30 June 2024

Downing

VT Downing Small & Mid-Cap Income Fund

June 2024 commentary

In June, the Accumulation share class was up 0.37% while the IA UK Equity Income Total Return Index was down 1.24%. Key contributors were Britvic (up 23.91%) and XPS Pensions Group (up 15.89%). Key detractors included FRP Advisory Group (down 9.62%) and Sabre Insurance (down 10.25%).

Britvic, a soft drinks business, confirmed that it had received a second proposal from Carlsberg regarding a possible cash offer to acquire the company for 1,250p per Britvic share. The Britvic board considered this and concluded that it significantly undervalues Britvic, and rejected the offer. There may be future proposals for the company, however, there can be no certainty that any firm offer will be made, nor as to the terms of any such offer, should one be made.

XPS Pensions, a pensions consulting and administration business, issued final results for the FY to 31 March 2024 and reported another year of record growth. This growth encompassed multiple financial upgrades during the period and carries on the company's positive momentum from last year, with total group revenue growth reaching 21%. This was achieved with double-digit growth across all core divisions - actuarial, investment consulting, administration, and its SIP business.

FRP Advisory, a business consulting services provider, issued no news during the month and we continue to believe that the shares offer good value at current levels.

Sabre Insurance, a private motor insurance underwriter, issued little news in the month. Ian Chapple was appointed to the board as a non-executive director, effective from 1 September 2024. Ian brings over 30 years of industry experience to the Sabre board. Directors have been buying shares during June, an indication of the confidence of senior management in the business.

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.

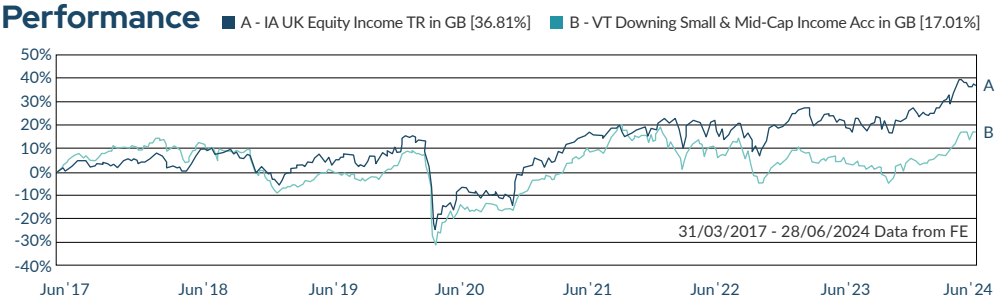
About the fund

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)	0.37	8.94	9.43	9.43	12.96	7.43	18.97
IA UK Equity Income TR index	-1.24	4.65	7.24	7.24	14.56	19.15	29.17
Quartile ranking	1	1	1	1	4	4	4

Discrete performance (%)	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022	30/06/2020 - 30/06/2021	30/06/2019 - 30/06/2020
VT Downing Small & Mid-Cap Income Fund (Acc)	12.96	-3.51	-1.44	30.81	-15.34
IA UK Equity Income TR index	14.56	4.28	-0.27	25.44	-13.58
Quartile ranking	4	4	3	1	3

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

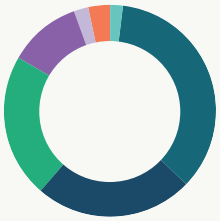


Josh McCathie
Fund Manager

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

2.18%	<£150m
35.16%	£150m-£500m
24.20%	£500m-£1bn
21.98%	£1bn-£2bn
11.20%	£2bn-£4bn
2.08%	£4bn+
3.20%	Cash

Source: Factset

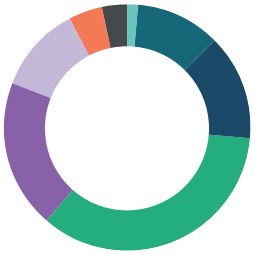
Top 10 portfolio holdings	%
XPS Pensions Group Plc	4.84
Britvic Plc	4.57
Telecom Plus Plc	4.38
Conduit Holdings Ltd	3.70
Bloomsbury Publishing Plc	3.68
Frp Advisory Group Plc	3.42
Fonix Mobile Plc	2.99
Hollywood Bowl Group Plc	2.96
Sabre Insurance Group Plc	2.93
WH Smith Plc	2.92
Total	36.39

Source: Valu-Trac Investment Management Ltd.

Portfolio summary

As at 30 June 2024

Sector breakdown



1.50%	Basic Materials	19.44%	Industrials
11.07%	Consumer Non-Durables	11.47%	Technology
13.96%	Consumer Services	4.38%	Utilities
34.98%	Finance	3.20%	Cash

Source: Factset

Key facts *(As at 30 June 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) £37.68m

Yield:
4.4%**

Income paid:
Quarterly

Number of holdings:
41

Prices as at 30 June 2024
Accumulation shares: 222.8908p
Income shares: 115.4485p

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

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
30/06/2024	TBC

Source: Valu-Trac Investment Management Ltd and Downing

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
- 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.

This document has been prepared for existing investors and their advisers and has been approved as a financial promotion in line with Section 21 of the FSMA by Downing LLP. Downing is a trading name of Downing LLP. Downing does not offer investment or tax advice or make recommendations regarding investments. This document contains information and analysis that is believed to be accurate at the time of publication but is subject to change without notice. Whilst care has been taken in compiling the content of this document, no representation or warranty, express or implied, is made by Downing LLP as to its accuracy or completeness, including for external sources (which may have been used) which have not been verified. Downing LLP is authorised and regulated by the Financial Conduct Authority (Firm Reference No. 545025). Registered in England No. OC341575. Registered Office: St Magnus House, 3 Lower Thames Street, London EC3R 6HD.