

Onward Opportunities Limited (ONWD LN)

Factsheet: 30 September 2024



THE SMALL CAP AWARDS
IN ASSOCIATION WITH
SMALLCAP 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	£24.1m
Number of equity holdings	22
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	Q3 2024	1 year
ONWD	+28.0%	+3.2%	+23.1%
ONWD NAV	+25.5%	+3.2%	+21.1%
UK AIM All-Share	-5.3%	-2.7%	+3.9%
Total Return			

TOP 10 HOLDINGS

Holding Name	% of Portfolio	Valuation Value	% Total Return
WINDWARD	9.9%	£2.38m	61.6%
TRANSENSE TECHNOLOGIES	8.2%	£1.98m	83.1%
SPRINGFIELD PROPERTIES	6.7%	£1.61m	41.5%
ANGLING DIRECT	6.6%	£1.60m	16.4%
REACT GROUP	6.4%	£1.53m	12.9%
MPAC GROUP	6.3%	£1.52m	181.8%
ALUMASC GROUP	6.0%	£1.45m	30.5%
THE MISSION GROUP	5.3%	£1.28m	9.32%
EKF DIAGNOSTICS	5.3%	£1.26m	21.7%
NORTHCODERS	4.1%	£0.98m	34.5%

Total Returns are net

LEAD FUND MANAGER



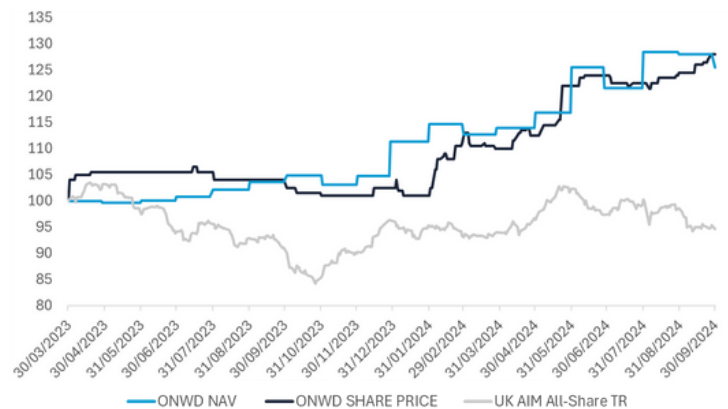
Laurence Hulse
Lead Fund Manager
Laurence.Hulse@dowgate.co.uk
+44 (0) 20 3874 7056

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.

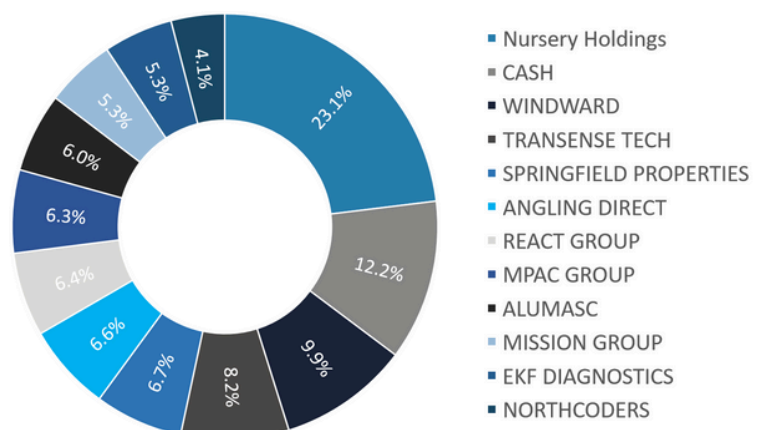
INVESTMENT PHILOSOPHY

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



Source: Bloomberg as at 30.09.2024

TOP 10 HOLDINGS (%)



PERFORMANCE COMMENTARY

The Company had another strong period of investment performance as the Net Asset Value of the portfolio increased by +3.2% for the third quarter of 2024, outperforming the UK AIM All-Share by 5.9%. This extended an encouraging first 18-months of investment performance (NAV growth) for the company of +25.5% since inception and means that the portfolio has outperformed the UK AIM All-Share by 30.8% since launch. This performance was in spite of a very difficult September for some of our best performing (and largest) holdings, where Capital Gains Tax speculation saw material profit taking on a number of good performing investments. We were also delighted to complete two fundraises in the quarter totalling c.£5m, welcoming several new shareholders to the register. The standout performers of the past 3 months were: Transense Technologies (+39.5%), Windward (+44.9%), Alumasc (+23.2%) and React Specialist Cleaning (+8.3%). Synectics entered the portfolio nursery whilst Alumasc and The Mission Group were new core holdings. MPAC, Springfield Properties, Angling Direct, and React were all upweighted. We intentionally built-up cash reserves around the election, which has meant we entered the recent volatility with an 18% cash weighting.

THE MISSION GROUP (TMG LN) - NEW CORE HOLDING

The Mission Group is a classic special situation; a business now trading at a material discount to its sum of the parts valuation and a deep discount to historic and sector multiples. TMG is a UK focused advertising agency, and a sector slowdown caught the business indebted, and the high levels of operational gearing in these businesses led to a material earnings downgrade. There has been a resultant short-term impact on the share price, which our long-term valuation approach has been able to take advantage of.

David Morgan MBE has returned as Chair to help deliver cost take-outs and a disposal strategy to recover value for shareholders, of which he is one with a 5% equity stake. The Board now has a publicly stated strategy of disposals to reduce debt and our analysis of the goodwill on the balance sheet suggests that three of the 15+ agencies in the group are worth significantly more than the current c£40m EV. The value we have spotted has not gone unnoticed - the business has received two approaches from a peer significant premium respectively to our 20p entry price.

DISCLAIMERS

15 Fetter Lane, London, EC4A 1BW Phone: +44 (0)20 3416 9143 Email: funds@dowgate.co.uk

This document has been prepared by Dowgate Wealth Limited ("DGW"). Dowgate Wealth Ltd, registered in England number 12221221, is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. Registered address: 15 Fetter Lane, London, EC4A 1BW. All data has been sourced by DGW.

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

ALUMASC GROUP PLC (ALU LN) - NEW CORE HOLDING

Alumasc is a building products group made up of now three divisions; the business has been on a multi-year divestment strategy that has seen it shed a number of lower quality assets, which has improved the earnings quality of the group. What remains is some of the most trusted brands in the drainage markets in the UK, if not globally, and a housebuilding products division that is so well run it is able to grow in a falling market and steal market share whilst delivering an industry leading 25% EBIT margin. These qualities are what have allowed Alumasc to deliver sector leading margins for over two years, yet the shares traded on a low single digit multiple compared to peers such as Genuit which trade at well over 10x, which saw the investment enter the nursery in 2023. To complement these healthy margins the group has managed to grow materially faster than end markets too and it was this recent performance that gave us the confidence to see the investment graduate to a core holding. This has been achieved ahead of an expected recovery in construction activity driven by Government policy and falling interest rates, according to a number of sector analysts.

SPRINGFIELD PROPERTIES PLC (SPR LN) - CORE HOLDING UPDATE

Springfield provided an exciting update in September as our debt-reduction through land parcel disposals thesis was tracking ahead and the company began to lift the lid on the huge opportunities presented by Scottish Freeports and the green-power line. As the land sales catalysts complete it is not unreasonable to expect Springfield to re-rate from around 0.7x NAV currently to nearer 1.2-1.3x where the sector typically trades through the cycle. From this point the investment is likely to become a healthy compounder for the portfolio through the next housebuilding cycle, where Scottish properties are much more appealingly priced and opportunities like Scottish Freeports offer huge demand tailwinds for this more affordable housing.

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 September 2024

Sources for all tables and images: Dowgate Wealth 30.09.2024

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/>