



Castelnau Group Limited (CGL) – December 2022

Share Price: £0.69 Net Asset Value: £0.75 Discount: 8%

Market Cap: £127m

Data as of 31 December 2022

Holdings – 31 December 2022	(%)
Dignity Plc	31.2
Hornby	19.1
Phoenix SG Ltd (Stanley Gibbons)	13.9
Cambium	14.8
Rawnet	4.8
Ocula Technologies Ltd	3.6
Others <3%	8.9
Cash & Cash Equivalents	3.7

Investment Performance

In December, the Nav was down 1% with the share price down 5.5%, versus the FTSE All Share (incl. Dividends), which was down 1.4%

Portfolio Activity

Dignity Plc contributed +3.3%, Cambium -2.6% and Phoenix Stanley Gibbons -1.6% to the NAV. A material factor in the negative performance from Cambium and Phoenix Stanley Gibbons was a review of the discount rates used in the valuation models to take into account increases in the risk-free rate.

Silverwood Brands Plc.

In early December, Castelnau increased our commitment to Silverwood Brands by £1.5mn in the form of a convertible loan.

Investment Pipeline

Investors may be aware that the Company is Party to a possible offer for Dignity PLC, a portfolio company. Please read the public announcement [here](#) made on Jan 4th.

We look forward to outlining our thoughts in more detail when we are able to.

Castelnau Group Track Record

Performance	NAV Return %	Share Price Total Return** %	All-Share Index ** %	Relative NAV to ASX %
2022 (to 31 st December)	-19.8%	-34.6%	0.3%	-20.2%
2021*	-6.5%	5.5%	2.5%	-9.0%
Cumulative*	-25.0%	-31.0%	2.8%	-27.8%

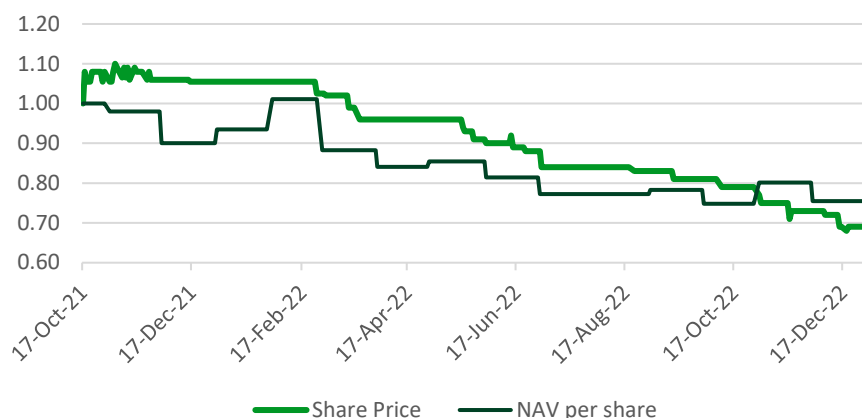
* From 18th October 2021.

** Share price return with dividends reinvested; All Share Index returns with dividends reinvested. Past performance is not a reliable indicator of future performance.

Source: Bloomberg, Phoenix Asset Management Partners Limited



Castelnau Group Share Price & NAV per Share – 31st December 2022



Past performance is not a reliable indicator of future performance.

Source: Bloomberg, Phoenix Asset Management Partners Limited

Net Asset Value Table - 31st December 2022

	Q4 2022
Asset	£m
Dignity	43.0
Hornby	26.3
Phoenix Stanley Gibbons	19.2
Showpiece	0.0
Cambium Group	20.5
Silverwood	2.2
Rawnet	6.6
Ocula	4.9
Total Equities	122.7
CGSL	0.1
Prepaid Fees	0.0
Loans to enabling companies	10.1
Cash	7.6
Short Term Bonds	0.0
GAV	140.5
Accrued Liabilities	-2.5
NAV	138.0

Source: Phoenix Asset Management Partners Limited

The Investment Manager does not believe a potential tax charge would arise on the realisation of the fair value gains set out in this report

Investment Objective

The Company's investment objective is to compound Shareholder's capital at a higher rate of return than the FTSE All Share Total Return Index over the long term. The Company will seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes. The Company will follow a high conviction investment strategy. The expertise and processes developed by the Investment Manager can be applied to all parts of the capital structure of a business, both private and publicly quoted. These positions could be represented by a minority stake, a control position combined with operational involvement, full ownership of a company, a joint venture, a loan or convertible instrument, a short position or any other instrument which allows the Company to access value.

Contact

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Portfolio Manager: Gary Channon
Listing: Specialist Fund Segment, London Stock Exchange
Inception Date: 18 October 2021
ISIN: GG00BMWWJM28
Bloomberg: CGL

Fees

Management: None
Performance: In order for the Investment Manager to earn a performance fee, the total NAV return must have outperformed the FTSE All Share Total Return Index over a 3-year period. The performance fee will be equal to one-third of outperformance and will be paid in Castelnau Group shares.

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