30 April 2024

VT Downing Small & Mid-Cap Income Fund

April 2024 Commentary

In April, the Accumulation share class was up 3.69% while the IA UK Equity Income Total Return Index was up 2.78%. Key contributors were Lok'nStore (up 29.65%) and XPS Pensions (up 14.72%). Key detractors included WH Smith (down 16.86%) and Fonix Mobile (down 8.91%).

Lok'nStore provides self-storage and serviced document storage and management services. In April, the boards of Shurgard and Lok'nStore announced a recommended cash offer to be made by Shurgard to acquire Lok'nStore. Under the terms of the acquisition, Lok'nStore shareholders will be entitled to receive 1110p in cash for each Lok'nStore share.

XPS Pensions, a pension consulting and administration business, provided a post-close trading update and highlighted that the group continues to perform strongly, with revenues from continuing operations growing 29% YoY. High levels of demand for its services from continued regulatory change, new clients, and the inflation-linkage of its contracts, have driven the robust performance for the year.

WH Smith, the global travel retailer, issued interim results for the six months ended 29 February 2024. Despite delivering a robust set of results and management claiming that the group is in its strongest-ever position, the shares fell. We believe that this was due to US expansion progressing slower than initially envisaged. The business is trading well and is on track to deliver FY results in line with management expectations.

Fonix Mobile, a mobile payments and messaging company, announced that further to an on market share buyback programme, the selling shareholders successfully sold a total of 6,666,667 placing shares at a price of 225p per placing share due to significant overdemand. The placing shares in aggregate represent approximately 6.7% of the company's issued share capital.

Opinions expressed represent the views of the fund manager at the time of publication, are subject to change, and should not be interpreted as investment advice.

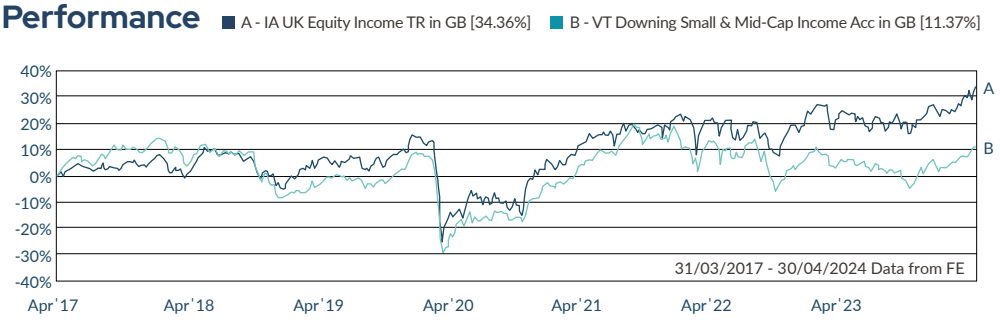
About the fund

The fund aims to have a portfolio of 30-50 holdings, with no exposure to the FTSE 100. Josh seeks to invest in equities with unique assets or a sustainable competitive advantage. These businesses have the potential to generate excess returns on invested capital over the long term which can compound both capital and shareholder distributions.

Investment objective

The investment objective of the fund is to achieve a quarterly income, together with capital growth over the long term (5 years).

Performance



Cumulative performance (%)	1m	3m	6m	YTD	1y	3y	5y
VT Downing Small & Mid-Cap Income Fund (Acc)	3.69	8.22	15.67	4.16	5.59	4.73	11.79
IA UK Equity Income TR index	2.78	6.83	15.13	5.31	8.10	18.83	25.24
Quartile ranking	2	2	2	3	4	4	4

Discrete performance (%)	30/04/2023 - 30/04/2024	30/04/2022 - 30/04/2023	30/04/2021 - 30/04/2022	30/04/2020 - 30/04/2021	30/04/2019 - 30/04/2020
VT Downing Small & Mid-Cap Income Fund (Acc)	5.59	-6.02	5.55	28.39	-16.86
IA UK Equity Income TR index	8.10	2.94	6.79	26.23	-16.51
Quartile ranking	4	4	3	2	3

Past performance is not a reliable indicator of future results. Performance figures source: FE Analytics.

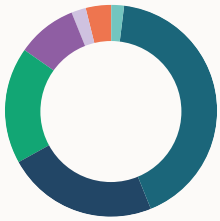


Josh McCathie
Fund Manager

Josh McCathie joined Downing in 2018 as an analyst and co-manager of the VT Downing Small & Mid-Cap Income Fund. He took over as lead manager in April 2021.

Josh has over 9 years' experience in the industry that has been focused on UK equities. Prior to Downing he was at BRI Wealth Management focusing on UK equity research. Josh is a CFA charterholder.

Market cap breakdown



Market cap bands

2.06%	<£150m
41.98%	£150m-£500m
23.10%	£500m-£1bn
17.77%	£1bn-£2bn
9.11%	£2bn-£4bn
2.14%	£4bn+
3.84%	Cash

Source: Factset

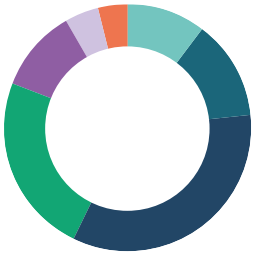
Top 10 portfolio holdings	%
XPS Pensions Group Plc	4.80
Telecom Plus Plc	4.54
Conduit Holdings Ltd	4.54
Lok'nStore Group Plc	3.39
Bloomsbury Publishing Plc	3.34
Britvic Plc	3.26
Frp Advisory Group Plc	3.24
Hollywood Bowl Group Plc	3.19
Hilton Food Group Plc	3.17
Redcentric Plc	3.03
Total	36.50

Source: Valu-Trac Investment Management Ltd.

Portfolio summary

As at 30 April 2024

Sector breakdown



10.45%	Consumer Non-Durables	10.64%	Technology
13.08%	Consumer Services	4.42%	Utilities
33.74%	Finance	3.84%	Cash
23.83%	Industrials		

Source: Factset

Quarterly distribution:

Period to	Income
31/03/2022	1.6452p
30/06/2022	1.1928p
30/09/2022	1.3105p
31/12/2022	1.1963p
31/03/2023	1.0496p
30/06/2023	1.1652p
30/09/2023	1.5106p
31/12/2023	1.3821p
31/03/2024*	0.9790p

Source: Valu-Trac Investment Management Ltd and Downing
** Estimated*

Key Facts *(As at 30 April 2024)*

Fund Objective
To achieve a quarterly income, together with long-term capital growth

Launch Date:
14 June 2010

IA sector:
UK Equity Income

Currency:
UK Sterling

Types of shares:
Income & Accumulation

Fund size:
(Income & Accumulation shares combined) £39.26m

Yield:
4.5%**

Income paid:
Quarterly

Number of holdings:
41

Prices as at 30 April 2024
Accumulation shares: 212.1550p
Income shares: 111.0037p

Charges
Initial charge: 0%
Annual Mgmt charge: 0.75%
Ongoing charges
charged to capital***: 1.00%

Minimum Investment:
Lump sum: £1,000
Subsequently: £500
Monthly savings: £100

SEDOL & ISIN numbers
Accumulation shares:
SEDOL: B61JRG2
ISIN: GB00B61JRG28

Income shares:
SEDOL: B625QM8
ISIN: GB00B625QM82

Authorised Corporate Director:
Valu-Trac act as ACD and manage the administration for the fund.
Valu-Trac Investment Management Ltd Orton, Moray
IV32 7QE
Tel: +44 (0) 1343 880 217
www.valu-trac.com

Investment Manager:
Downing was appointed Investment Manager to the fund on 1 June 2015. Following the change of ACD, the fund name was changed to MI Downing Monthly Income Fund from 31 March 2017. This was changed again from 30 November 2020 and is now VT Downing Monthly Income Fund. As from the 1 November 2021, the fund is now known as the VT Downing Small & Mid-Cap Income Fund.

Advisory Committee:
Judith MacKenzie: Non-Independent Member
Donald Robertson: Independent Member
Darrell O'Dea: Independent Member

How to Apply

Telephone: +44 (0) 1343 880217 or visit:
www.valu-trac.com/administration-services/clients/downing/dsmi/

Platforms and wraps:

- 7IM
- Aegon
- AJ Bell
- All Funds
- Aviva
- Barclays
- Canada Life International
- Elevate
- Embark
- Embark Advance
- Fidelity (Inst)
- Fidelity (FFN)
- Hargreaves Lansdown
- Hubwise
- Interactive Investor
- iWeb
- James Brearley
- James Hay
- Novia
- Nucleus
- M&G
- Praemium
- Quilter
- Raymond James
- Standard life
- Transact

** *The historic yield reflects distributions declared over the past twelve months as a percentage of the fund price as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions*

*** *The ongoing charges figure is based on expenses and the net asset value as at 05 February 2024. This figure may vary from year to year. It excludes portfolio transaction costs.*

defaqto Single-Asset Return Focused 2024 EXPERT RATED

defaqto REVIEWED

As at 20 December 2023

CITYWIRE GOLD

As at 31 December 2023

Risk warning: Your capital is at risk. The value of your investment is not guaranteed and may go down as well as up and you may not get back the amount invested. Any subscription to the fund should be made on the basis of the relevant product literature available from Downing, or from the ACD, Valu-Trac Investment Management Limited and your attention is drawn to the charges and risk factors contained therein.

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