-even (a key catalyst for the stock), which our modelling infers is now imminent.

TRANSENSE TECHNOLOGIES (TRT LN) - CORE HOLDING UPDATE

It is fair to say the business has had a checkered history as a listed business, cash consumption, funding requirements and shareholder value destruction. However, our screens and subsequent due diligence uncovered that over the past few years, prospects and crucially profits have tangibly changed, and this success is partly obscured by perceptions from the past. The business has three core market leading technologies at various stages of execution and a valuation which is materially underpinned by the value of one of these (iTrack). In the quarter it was encouraging for our investment to see another of the exciting technologies ("SAW" sensors) win LANDOne, a project with Airbus to develop the next generation of landing-systems technology. Our investment thesis aims for similar such wins as management continue to execute the turnaround and pivot to growth.

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

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. This factsheet is a marketing communication document.

All information accurate as at 30 June 2024

Sources for all tables and images: Dowgate Wealth 30.06.2024

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/>