

# VT Downing Unique Opportunities Fund



## April 2021 Commentary

In April, the price of accumulation class shares in the VT Downing Unique Opportunities Fund rose by 6.8% from 155.8640 pence to 166.4738 pence. There were 25 risers and seven fallers. 11 of the risers were into double digit percentages, but none of the fallers. The UK stock market continues to boom as the UK's Covid vaccination programme is proving successful and our economy is opening up again. IPOs abound but we have not participated in any.

There were six companies in the fund whose share prices rose by more than 20% in the month of April. Of these, Tatton Asset Management and Impax Asset Management could be said in part to be benefitting from these highly buoyant equity markets. Tatton revealed that its AUM had passed £9 billion, a 35% increase in the year ended March 2021. Impax updated the market that its AUM had reached £30 billion, an increase of 19% in one quarter, demonstrating its strong position in the growing area of sustainable investing. Both Craneware and Advanced Medical Solutions appreciated in anticipation of a reopening of hospitals to normal activity, and the latter also announced a CE mark approval for a gastrointestinal sealant developed by the Sealantis business it acquired in 2019. Tracsis, the provider of software, hardware and services which are critical to the operation of the UK rail network, announced that two multi-year rail contracts (believed to be with Train Operating Companies) are in the final stages of negotiation and that activity levels across the group are high. Vitec announced its entry into the gaming market with the acquisition of Lightstream, a cloud-based provider of live production software.

Amongst the detractors, none of them major, Tristel announced that it had experienced a slow start to the year due to the impact of Covid on hospital outpatient procedures into which it supplies chlorine dioxide disinfectant for the re-useable equipment. The company reiterated its confidence in future prospects and its application for Food and Drug Administration approval in the US is continuing apace.

*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 25-40 holdings. As fund manager, Rosemary seeks to invest in equities she considers to have a unique outlook and opportunity for growth. These businesses will be identified as having sustainable competitive advantages that are difficult to replicate, which can create high barriers for new entrants and have the potential to generate superior returns over the long term.

## Investment Objective

The fund's objective is to achieve capital growth and income over the long term (5+ years). It seeks to invest at least 80% in equities listed on UK markets (including the London Stock Exchange, AIM, and the ICAP Securities and Derivatives Exchange (ISDX)). The remainder will be invested in other equities, fixed income, money market instruments, deposits, warrants, cash and near cash.

The unique characteristics sought include:

- » having intangible assets e.g. brands, patents or regulatory licenses
- » having cost advantages stemming from process, location, scale or access to a unique asset
- » being the leading network in a business segment
- » there being high switching costs, which generate high customer retention rates

|                              | Cumulative performance (%) |       |       |       |       |               |
|------------------------------|----------------------------|-------|-------|-------|-------|---------------|
|                              | 1m                         | 3m    | 6m    | YTD   | 1y    | Since Launch* |
| VT DUO A Acc                 | 6.81                       | 13.17 | 26.65 | 15.87 | 48.16 | 66.47         |
| IA UK All Companies TR Index | 4.21                       | 11.23 | 31.43 | 10.29 | 30.33 | 57.01         |
| Quartile Ranking             | 1                          | 1     | 3     | 1     | 1     | 1             |

|                              | Discrete performance (%) |            |
|------------------------------|--------------------------|------------|
|                              | 30/04/2020 -             | 30/04/2021 |
| VT DUO A Acc                 | 48.16                    |            |
| IA UK All Companies TR Index | 30.33                    |            |
| Quartile Ranking             | 1                        |            |

\*25 March 2020



**Fund Manager**  
**Rosemary Banyard**

Rosemary began her career with James Capel & Co where she was a senior investment analyst for 12 years. She rose to prominence and developed a reputation as a leading female fund manager in the UK after joining Schroders in 1997.

Rosemary spent nearly 20 years at Schroders and was for many years lead manager of the award-winning<sup>1</sup> Schroder UK Mid Cap Fund Plc as well as heading up several other UK equity mandates, managing total assets of circa £1 billion.

The Schroder UK Mid Cap Trust returned 17%<sup>2</sup> p.a. while Rosemary was manager and in her two and a half years (to June 2019) managing money at Sanford DeLand the CFP SDL Free Spirit Fund returned 31%<sup>3</sup>, placing it in the top decile of the IA UK All Companies sector.

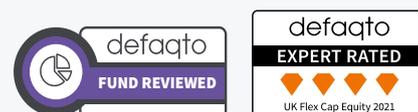
Rosemary joined Downing in March 2020 to launch the **VT Downing Unique Opportunities Fund (DUO)**.

*Please note that past performance is not a reliable indicator of future performance.*

1. Investment Week - Best UK Growth Trust 2013 & 2014. Outstanding Industry Contribution Award 2015 - 1st May 2003 - 31st March 2016. (Lead manager)

2. Schroder UK Mid Cap Fund Plc Annual Reports & Accounts 2015. Rosemary was lead manager of this fund from 01/05/03 to 31/03/16

3. Financial Express 03/01/17 - 28/06/19



Rosemary's fund is 4 Diamond rated, defaqto 2021.



Rosemary was awarded the Citywire AAA rating in April 2021.



on our watchlist: FundCalibre.com

Awarded August 2020.

# Portfolio summary

As at 30 April 2021

## Top 10 holdings

|                                  | % of fund |
|----------------------------------|-----------|
| Impax Asset Management Group plc | 3.67      |
| Dunelm Group plc                 | 3.43      |
| Vitec Group plc                  | 3.41      |
| Craneware plc                    | 3.33      |
| Games Workshop Group plc         | 3.31      |
| Tatton Asset Management Ltd.     | 3.29      |
| Elementis plc                    | 3.24      |
| Aptitude Software Group plc      | 3.22      |
| EKF Diagnostics Holdings plc     | 3.12      |
| Kainos Group plc                 | 3.11      |

Source: Valu-Trac Investment Management Ltd.

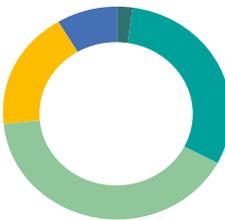
## Portfolio by sector



|                               |                               |
|-------------------------------|-------------------------------|
| 8.42% Cash                    | 16.41% Healthcare             |
| 8.01% Communication services  | 12.74% Industrials            |
| 13.07% Consumer discretionary | 20.95% Information technology |
| 2.79% Consumer staples        | 5.99% Materials               |
| 11.62% Financials             |                               |

Source: Valu-Trac Investment Management

## Portfolio by company size



### Market cap bands

|                      |
|----------------------|
| 2.49% > £5bn         |
| 30.46% £1bn - £5bn   |
| 40.42% £500m - £1bn  |
| 18.21% £200m - £500m |
| 0.00% < £200m        |
| 8.42% Cash           |

Source: Factset

## Key facts As at 30 April 2021

### Structure

London listed Open Ended Investment Company (OEIC), established as a "UCITS scheme".

### Launch date

Income: 17 March 2020  
Accumulation: 25 March 2020

### Fund Size

£34.03m (Accumulation and Income share classes combined)

### Share price

Class A: 166.4738p (Acc.)  
Class A: 168.7034p (Inc.)

### No of holdings

32

### Minimum initial investment

Class A lump sum: £1,000

### Dividends

TBC

### Liquidity

Daily pricing and daily dealing

### ISA Eligible: Yes

### Sector

IA All Companies Sector

### ISIN Codes:

Class A Accumulation: GB00BHNC2614  
Class A Income: GB00BHNC2721

### Contact details

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Email: customer@downing.co.uk

### Authorised Corporate Director

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Management Ltd  
Orton, Moray  
IV32 7QE  
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www.valu-trac.com

### Fund charges

Initial charge: 0%  
Annual management charge:  
0.75% p.a.  
Ongoing charges\*  
0.93% p.a.

### How to apply:

Telephone: +44 (0) 1343 880 217 or  
visit: <https://www.valu-trac.com/administration-services/clients/downing/unique-opportunities/>

Also on the following platforms:

7IM  
Aegon  
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Allfunds  
Aviva  
Canada Life International  
Embark  
FNZ  
Hargreaves Lansdown  
Hubwise  
Interactive Investor  
James Brearley  
James Hay  
Nucleus  
Old Mutual  
Raymond James  
Transact  
Utmost  
Zurich

[www.downingunique.co.uk](http://www.downingunique.co.uk)

We are currently working with other platforms so please let us know if yours is not listed above.

\* Please note: The ongoing charges figure is based on expenses and the net asset value as at 16 April 2021. This figure may vary from year to year. It excludes portfolio transaction costs.

The Investment Manager of the fund has undertaken to absorb any costs that would otherwise cause the fund to have ongoing charges in excess of 1%.

**Risk warning:** Your capital is at risk. Investments into this fund should be held for the long term (5+ years). The value of your investment and income derived from it can fall as well as rise and investors may not get back the full amount invested. This fund has a small and mid-cap bias. Investments in smaller companies are generally higher risk compared to investments in blue chip companies. The fund does not have any particular industry or economic sector focus and as such weightings in these may vary as required and investments may be in the same sectors. Past performance is not a guide to future returns. Please refer to the latest full Prospectus and KIID before investing; your attention is drawn to the risk, fees and taxation factors contained therein.

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