

# VT Downing Monthly Income Fund



## December 2020 Commentary

In December, the fund was up 5.62% while the IA UK Equity Income Total Return Index was up 3.66%. Key contributors were Lok'nStore Group (up 18.42%) and Volex (up 17.11%). Key detractors included Strix Group (down 6.38%) and iomart Group (down 5.74%).

**Lok'nStore**, a self-storage company, announced a **share buy-back** on 11 December 2020. The stock prices rallied further in the month as directors made significant purchases, indicating their confidence in the company's future success and that the share price represents good value.

**Volex**, a global supplier of integrated manufacturing services and power products, made no significant news announcements in December. We continue to believe that the shares represent good value at current levels.

**Strix** is a global leader in the design, manufacture and supply of kettle safety controls and other components. The group did not make any significant news announcements in the period and as with Volex, we believe that the shares offer good value at current levels.

**iomart**, a cloud computing company, issued its half year results for the period ended 30 September 2020. Highlights in the period included revenue up 2% and order levels from existing managed cloud services customers consistent with H1 2020. Management has a positive outlook and reported indications of returning confidence in longer-term IT and digital transformation projects. The board stated that future revenue and profit margins are expected to benefit from growth from existing customers and operational efficiencies.

*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.*

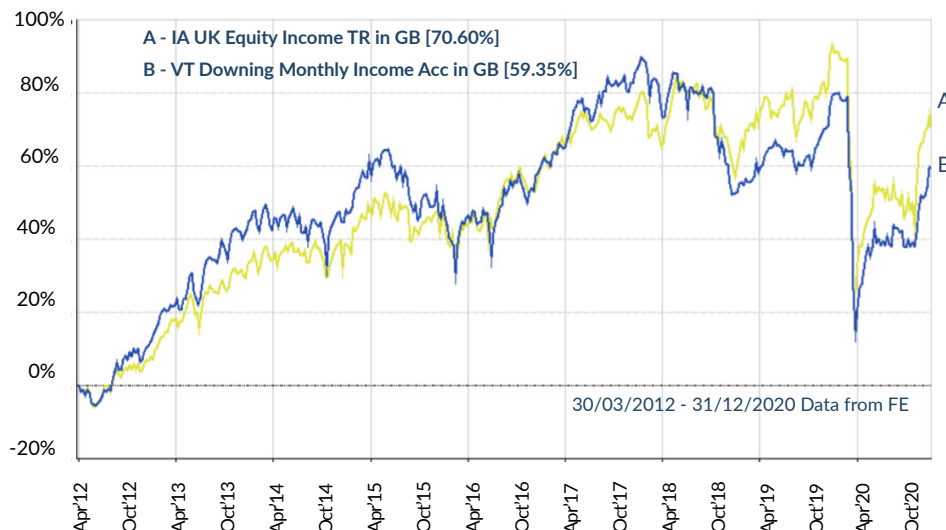


**Fund Manager**  
**James Lynch**

James joined Downing in February 2012 as part of the private equity team, gaining transaction experience in the SME space across a range of industries before transferring to Downing Fund Managers in 2013.

Prior to Downing, James worked within the asset management division of Ernst & Young after specialising in smaller companies at HW Fisher & Company. James is a CFA Charterholder, Chartered Accountant (ACA) and holds the Investment Management Certificate. James manages the VT Downing Monthly Income Fund and co-manages the Downing Strategic Micro-Cap Investment Trust.

## Performance

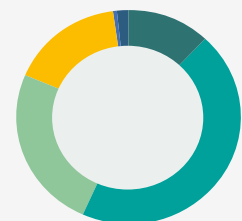


	Cumulative performance (%)			
	6m	1y	3y	5y
VT Downing Monthly Income Acc	15.53	-11.93	-14.98	7.06
IA UK Equity Income TR index	11.89	-10.73	-4.11	16.19
Quartile ranking	1	3	4	4

	Discrete performance (%)				
	31/12/2019-31/12/2020	31/12/2018-31/12/2019	31/12/2017-31/12/2018	31/12/2016-31/12/2017	31/12/2015-31/12/2016
VT Downing Monthly Income Acc	-11.93	18.30	-18.40	16.98	7.65
IA UK Equity Income TR index	-10.73	20.07	-10.54	11.32	8.84
Quartile ranking	3	3	4	1	3

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

## Market Cap Breakdown



- 12.14% <£150m
- 44.74% £150m - £500m
- 24.72% £500m - £1bn
- 16.29% £1bn - £2bn
- 0.00% £2bn - £4bn
- 0.54% £4bn+
- 1.57% Cash

Source: Factset

## Top 10 Holdings

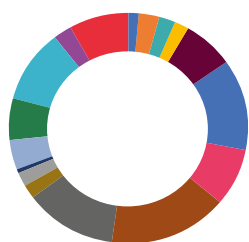
	% of fund
Diversified Gas & Oil plc	4.61
Caretech Holdings plc	4.22
Lokn Store Group plc	4.03
Watkin Jones plc	4.01
PayPoint plc	3.89
Volex plc	3.78
ContourGlobal plc	3.77
Chesnara plc	3.51
Strix Group plc	3.26
Smart Metering Systems plc	3.11
<b>Total</b>	<b>38.19</b>

Source: Valu-Trac Investment Management Ltd

# Portfolio summary

As at 31 December 2020

## Sector breakdown



1.57% Cash	8.12% Healthcare	4.09% Other financial
2.63% Communication services	16.12% Industrials	5.85% Property
2.28% Consumer discretionary	12.55% Information technology	10.35% Real estate
2.04% Consumer staples	1.81% Infrastructure	2.39% UK corporate bonds
6.81% Energy	1.93% International fixed interest	7.97% Utilities
12.85% Financials	0.64% Materials	

Source: Valu-Trac Investment Management Ltd

## Key facts As at 31 December 2020

### Fund Objective

To achieve a high level of income, together with long-term capital growth.

### Launch date

14 June 2010

### Conversion date

1 April 2012\*\*

### IMA sector

UK Equity Income

### Currency

UK Sterling

### Types of shares

Income & Accumulation

### Fund size

(Income & Accumulation shares combined)  
£47.31m

### Yield

3.9%\*\*\*

### Income paid

Monthly

### Number of holdings

55

### Prices as at 31 December 2020

Accumulation shares: 183.2326p

Income shares: 110.3129p

### Charges

Initial charge: 0%

Annual Mgmt charge: 0.75%

Ongoing charges charged to capital\*\*\*\*: 0.88%

### 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 LLP was appointed Investment Manager to the fund on 1 June 2015.

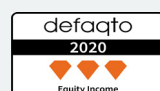
Following the change of ACD, the fund name was changed to MI Downing Monthly Income Fund from 31 March 2017. This was changed again from 30 November 2020 and is now VT Downing Monthly Income Fund.

### Investment Committee

**Judith MacKenzie:** Non-Independent Member

**Donald Robertson:** Independent Member

**Darrell O'Dea:** Independent Member



## Income distribution

Period to	Income
31/01/2020	0.4995p
29/02/2020	0.4999p
31/03/2020	0.0000p
30/04/2020	0.5000p
31/05/2020	0.3500p
30/06/2020	0.3500p
31/07/2020	0.3500p
31/08/2020	0.3500p
30/09/2020	0.3500p
31/10/2020	0.3500p
30/11/2020	0.3500p
31/12/2020	0.3500p

Source: Valu-Trac Investment Management Ltd and Downing LLP

## Platforms and wraps

Aegon	James Hay
AJ Bell	Novia
All Funds	Nucleus
Ascentric	Old Mutual Wealth
Aviva	Raymond James
Elevate	Standard life
Fidelity (Inst)	Transact
Fidelity (FFN)	Zurich
Hargreaves Lansdown	

\*\* The conversion date refers to the date the investment objective and policy were changed.

\*\*\* The historic yield reflects distributions declared over the previous 12 months net of tax as a percentage of the share price, as at the first business day of the current month. The yield will vary and investors may be subject to tax on their distributions. Fund charges and expenses are charged to capital, effectively increasing the distribution(s) for the year by the amount of the charges and constraining capital performance by the same amount.

\*\*\*\* The ongoing charges figure is based on expenses and the net asset value as at 30 November 2020. This figure may vary from year to year. The funds annual report for each financial year will include detail on the exact charges made.

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

**Statistics correct as at 31/12/2020.** Performance figures source: FE Analytics. Fund performance is based on accumulation shares, indices include net reinvested income. defaqto, 3 Diamond rated, 2020. Performance figures are for the period from when the investment objective and policy were changed on 1 April 2012, so that the fund was primarily invested in equities. Past performance is not a guide to future returns. The value of the fund and the income from it may go down as well as up, so you may not get back the amount you invested. The tax treatment of the fund may change and such changes cannot be foreseen. Tax treatment depends on the individual circumstances of each investor.

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