

Onward Opportunities Limited (ONWD LN) Factsheet: 31 March 2024

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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	£19.2m
Number of equity holdings	20
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	Q1 2024	6 Months
ONWD	+10.0%	+7.3%	+5.8%
ONWD NAV	+14.0%	+2.3%	+9.9%
UK AIM All-Share Total Return	-5.9%	-2.3%	+3.2%

TOP 10 HOLDINGS

Holding Name	% of Portfolio	Valuation Value	% Total Return
MPAC GROUP PLC	9.9%	£1.89m	107.4%
ANGLING DIRECT	7.8%	£1.51m	17.3%
SPRINGFIELD PROPERTIES	6.3%	£1.22m	30.0%
SPEEDY HIRE	6.3%	£1.21m	-17.7%
REACT GROUP	6.1%	£1.18m	-3.2%
WINDWARD LTD	6.1%	£1.18m	44.3%
EKF DIAGNOSTICS	6.1%	£1.18m	7.7%
TEAM17 GROUP	6.1%	£1.17m	25.0%
TRANSENSE TECHNOLOGIES	5.6%	£1.07m	8.7%
RBG HOLDINGS	5.3%	£1.02m	-28.1%

Total Returns are net

LEAD FUND MANAGER



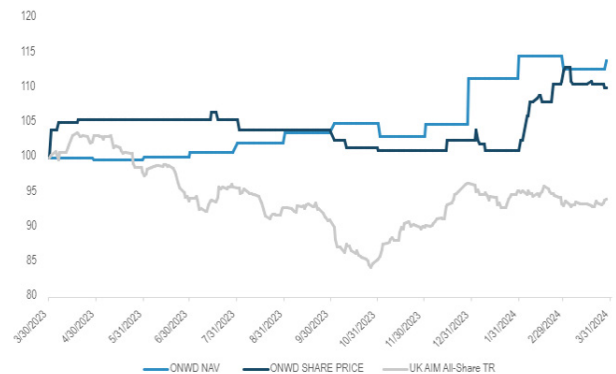
Laurence Hulse
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THE TEAM

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.

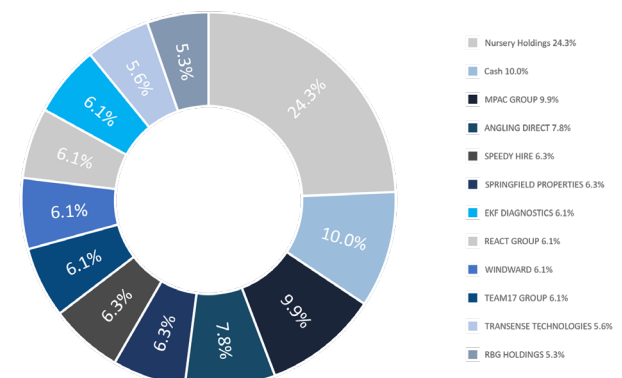
INVESTMENT PHILOSOPHY

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



Source: Bloomberg as at 31.03.2024

TOP 10 HOLDINGS (%)



PERFORMANCE COMMENTARY

The Company had another encouraging quarter of investment performance as the Net Asset Value delivered a 2.3% gain for the first quarter of 2024, continuing on from a rewarding first financial year of investment performance (NAV growth) for the company of +11.3%. This creates a total NAV return of +14.0% to mark our 1-year anniversary since inception (30/03/23). This meant the portfolio outperformed the UK AIM All-Share by 19.9% as the performance charts on the front page depict. Perhaps most encouraging was the investment performance of the fund relative to its peers which was top-decile. The standout performers of Q124 were; Springfield Properties (+9.2%), MPAC Group (+75.0%), Windward (+29.4%), Liontrust (+11.1%) and Vianet (+31.2%). At the end of Q124 the portfolio was c.90% invested in equities after a busy first year for the manager. The team are working toward another 2 holdings 'graduating' from the nursery into the core stable in early Q224.

SPRINGFIELD PROPERTIES PLC (SPR LN) - NEW CORE HOLDING

Springfield Properties is one of Scotland's largest housebuilders and owns the largest land bank with planning approval. Local government has self-inflicted a number of headwinds to compound the impact of rising interest rates. This resulted in Springfield having to materially cut earnings guidance, which left its balance sheet stretched. The shares followed and the company traded at a nearly 50% discount to NAV.

We have invested into a number of catalysts for value recovery. Most crucial are the self-help initiatives we are supporting. The company has removed a material £4m from the cost base followed by the ongoing disposal of land parcels which transfer enterprise value to equity value as they monetise a portion of the land bank to pay down debt. In addition, the regulatory environment is improving; rent controls have ended and social housing contract terms have been improved. Springfield is winning work in both these areas again. As these de-risking catalysts complete it is not unreasonable to expect Springfield to re-rate from around 0.6x NAV at the point of investment to nearer 1.2-1.3x where the sector typically trades through the cycle.

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

WINDWARD LIMITED (WNWD LN) - NEW CORE HOLDING

Windward is one of the most exciting business models in the portfolio and has the potential for investment returns to match. Windward harnesses marine traffic data to provide analytical insights to a growing list of household names and global operators in two key maritime markets; supply chain logistics and legal compliance. The maritime industry and going through massive upheaval and we believe Windward is extremely well placed to capitalise on this through their Maritime AI^o platform.

This subscription model is allowing the business to produce some very compelling operational metrics in the context of our sub 1x EV/Sales entry point. The business is growing its 99% contracted revenue base at 35% per annum and gross margins thrown off are 79% and can likely accrete above 80%. Most crucially we expect the business to reach profitability this year, leaving its \$17m of cash surplus to requirements. We believe this growth can continue and double turnover over the next 5 years and if this level of execution were to be achieved the business would trade in line with similar businesses around 5x sales. This has the potential to provide significant investment returns on our 1x FY23 sales entry point.

LIONTRUST (LIO LN) - NURSERY POSITION

Readers will recall we took a nursery position in Liontrust to provide some market beta to the portfolio, which is predominantly made up of less liquid small and micro caps. This thesis has started to play out from the off as Liontrust shares started to track and outperform positive movements in the FTSE 250 and 350. The mark-to-market affect on AUM also means the handsome 12% Yield at Onward's point of investment is starting to look increasingly well covered too. Ongoing improving sentiment to UK equity markets ought to see further returns for our investment.

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 31 March 2024

Sources for all tables and images: Dowgate Wealth 31.03.2024

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/>