

VT DOWNING INVESTOR FUNDS ICVC
(Sub-funds VT Downing Global Investors Fund, VT Downing
Unique Opportunities Fund and VT Downing European
Unconstrained Income Fund)

Unaudited Interim Report and Financial Statements
for the six month period ended 31 December 2021

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COMPANY OVERVIEW

Type of Company

VT Downing Investor Funds ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC024590 and authorised by the Financial Conduct Authority (PRN: 921279) pursuant to an authorisation order dated 17 February 2020. The Company has an unlimited duration.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD's) RESPONSIBILITIES

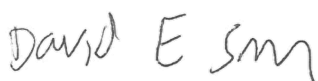
The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital gains/(losses) for the period. In preparing these financial statements the Authorised Corporate Director is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently.
- > make judgements and estimates that are reasonable and prudent.
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the interim report.



David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 24 February 2022

SUB-FUND OVERVIEW

Name of Sub-fund	VT Downing Global Investors Fund
Size of Sub-fund	£43,969,460
Launch date	24 March 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve capital growth and income over the long term (5 + years).</p> <p>The Sub-fund will seek to achieve its objective by investing at least 70% in equities across global markets (with up to 20% invested in higher risk emerging markets).</p> <p>The Sub-fund may also invest in government securities, fixed income, collective investment schemes (which may include those managed and/or operated by the ACD and which will provide exposure to various asset classes including equities and fixed income), money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed.</p> <p>Save as noted above, the Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management (EPM) purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Global Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Annual accounting date	30 June
Interim accounting date	31 December
Annual income allocation date	By 31 August
Interim income allocation dates	By last day of February
Share classes	Class A (Accumulation) Class A (Income) Class F (Accumulation)* Class F (Income)

*Class F shares are only available to those who invest at launch of the Sub-fund (or otherwise at the ACD's discretion)

SUB-FUND OVERVIEW (continued)

Minimum investment

Lump sum subscription:	Class A: £1,000 Class F: £1,000,000
Top-up:	Class A: £100 Class F: £1,000
Holding:	Class A: £1,000 Class F: £1,000,000
Regular saving:	£100 per month
Redemption/switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges:	Nil

The ACD may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges

The annual management charges are	£30,000 [^] per annum plus Class A – 0.75% per annum Class F – 0.60% per annum
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

[^]The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2021)). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

The VT Downing Global Investors Fund is a thematically invested fund focused on the needs and wants of the growing middle-class population. We believe this population is a homogeneous, borderless group, showing a single set of demands and aspirations. Currently numbering around 3.3 billion, we believe the global middle class will be closer to 5.3 billion at the end of this decade^[1].

Since launch on 24 March 2020, the fund has shown a rise in NAV of 75.20% (F Accumulation) as at 31 December 2021, which compares favourably to the rise in the IA Global TR Index of 66.81%.^[2] Over the last six months, the F Accumulation share class has risen by 9.15% whilst the IA Global TR Index has risen by 6.29%.^[3]

Summary

Over the six-month reporting period, we began to dilute the technology centric exposure of the fund that had accumulated, by way of performance, for almost all of the prior Covid era period. During those six months, evidence of strengthening economic activity in the global economy was signalled by price upturns in several commodity producing sectors with which we began to engage. At the start of the period there was seemingly random commentary in various finished goods industries about rising input costs. We considered there to be a uniform pattern by the autumn and began to accumulate investments in producers of energy, raw materials, foodstuffs and microchips, in particular. By November, it became apparent to us that the phase of re-rating upwards (paying more for) technology sector profits was flagging, and we began to reduce our commitments there.

2021 Review

2021 was characterised by dramatic rolling rotations out of previously favoured areas. The first to sell off was much of the alternative energy complex, particularly businesses actually generating power from alternative technologies. The common drumbeat was that of rising input costs squeezing margins, and by mid-year our exposure to that particular sector was reduced, primarily to those suppliers enjoying that excess of demand over supply. Generally, this was a common theme across the portfolio as the year progressed. A building rotation of exposures from producers of finished goods to the suppliers of the inputs required to make those finished goods. Our exposure to the entire commodity producer complex was materially higher at the end of the year than at the beginning.

Towards the end of 2021, persistent fears of a turn in the rate cycle were rewarded, and from October onwards the most aggressive of the various rotations endured during the year kicked off. Businesses that were remotely conceptual, offering far away profitability, characterised perhaps as 'tech-spec', began to derate at an accumulating speed. Our switch from that area to more primary or recurring demand sectors was rapidly built up, but not quickly enough to offset the 'tech-spec-wreck' that ensued, and a lot of the progress in the share price NAV achieved over the year was given back towards the end of it.

However, in our view, these changes in sentiment reflect growing confidence in wider economic activity levels. Rising rates, or anticipation of rising rates, are driven primarily by rising levels of activity, and hence demand for money. Our portfolio is geared to that scenario, with a much broader spread of engagement across the global economy at the end of the year than at the beginning. Ultimately, that should be a more enduringly rewarding scenario for investors than the very narrow tech-centric focus that endured throughout the Covid period.

Downing LLP
Investment Manager to the Fund
09 February 2022

[1] http://knowledge4policy.ec.europa.eu/growing-consumerism_en

[2] FE Analytics, 24 March 2020 to 31 December 2021

[3] FE Analytics, 01 July 2021 to 31 December 2021

PERFORMANCE RECORD

Financial Highlights

Class F (Accumulation)	Period to 31	Period from 24
	December 2021	March 2020 to 30 June 2021 ^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	160.5036	100.0000
Return before operating charges	15.3303	61.8550
Operating charges (note 1)	(0.6378)	(1.3514)
Return after operating charges *	14.6925	60.5036
Closing net asset value per unit	175.1961	160.5036
Retained distributions on accumulated units	0.6681	1.7833
*after direct transactions costs of:	0.2686	0.6513
Performance		
Return after charges	9.15%	60.50%
Other information		
Closing net asset value	£39,436,494	£35,635,421
Closing number of units	22,509,921	22,202,260
Operating charges (note 2)	0.76%	0.83%
Direct transaction costs	0.16%	0.50%
Prices		
Highest unit price	182.2600	167.5754
Lowest unit price	160.3900	98.9500

^Share class launched 24 March 2020

Class F (Income)	Period to 31	Period from 22
	December 2021	May 2020 to 30 June 2021 ^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	141.0638	100.0000
Return before operating charges	13.4755	43.5180
Operating charges (note 1)	(0.5595)	(1.0838)
Return after operating charges *	12.9160	42.4342
Distribution on income units	(0.5872)	(1.3704)
Closing net asset value per unit	153.3926	141.0638
*after direct transactions costs of:	0.2356	0.6027
Performance		
Return after charges	9.16%	42.43%
Other information		
Closing net asset value	£4,556,410	£5,303,057
Closing number of units	2,970,424	3,759,333
Operating charges (note 2)	0.76%	0.83%
Direct transaction costs	0.16%	0.50%
Prices		
Highest unit price	160.1871	148.1040
Lowest unit price	140.9678	99.2999

^Share class launched 22 May 2020

PERFORMANCE RECORD (Continued)

Financial Highlights (continued)

Class A (Accumulation)	Period to 31	Period from 05
	December 2021	March 2021 to 30 June 2021 ^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	108.6036	100.0000
Return before operating charges	10.3689	9.8813
Operating charges (note 1)	(0.5166)	(1.2777)
Return after operating charges *	9.8523	8.6036
Closing net asset value per unit	118.4559	108.6036
Retained distributions on accumulated units	0.4518	0.5432
*after direct transactions costs of:	0.1816	0.5242
Performance		
Return after charges	9.07%	8.60%
Other information		
Closing net asset value	£62,312	£97,150
Closing number of units	52,604	89,454
Operating charges (note 2)	0.91%	0.98%
Direct transaction costs	0.16%	0.50%
Prices		
Highest unit price	123.2500	109.0579
Lowest unit price	108.5300	98.7453

^Share class launched 05 March 2021

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The ongoing charges figure is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying Closed Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 6 because monthly historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 December 2021

Holding	Value £	% of net assets
Commodity & Energy (30.06.2021: 0.00%)		
6,500 Alerion Clean Power SpA	159,275	0.36%
	<u>159,275</u>	<u>0.36%</u>
Communications (30.06.2021: 5.75%)		
115 Alphabet Inc	249,537	0.57%
72,000 Bollore SE	296,615	0.67%
5,000 Discovery Inc	90,696	0.21%
17,000 IHS Holding Ltd	177,300	0.40%
320 Meta Platforms Inc	81,784	0.19%
1,000 Nintendo Co Ltd	346,111	0.79%
16,000 YouGov PLC	251,200	0.57%
	<u>1,493,243</u>	<u>3.40%</u>
Consumer Discretionary (30.06.2021: 9.10%)		
60 Amazon.com Inc	150,213	0.34%
7,000 Byd Co Ltd	177,708	0.40%
400 Dominos Pizza Inc	165,504	0.38%
1,300 EssilorLuxottica SA	204,516	0.47%
1,000 ETSY Inc	164,726	0.37%
5,000 Jubilant Foodworks Ltd	179,125	0.41%
640 Lululemon Athletica Inc	189,431	0.43%
500 LVMH Moet Hennessy Louis Vuitton SE	304,355	0.69%
1,500 Nike Inc	186,444	0.42%
2,350 Puma SE	211,585	0.48%
2,000 Shutterstock Inc	166,804	0.38%
4,600 Sony Corp	429,529	0.98%
7,000 Titan Company Ltd	175,979	0.40%
3,100 Yum! Brands Inc	318,332	0.72%
	<u>3,024,251</u>	<u>6.87%</u>
Consumer Staples (30.06.2021: 8.67%)		
10,000 Amsterdam Commodities NV	208,712	0.47%
8,300 Archer Daniels Midland Co	411,973	0.94%
31 Chocoladefabriken Lindt & Spruengli AG	318,404	0.72%
4,900 Colgate-Palmolive Co	307,589	0.70%
5,000 Diageo PLC	201,050	0.46%
1,100 Estee Lauder Companies Inc	299,877	0.68%
550 LOreal SA	193,599	0.44%
4,500 McCormick & Company Inc	319,177	0.73%
3,000 Nestle SA	310,864	0.71%
425,000 Olam International Ltd	410,018	0.93%
1,875 PepsiCo Inc	240,255	0.55%
2,580 Procter & Gamble Co	311,647	0.71%
1,100 Remy Cointreau SA	196,324	0.45%
20,000 Shoprite Holdings Ltd	194,174	0.44%
100,000 Wilmar International Ltd	227,307	0.52%
	<u>4,150,970</u>	<u>9.45%</u>
Contract for Difference (30.06.2021: 0.00%)		
100 Lem Holding SA	204,853	0.47%
	<u>204,853</u>	<u>0.47%</u>

PORTFOLIO STATEMENT (Continued)

As at 31 December 2021

Holding	Value £	% of net assets
Energy (30.06.2021: 1.21%)		
17,000 Cameco Corp	274,812	0.63%
10,000 FLEX LNG Ltd	165,015	0.38%
11,500 Reliance Industries Ltd	272,142	0.62%
10,250 TotalEnergies SE	384,881	0.88%
	<u>1,096,850</u>	<u>2.51%</u>
Financials (30.06.2021: 2.26%)		
42,000 Beazley PLC	194,754	0.44%
6,250 Brookfield Asset Management Inc	281,294	0.64%
360 MSCI Inc	163,630	0.37%
200 Partners Group Holding AG	245,864	0.56%
2,500 SKAN Group AG	180,161	0.41%
1,000 Swissquote Group Holding SA	162,785	0.37%
	<u>1,228,488</u>	<u>2.79%</u>
Health Care (30.06.2021: 14.90%)		
460 ALK-Abello A/S	178,771	0.41%
5,000 Amplifon SpA	199,012	0.45%
322 Bio Rad Laboratories Inc	181,377	0.41%
1,500 Biomerieux SA	158,298	0.36%
10,000 Biotage AB	214,177	0.49%
1,200 Carl Zeiss Meditec AG	186,808	0.42%
1,300 Coloplast A/S	169,618	0.39%
917 Danaher Corp	223,614	0.51%
5,000 Dr. Lal PathLabs Ltd	190,333	0.43%
3,000 Eurofins Scientific SE	278,020	0.63%
6,250 Getinge AB	201,764	0.46%
645 Intuitive Surgical Inc	173,944	0.40%
1,000 IQVIA Holdings Inc	209,653	0.48%
414 Lonza Group AG	256,346	0.58%
700 Masimo Corp	154,323	0.35%
4,000 Novo Nordisk A/S	333,629	0.76%
4,000 Pfizer Inc	173,371	0.39%
134,228 Poolbeg Pharma Limited	12,416	0.03%
3,000 Siemens Healthineers AG	166,197	0.38%
150 Straumann Holding AG	236,160	0.54%
500 Tecan Group AG	225,887	0.51%
5,000 Terumo Corp	156,556	0.36%
603 Thermo Fisher Scientific Inc	297,867	0.68%
500 UnitedHealth Group Inc	187,294	0.43%
6,200 Vitrolife AB	283,353	0.64%
1,450 Zoetis Inc	263,724	0.60%
	<u>5,312,512</u>	<u>12.09%</u>

PORTFOLIO STATEMENT (Continued)

As at 31 December 2021

Holding	Value £	% of net assets
Industrials (30.06.2021: 18.33%)		
4,000 Aalberts Industries NV	195,661	0.44%
17,000 Adani Enterprises Ltd	289,755	0.66%
25,000 Adani Ports and Special Economic Zone Ltd	182,148	0.41%
12,000 Addtech AB	213,276	0.49%
500 Belimo Holding AG	235,540	0.54%
550 Cintas Corp	179,336	0.41%
1,000 Daikin Industries Ltd	168,254	0.38%
2,200 Eaton Corporation PLC	279,949	0.64%
4,000 Fastenal Co	189,414	0.43%
7,000 Fluence Energy Inc	178,762	0.41%
5,000 GEA Group AG	202,392	0.46%
34,000 Godrej Industries Ltd	212,968	0.48%
16,000 Havells India Ltd	223,159	0.51%
2,400 IHS Markit Ltd	235,676	0.54%
1,000 IMCD NV	164,009	0.37%
70,000 International Container Terminal Services Inc	202,895	0.46%
3,000 Interpump Group SpA	162,771	0.37%
65 Interroll Holding AG	217,169	0.49%
13,000 Itochu Corp	294,893	0.67%
1,600 KEI Industries Ltd	18,686	0.04%
12,000 Larsen & Toubro Ltd	227,151	0.52%
6,000 Mersen SA	186,581	0.42%
15,000 Nibe Industrier AB	168,465	0.38%
37,788 Nicolas Correa SA	194,235	0.44%
2,000 Nidec Corp	174,409	0.40%
3,700 Quanta Services Inc	309,864	0.70%
2,140 Schneider Electric SE	310,674	0.71%
110,000 SITC International Holdings Co Ltd	294,380	0.67%
1,500 Spirax-Sarco Engineering PLC	240,375	0.55%
3,800 Tomra Systems ASA	202,416	0.46%
5,000 Toyota Tsusho Corp	170,800	0.39%
800 VAT Group AG	295,443	0.67%
16,000 Wartsila Oyj Abp	166,466	0.38%
2,500 Wolters Kluwer NV	216,534	0.49%
	7,204,506	16.38%

PORTFOLIO STATEMENT (Continued)

As at 31 December 2021

Holding	Value £	% of net assets
Information Technology (30.06.2021: 22.37%)		
817 Accenture PLC	250,960	0.57%
500 Adobe Systems Inc	211,620	0.48%
2,000 Advanced Micro Devices Inc	215,334	0.49%
3,000 Amphenol Corp	193,696	0.44%
600 ANSYS Inc	180,695	0.41%
1,860 Apple Inc	245,993	0.56%
2,800 Applied Materials Inc	328,218	0.75%
850 Arista Networks Inc	90,287	0.21%
665 ASML Holding NV	395,856	0.90%
1,250 Automatic Data Processing Inc	227,812	0.52%
5,000 Axcelis Technologies Inc	271,439	0.62%
62,000 Borosil Renewables Ltd	386,186	0.88%
400 Broadcom Inc	197,456	0.45%
900 Comet Holding AG	246,006	0.56%
1,600 Confluent Inc	91,752	0.21%
5,000 Dassault Systemes SE	219,610	0.50%
700 Datadog inc	93,014	0.21%
21,000 Electrocomponents PLC	254,205	0.58%
600 Esker SA	181,794	0.41%
1,000 Fortinet Inc	267,039	0.61%
5,500 Halma PLC	175,725	0.40%
6,000 HMS Networks AB	273,721	0.62%
200 Inficon Holding AG	217,697	0.50%
5,000 Infineon Technologies AG	170,980	0.39%
410 Intuit Inc	195,776	0.45%
5,000 Jenoptik AG	156,177	0.36%
500 Keyence Corp	233,109	0.53%
12,000 Keywords Studios PLC	356,280	0.81%
600 KLA Corp	190,230	0.43%
800 Lasertec Corp	182,092	0.41%
6,250 Lectra SA	219,290	0.50%
3,000 Logitech International SA	187,538	0.43%
3,000 Marvell Technology Inc	194,764	0.44%
3,000 Micron Technology Inc	209,000	0.48%
1,163 Microsoft Corp	292,854	0.67%
200 MongoDB Inc	79,070	0.18%
400 Monolithic Power Systems Inc	146,009	0.33%
2,500 Nemetschek SE	236,114	0.54%
2,600 Northern Data AG	166,180	0.38%
1,328 NVIDIA Corp	291,605	0.66%
2,500 Omron Corp	184,939	0.42%
1,500 Qualcomm Inc	203,452	0.46%
100,000 REC Silicon ASA	150,595	0.34%
1,200 Reply SpA	182,122	0.41%
3,000 Roblox Corp	223,615	0.51%
2,500 Screen Holdings Co Ltd	199,159	0.45%
20,000 Seco SpA	151,768	0.35%
2,000 Sensirion Holding AG	216,721	0.49%
400 Tokyo Electron Ltd	171,044	0.39%
2,000 Trade Desk Inc	139,964	0.32%
1,670 Unity Software Inc.	180,665	0.41%
3,507 Vaisala Oyj	156,406	0.36%
545 Zebra Technologies Corp	241,496	0.55%
	11,125,129	25.33%

PORTFOLIO STATEMENT (Continued)

As at 31 December 2021

Holding	Value £	% of net assets
Materials (30.06.2021: 11.61%)		
75,957 Afrimat Ltd	202,982	0.46%
1,300 Albemarle Corp	226,197	0.51%
6,750 Alcoa Corp	296,596	0.67%
676,000 Alphamin Resources Corp	366,302	0.83%
50,000 Bewi ASA	305,225	0.69%
4,302 Croda International PLC	432,996	0.98%
4,700 Eramet SA	276,126	0.63%
65 Givaudan SA	253,284	0.58%
92,000 Glencore PLC	346,035	0.79%
100,000 Ivanhoe Mines Ltd	595,762	1.35%
1,200 Koninklijke DSM NV	199,658	0.45%
1,000 Linde PLC	256,628	0.58%
11,000 Livent Corp	202,144	0.46%
68,870 Lynas Corporation Ltd	376,822	0.86%
60,000 Omnia Holdings Ltd	179,741	0.41%
40,000 Outokumpu Oyj	184,944	0.42%
1,140 Sherwin-Williams Co	296,418	0.67%
956 Sika AG	295,624	0.67%
7,400 Smurfit Kappa Group PLC	301,550	0.69%
19,553 Treatt PLC	252,723	0.57%
1,250 Vulcan Materials Co	191,883	0.44%
12,000 Zignago Vetro SpA	172,345	0.39%
	6,211,985	14.10%
Property (30.06.2021: 0.48%)		
	-	0.00%
Real Estate (30.06.2021: 3.19%)		
1,250 American Tower Corp	270,085	0.61%
13,550 Americold Realty Trust	330,699	0.75%
480 Equinix Inc	301,008	0.68%
25,000 Oberoi Realty Ltd	214,752	0.49%
97,000 Parkway Life Real Estate Investment Trust	275,143	0.63%
2,640 Prologis Inc	329,101	0.75%
22,033 SEGRO PLC	315,072	0.72%
12,000 Weyerhaeuser Co	364,863	0.83%
	2,400,723	5.46%
US Equities (30.06.2021: 0.50%)		
	-	0.00%
Utilities (30.06.2021: 0.82%)		
	-	0.00%
Portfolio of investments (30.06.2021: 99.19%)		
	43,612,785	99.21%
Net other assets (30.06.2021: 0.94%)		
	442,427	1.00%
Mid to bid adjustment (30.06.2021: (0.13%))		
	(85,752)	(0.21%)
	43,969,460	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Purchases	£
Wilmar International Ltd	700,263
Northern Data AG	643,031
Fluence Energy Inc	596,826
Lululemon Athletica Inc	595,528
Beazley PLC	549,688
ETSY Inc	548,718
Yum! Brands Inc	485,004
Olam International Ltd	451,608
Americold Realty Trust	431,221
Outokumpu Oyj	410,339
Roblox Corp	406,227
Plug Power Inc	374,901
Puma SE	374,138
Tencent Holdings Ltd	367,325
Keywords Studios PLC	353,264
Colgate-Palmolive Co	346,780
Wartsila Oyj Abp	343,629
Nintendo Co Ltd	340,096
Trade Desk Inc	334,966
Evolution Gaming Group AB (publ)	334,182
Other purchases	29,663,935
Total purchases for the period	38,651,669
Sales	£
Wilmar International Ltd	636,976
Northern Data AG	483,498
Evolution Gaming Group AB (publ)	461,862
Naspers Ltd	416,405
Moderna Inc	411,211
Lululemon Athletica Inc	401,736
Cloudflare Inc	400,547
Ajinomoto Co Inc	400,068
Wendel SE	374,950
ETSY Inc	368,140
Tencent Holdings Ltd	365,892
Fluence Energy Inc	365,612
Beazley PLC	365,385
Confluent Inc	363,690
Biesse SpA	358,594
Revenio Group Oyj	357,737
Plug Power Inc	350,102
Tesla Motors Inc	348,317
Xinyi Solar Holdings Ltd	347,597
Polycab India Ltd	336,142
Other sales	31,453,151
Total sales for the period	39,367,612

The above transactions represent the largest sales and purchases during the period.

STATEMENT OF TOTAL RETURN

For the six month period ended 31 December 2021

	31.12.2021		24.03.2020 to 31.12.2020	
	£	£	£	£
Income				
Net capital gains		3,751,987		8,865,748
Revenue	203,020		161,599	
Expenses	(169,895)		(149,961)	
Interest payable and similar charges	<u>(740)</u>		<u>(911)</u>	
Net revenue before taxation	32,385		10,727	
Taxation	<u>(25,094)</u>		<u>(9,728)</u>	
Net revenue after taxation		<u>7,291</u>		<u>999</u>
Total return before distributions		3,759,278		8,866,747
Finance costs: distributions		<u>(172,620)</u>		<u>(146,454)</u>
Changes in net assets attributable to shareholders from investment activities		<u>3,586,658</u>		<u>8,720,293</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 December 2021

	31.12.2021	24.03.2020 to 31.12.2020
	£	£
Opening net assets attributable to shareholders	40,981,943	-
Amounts receivable on creation of shares	4,556,613	24,861,991
Amounts payable on cancellation of shares	(5,306,373)	(680,129)
Dividend reinvested	150,619	126,072
Changes in net assets attributable to shareholders from investment activities (see above)	<u>3,586,658</u>	<u>8,720,293</u>
Closing net assets attributable to shareholders	<u>43,969,460</u>	<u>33,028,227</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The company net asset value as at 30 June 2021 was £40,981,943.

BALANCE SHEET

As at 31 December 2021	31.12.2021		30.06.2021	
	£	£	£	£
ASSETS				
Investment assets		43,527,033		40,596,977
Current assets				
Debtors	980,804		995,732	
Cash and bank balances	<u>138,052</u>		<u>452,683</u>	
Total current assets		<u>1,118,856</u>		<u>1,448,415</u>
Total assets		44,645,889		42,045,392
LIABILITIES				
Current liabilities				
Distribution payable on income shares	(17,441)		(29,735)	
Bank overdraft	(352,137)		(168,250)	
Creditors	<u>(306,851)</u>		<u>(865,464)</u>	
Total current liabilities		<u>(676,429)</u>		<u>(1,063,449)</u>
Net assets attributable to shareholders		<u>43,969,460</u>		<u>40,981,943</u>

Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the period ended 30 June 2021 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2021

Group 2 : Shares purchased on or after 01 July 2021 and on or before 31 December 2021

01 July 2021 to 31 December 2021

Class F (Accumulation)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021
Group 1	0.6681p	-	0.6681p	0.5239p
Group 2	0.2871p	0.3810p	0.6681p	0.5239p

Class F (Income)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021
Group 1	0.5872p	-	0.5872p	0.4315p
Group 2	0.3484p	0.2388p	0.5872p	0.4315p

Class A (Accumulation)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022
Group 1	0.4518p	-	0.4518p
Group 2	0.1593p	0.2925p	0.4518p

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Downing Unique Opportunities Fund
Size of Sub-fund	£58,843,405
Launch date	17 March 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve capital growth and income over the long term (5 + years).</p> <p>The Sub-fund seeks to achieve its investment objective by investing at least 80% in equities listed on UK markets (including the London Stock Exchange, AIM and the ICAP Securities and Derivatives Exchange (ISDX)). The Investment Manager will be seeking to invest in equities which it considers to have a unique outlook and opportunity for growth. The Investment Manager will be looking for the Sub-fund to invest in companies which have clearly identifiable characteristics to protect them against the entry of competitors (which are expected to enable such companies to produce an above average return on equity). The unique characteristics sought include:</p> <ul style="list-style-type: none">▪ having intangible assets e.g. brands, patents or regulatory licences;▪ having cost advantages stemming from process, location, scale or access to a unique asset;▪ being the leading network in a business segment; and/or▪ there being high switching costs which generate high customer retention rates. <p>Such businesses are highly likely to be the only UK listed company in their industry or one of very few and possessing a distinctive corporate strategy and so are considered 'unique opportunities'.</p> <p>The Sub-fund may also invest in other equities, fixed income, money market instruments, deposits, warrants, cash and near cash.</p> <p>The Sub-fund will aim to hold a portfolio of between 25-40 investments.</p> <p>The Sub-fund will be actively managed.</p> <p>Save as noted above (with a focus on UK listed investments), the Sub-fund will not have any particular, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management (EPM) purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA All Companies Sector Index, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>

SUB-FUND OVERVIEW (continued)

Annual accounting date	30 June
Interim accounting date	31 December
Annual income allocation date	By 31 August
Interim income allocation dates	By last day of February
Share class	Class A (Accumulation) Class A (Income)
Minimum investment	
Lump sum subscription:	Class A: £1,000
Top-up:	Class A: £100
Holding:	Class A: £1,000
Regular saving:	£100 per month
Redemption/switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges:	Nil

The ACD may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges

The annual management charges are £30,000[^] per annum plus
Class A – 0.75% per annum

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

[^]The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2021)). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Investment Philosophy

The manager believes that there is no philosophical difference between buying shares in a business and owning the business in its entirety. The first task therefore is to identify businesses which have long term growth potential, strong finances, committed and capable management, and strong barriers to keep out competition. Such barriers could include high customer switching costs, patents, regulatory licenses, brands, network effects, low operating costs or access to a unique asset. The evidence for such barriers to competition is usually found in above average returns on capital, or, since we are equity investors, in high returns on equity, but without undue financial leverage. Businesses which regularly achieve high returns on equity and can reinvest some or most of their surplus capital at similar returns can over time see a compounding of financial rewards to investors which may be underestimated by the stock market. The manager seeks to invest into these superior businesses at below intrinsic value, defined as the sum of likely future free cash flows discounted back at a conservative rate. There is an inherent conservatism in this process, in the forecasting of future cash flows, in the discount rate, and in the fact that surplus cash is not assumed to be reinvested, although some of it will be.

Performance Overview

The VT Downing Unique Opportunities Fund (DUO), launched in March 2020, the income units on 17 March and the accumulation units on 25 March. Over the period from launch to 31st December 2021, the income units rose in price by 80.69%, and generated a total return of 84.72%. The later launching accumulation units rose in price by 80.76%, compared with a 56.47% increase for the peer group, the IA UK All Companies Sector, placing DUO 27th out of 247 funds since launch.

In the six months to 31st December 2021, the income units rose by 5% in capital terms, delivering a total return of 5.96%. This return was achieved while holding cash balances averaging over 10% in the six months. The accumulation units rose by 5.94% compared to an average return of 4.43% achieved by the peer group, again a first quartile performance. During this period, the UK stock market saw some rotation out of smaller and higher growth businesses into larger and more lowly valued businesses. This rotation was evident from September 2021 onwards as the market became more concerned about rising inflation and interest rates.

The fund ended 2021 with 33 holdings (ignoring a holding in Trellus Health, a presently unlisted company recently divested from EKF Diagnostics and valued at nil in these accounts).

Key Contributors and Detractors

In the six months to 31 December 2021, there were 20 risers and 14 fallers in the portfolio. Once again, the technology sector provided some of the strongest contributors. Leading these was Alfa Financial Software, which is the global leader in the provision of leasing software for managing the lease cycle for automotive, aircraft, office and agricultural equipment lessors. Alfa reported five new customer wins in 2021, increasing customer diversification¹. It also reported strong growth in subscription revenues for e.g. maintenance contracts and cloud hosting services, and paid another special dividend, its second since IPO in 2017. Kainos Group has continued to enjoy strong demand for its digitisation capabilities from the UK Central Government, the NHS and corporates, and for its services which aid the implementation of Workday Enterprise Resource Planning (ERP) software as well as its add-on proprietary software modules in testing and compliance². Interim revenues rose 33% year-on-year and the backlog rose 38%. Significant positive contributions also came from the financial sector. Tatton Asset Management which provides compliance services, a mortgage club, and managed portfolio services to Independent Financial Advisers, saw the number of advisers using its platform rise 12.7% year-on-year to 703, and Assets Under Management (AUM) increase by 38.5% to £10.8bn (£7.8bn), with new distribution partnerships signed with three networks (Fintel, Threesixty and Sesame Bankhall)³. Sustainable investment expert Impax Asset Management saw AUM increase 84% year-on-year to £37.2billion (£20.2bn), as it won new institutional and retail business around the world⁴. Elsewhere, YouGov continued to grow strongly in both Data Products and Data Services with several bolt-on acquisitions adding geographical and financial sector expertise⁵. Ergomed continued to trade well in both the provision of clinical trial services and post-launch pharmacovigilance testing, with strong growth in the key US market following the earlier acquisitions of Ashfield and Medsource in that market.

Detractors were fewer in number, but sometimes these provide the greater learning points. By far the worst performance came from marine services group James Fisher, which reported a perfect storm of disappointments in October, ranging from delayed projects to delayed payments and weak trading in some of its most profitable divisions⁶. Given high debt levels and that the company is likely a forced seller of businesses at less than optimal prices, we decided to exit the position at a loss. The propensity for high levels of debt to erode the value of equity should not be underestimated.

INVESTMENT MANAGER'S REVIEW (continued)

Key Contributors and Detractors (continued)

The second biggest detractor was Tristel, manufacturer of chlorine dioxide disinfectants for use in hospital out-patient departments⁷. Here, there were lingering delays in re-starting out-patient examinations in some countries, and some destocking by the NHS, but we believe these to be temporary Covid-related setbacks.

Games Workshop reacted negatively to a trading statement in December indicating a fall in interim profits as a result of inflation in wage and shipping costs⁸. However, investors chose to ignore the 15% growth in Warhammer-community.com users, the strong launch of Age of Sigmar and a more than doubling in licensing income ahead of video game launches in 2022. Games Workshop still produced the third highest operating profits of any six month period in its history.

The only complete disposal in the period was James Fisher (discussed above).

There were two new purchases. Rightmove is the leading UK property portal and crucially its platform is the market leader, with a 90% share of all search minutes spent. The group's very high returns on equity demonstrate the existence of a significant moat, with network effects meaning that as its platform attracts the most visitors and search minutes it is almost essential for an estate agent to advertise on its site. Rightmove regularly adds extra features for which agents pay a premium. Steady growth in the core business is likely to be supplemented by a recent move into digitising search and referencing in the lettings market.

Spirent is a world leader (top three) in testing and assurance for telecommunications networks pre and post-launch. Gross margins have exceeded 69% in each of the last ten years and recently reached 73%. Adjusted operating margins have exceeded 10% in each of the past five years and reached 19.8% in 2020. Return on average equity has been circa 18% in each of the last two reported years and in double figures for four years. Spirent holds net cash, so return on operating assets is even higher (32% in 2020). I believe that the barriers to entry which enable these returns are its reputation (brand) and high switching costs: Spirent has one of the largest product suites and is a tried and tested partner for many major telcos. The introduction of 5G technology requires far more testing than previous versions as it will extend into so many more devices, for example cars, and the Internet of Things.

Outlook

The manager does not attempt to forecast macro-economic trends, preferring to focus on allocating investors' capital into excellent businesses with sustainably high barriers to competition, and allowing the compounding effect of high returns on equity to generate positive value creation over the long term.

At the start of 2022, it seems a good moment to revisit some vital statistics of the portfolio as a whole. Based on our own analysis of their recent accounts, only 6 out of 33 holdings carried any net debt. This gives optionality to management teams who can expand capacity, make acquisitions, pay special dividends or buy back shares. We expect to see elements of all four. The weighted average return on equity was over 31%, which is high, considering it is not flattered by debt (indeed it is actually dampened by cash holdings which currently earn a zero return). Average operating margins exceeded 24% which makes these businesses well-placed to handle any cost inflation. Finally, and reassuringly, the average stake held by directors was 9.7%, indicating significant skin in the game and a higher likelihood that capital will be allocated to shareholders' advantage.

Downing LLP
Investment Manager to the Fund
09 February 2022

[1] https://otp.tools.investis.com/clients/uk/alfa_systems/rns/regulatory-story.aspx?cid=2213&newsid=1510635

[2] <https://go.kainos.com/rs/272-PGO-379/images/Interim-Report-H1FY22.pdf>

[3] https://www.tattonassetmanagement.com/downloads/reports/23459_Tatton_IR21.pdf

[4] <https://impaxam.com/investor-relations/regulatory-news/final-results-311428211450850484/>

[5] <https://polaris.brighterir.com/public/yougov/news/rns/story/w1n443x>

[6] <https://ir.q4europe.com/Solutions/JamesFisher/2140/newsArticle.aspx?storyid=15225629>

[7] <https://tristelgroup.com/wp-content/uploads/2021/10/Preliminary-Results-18.10.21.pdf>

[8] <https://investor.games-workshop.com/page/2/>

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Period to 31	Period from 25
	December 2021	March 2020 to 30 June 2021 [^]
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	170.6292	100.0000
Return before operating charges	10.9160	72.3206
Operating charges (note 1)	(0.7818)	(1.6914)
Return after operating charges *	10.1342	70.6292
Closing net asset value per unit	180.7634	170.6292
Retained distributions on accumulated units	1.5653	2.3989
*after direct transactions costs of:	0.2284	0.8733
Performance		
Return after charges	5.94%	70.63%
Other information		
Closing net asset value	£51,245,109	£31,868,293
Closing number of units	28,349,267	18,676,932
Operating charges (note 2)	0.89%	1.00%
Direct transaction costs	0.13%	0.65%
Prices		
Highest unit price	186.5843	171.4972
Lowest unit price	168.8288	100.0000

[^]Share class launched 25 March 2020

Class A (Income)	Period to 31	Period from 17
	December 2021	March 2020 to 30 June 2021 [^]
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	172.0171	100.0000
Return before operating charges	11.0351	76.2269
Operating charges (note 1)	(0.7848)	(1.7568)
Return after operating charges *	10.2503	74.4701
Distribution on income units	(1.5782)	(2.4530)
Closing net asset value per unit	180.6892	172.0171
*after direct transactions costs of:	0.2293	0.8777
Performance		
Return after charges	5.96%	74.47%
Other information		
Closing net asset value	£7,904,568	£6,867,234
Closing number of units	4,374,676	3,992,180
Operating charges (note 2)	0.89%	1.00%
Direct transaction costs	0.13%	0.65%
Prices		
Highest unit price	188.1010	173.8009
Lowest unit price	170.2020	99.6470

[^]Share class launched 17 March 2020

PERFORMANCE RECORD (Continued)

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 December 2021

Holding		Value £	% of net assets
Communications (30.06.2021: 8.83%)			
60,000	4imprint Group PLC	1,675,500	2.85%
275,000	Auto Trader Group PLC	2,023,725	3.44%
260,000	Rightmove PLC	2,073,240	3.52%
90,000	YouGov PLC	1,413,000	2.40%
		<u>7,185,465</u>	<u>12.21%</u>
Consumer Discretionary (30.06.2021: 12.86%)			
135,000	Dunelm Group PLC	1,871,775	3.18%
8,000	Games Workshop Group PLC	801,200	1.36%
200,000	MJ Gleeson PLC	1,552,000	2.64%
67,000	Vitec Group PLC	983,225	1.67%
		<u>5,208,200</u>	<u>8.85%</u>
Consumer Staples (30.06.2021: 2.85%)			
350,000	A.G.Barr PLC	1,806,000	3.07%
		<u>1,806,000</u>	<u>3.07%</u>
Financials (30.06.2021: 11.26%)			
335,000	AJ Bell PLC	1,271,660	2.16%
155,000	Impax Asset Management Group PLC	2,284,700	3.88%
130,410	Mortgage Advice Bureau (Holdings) PLC	1,868,123	3.17%
369,730	Tatton Asset Management Ltd	2,148,131	3.65%
		<u>7,572,614</u>	<u>12.86%</u>
Healthcare (30.06.2021: 16.39%)			
550,000	Advanced Medical Solutions Group PLC	1,852,125	3.15%
67,000	Craneware PLC	1,624,750	2.76%
2,200,000	EKF Diagnostics Holdings PLC	1,683,000	2.86%
135,000	EMIS Group PLC	1,827,900	3.11%
100,000	Ergomed PLC	1,495,000	2.54%
300,000	Tristel PLC	1,365,000	2.32%
		<u>9,847,775</u>	<u>16.74%</u>
Industrials (30.06.2021: 14.13%)			
675,000	Chemring Group PLC	1,986,188	3.38%
55,000	Diploma PLC	1,867,800	3.17%
450,000	Rotork PLC	1,608,300	2.73%
32,000	XP Power Ltd	1,657,600	2.82%
		<u>7,119,888</u>	<u>12.10%</u>
Information Technology (30.06.2021: 20.13%)			
1,050,000	Alfa Financial Software Holdings PLC	1,963,500	3.34%
305,000	Aptitude Software Group PLC	1,778,150	3.02%
575,000	dotDigital Group PLC	1,135,625	1.93%
88,000	Kainos Group PLC	1,690,920	2.87%
55,000	Softcat PLC	992,200	1.69%
300,000	Spirent Communications PLC	830,400	1.41%
500,000	Strix Group PLC	1,522,500	2.59%
140,000	Tracsis PLC	1,379,000	2.34%
		<u>11,292,295</u>	<u>19.19%</u>
Materials (30.06.2021: 5.83%)			
1,350,000	Elementis PLC	1,784,700	3.03%
65,000	Victrix PLC	1,584,050	2.69%
		<u>3,368,750</u>	<u>5.72%</u>
Portfolio of investments (30.06.2021: 92.28%)		53,400,987	90.74%
Net other assets (30.06.2021: 8.29%)		5,748,690	9.77%
Mid to bid adjustment (30.06.2021: (0.57%))		(306,272)	(0.51%)
		<u>58,843,405</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	1,921,378
Games Workshop Group PLC	606,581
James Fisher and Sons PLC	858,439
Vitec Group PLC	456,358

	£
Total purchases for the period	17,729,657
4imprint Group PLC	373,788
A.G.Barr PLC	731,932
Advanced Medical Solutions Group PLC	540,887
AJ Bell PLC	671,245
Alfa Financial Software Holdings PLC	492,696
Aptitude Software Group PLC	900,010
Auto Trader Group PLC	666,595
Chemring Group PLC	761,375
Craneware PLC	362,614
Diploma PLC	607,781
dotDigital Group PLC	49,536
Dunelm Group PLC	598,926
EKF Diagnostics Holdings PLC	557,786
Elementis PLC	783,276
EMIS Group PLC	750,787
Ergomed PLC	185,573
Games Workshop Group PLC	350,786
Impax Asset Management Group PLC	363,242
James Fisher and Sons PLC	313,769
Kainos Group PLC	54,174
MJ Gleeson PLC	498,150
Mortgage Advice Bureau (Holdings) PLC	610,177
Rightmove PLC	1,892,066
Rotork PLC	512,350
Softcat PLC	127,443
Spirent Communications PLC	853,548
Strix Group PLC	292,582
Tatton Asset Management Ltd	546,311
Tracsis PLC	93,674
Tristel PLC	687,305
Victrex PLC	656,986
Vitec Group PLC	210,190
XP Power Ltd	632,097

The above purchases and sales represent all of the purchases and sales during the period.

STATEMENT OF TOTAL RETURN

For the six month period ended 31 December 2021

	31.12.2021		17.03.2020 to 31.12.2020	
	£	£	£	£
Income				
Net capital gains		1,965,435		2,558,264
Revenue	483,680		145,159	
Expenses	(232,927)		(94,210)	
Interest payable and similar charges	(6,014)		(1,897)	
Net revenue before taxation	244,739		49,052	
Taxation	-		-	
Net revenue after taxation		244,739		49,052
Total return before distributions		2,210,174		2,607,316
Finance costs: distributions		(478,791)		(106,455)
Changes in net assets attributable to shareholders from investment activities		1,731,383		2,500,861

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 December 2021

	31.12.2021	17.03.2020 to 31.12.2020
	£	£
Opening net assets attributable to shareholders	38,514,521	-
Amounts receivable on creation of shares	25,034,586	18,929,245
Amounts payable on cancellation of shares	(6,880,847)	(496,136)
Dividend reinvested	443,762	147,448
Dilution levy	-	32,027
Changes in net assets attributable to shareholders from investment activities (see above)	1,731,383	2,500,861
Closing net assets attributable to shareholders	58,843,405	21,113,445

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The company net asset value as at 30 June 2021 was £38,514,521.

BALANCE SHEET

As at 31 December 2021	31.12.2021		30.06.2021	
	£	£	£	£
ASSETS				
Investment assets		53,094,715		35,319,673
Current assets				
Debtors	139,470		402,753	
Cash and bank balances	<u>5,831,363</u>		<u>3,253,852</u>	
Total current assets		<u>5,970,833</u>		<u>3,656,605</u>
Total assets		59,065,548		38,976,278
LIABILITIES				
Current liabilities				
Distributions payable on income shares	(69,041)		(36,093)	
Creditors	<u>(153,102)</u>		<u>(425,664)</u>	
Total current liabilities		<u>(222,143)</u>		<u>(461,757)</u>
Net assets attributable to shareholders		<u>58,843,405</u>		<u>38,514,521</u>

Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the period ended 30 June 2021 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2021

Group 2 : Shares purchased on or after 01 July 2021 and on or before 31 December 2021

01 July 2021 to 31 December 2021

Class A (Accumulation)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021
Group 1	1.5653p	-	1.5653p	1.2835p
Group 2	1.0647p	0.5006p	1.5653p	1.2835p

Class A (Income)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021
Group 1	1.5782p	-	1.5782p	1.3126p
Group 2	1.1845p	0.3937p	1.5782p	1.3126p

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Downing European Unconstrained Income Fund
Size of Sub-fund	£84,963,715
Launch date	5 November 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to generate income with the potential for long term (5 years) capital growth.</p> <p>The Sub-fund will seek to achieve its objective by investing at least 75% in equities issued by companies based in developed European markets (being member states of the European Union, Norway, Switzerland or the United Kingdom). The Sub-fund may also invest in emerging and frontier European markets including Turkey, Russia and Iceland.</p> <p>The Sub-fund may also invest in government securities, fixed income, closed ended collective investment schemes/vehicles (which may include those managed and/or operated by the ACD and which will provide exposure to various asset classes including equities and bonds), real estate investment trusts, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed.</p> <p>Save as noted above, the Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management (EPM) purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Europe (ex UK) Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics. The IA Europe (excluding UK) has been chosen as a comparator rather than the IA Europe (including UK), as it is not the intention of the Sub-fund to have a large exposure to UK equities that generate their revenue in the UK.</p>
Annual accounting date	30 June
Interim accounting date	31 December
Annual income allocation date	By 31 August
Interim income allocation dates	By 30 November; By last day of February; By 31 May
Share class	Class A (Accumulation) Class A (Income) Class F (Accumulation)* Class F (Income)

*Class F shares are only available to those who invest at launch of the Sub-fund (or otherwise at the ACD's discretion)

SUB-FUND OVERVIEW (continued)

Minimum investment

Lump sum subscription:	Class A: £1,000 Class F: £1,000,000
Top-up:	Class A: £100 Class F: £1,000
Holding:	Class A: £1,000 Class F: £1,000,000
Regular saving:	£100 per month
Redemption/Switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges:	Nil

The ACD may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges

The annual management charges are	£30,000 [^] per annum plus Class A – 0.75% per annum Class F – 0.55% per annum
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

[^]The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2021)). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Investment philosophy

Whilst the Downing European Unconstrained Income fund is a relatively new fund, having only launched in November 2020, the investment philosophy underpinning the strategy has been followed by the managers for over a decade.

The fund aims to take advantage of two types opportunities. The first is to find well known stocks that have temporarily fallen out of favour with the market but where the managers believe that the long term business model still has strong potential. These can be large or small companies, but in such circumstances the managers are aiming to take advantage of short term behavioural bias of other investors. The second type of opportunity are in "off-the-radar" stocks. These are less well known stocks that are often a better way to play a market opportunity than the more popular names. In such circumstances, the managers believe that they may be able to get an analytic edge in these companies simply because relatively few investors are taking the time to look at them.

The types of businesses that the managers are attracted to are companies that have a long term sustainable advantage that allows them to earn returns above the cost of capital over the long run. Such companies typically have attractive characteristics such as strong brands, market dominance, a technology advantage and structural tailwinds driving their industry. Strong balance sheets allow such companies to weather the natural gyrations of the economy and can also allow them to take advantage of opportunities that arise in their markets. However, such companies are usually well priced by other investors and so the managers believe that they need to be selective and patient in their approach to stock picking. As a result, the fund is concentrated, typically holding between 30 and 40 names, and the investment horizon is three to five years.

Performance overview

The second half of 2021 saw a continuation of the long-term upward trend in European equities seen since the lows reached in the aftermath of the financial crisis in 2009 and, on a shorter time frame, since the Covid related decline in March 2020. Having recovered to pre-pandemic levels in March 2021, the market has continued to move higher on optimism around the reopening of European economies, coupled with still very low interest rates. Combined with the large amounts of fiscal stimulus from governments, it is no surprise that anticipated earnings estimates have been moving higher, supporting share prices.

2021 overall turned out to be a good year for investors. After a very strong move up in the first half, a further 7.7% increase in the last six months of the year meant that the total return for 2021 was an incredible 25% in Euro terms, 17.7% in Sterling. Interestingly, the two best performing sectors throughout the year were Banks (+34%) and Technology (+33.7%), often seen as at opposite ends of the market in terms of style¹. However, the drivers of the two sectors have been very different. The banks have benefitted from the change in the macro-economic environment with the likely rise in interest rates which will boost their net interest incomes in the coming years. Technology, on the other hand, has mostly been driven by the strength of the semi-conductor companies which has seen acute supply shortages translate into strong pricing power and higher earnings.

The fund's NAV rose in July and August but then declined from September onwards mirroring the increased volatility seen in the market in the last quarter of the year. Overall, the fund's NAV rose 0.54% over the period (Class A Accumulation).

Key contributors and detractors

As always in a concentrated portfolio such as ours, performance was driven more by individual stocks rather than by sector allocation decisions, which remain a residual of the individual stock selection. The fund did face two "factor" headwinds during the period which are important to bear in mind. The first is that as an all-cap portfolio it has substantial holding in small and mid-cap stocks which account for approximately 50% of the weight. Small caps generally underperformed large caps over the period as investors typically prefer the relatively safety of larger companies in times of rising volatility. The second is that the fund held approximately 6% of its assets in cash which proved to be a drag on performance given the strongly rising market.

At the stock level there were a number of positive performances from our holdings. Our real estate plays generally performed well with our largest position, Cibus Nordic Real Estate, rising 40% following very strong results which highlighted the low risk and resilient business model². The company has been utilizing the strong cash generation to make a number of attractively priced acquisitions. We also saw positive share price performance from Sirius Real Estate and Cairn Homes.

INVESTMENT MANAGER'S REVIEW (continued)

Key contributors and detractors (continued)

Supply chain issues were a feature of the recent reporting season with many companies pointing to either difficulties in obtaining goods they needed, delays to shipping and logistic chains, or large price rises in raw materials. Vestas Wind Systems, for example, saw weakness in its shares after it cut its 2022 outlook on the back of component price inflation³ Instone Real Estate, a German housebuilder, fell 35% despite good Q3 results with the company guiding that due to Covid-inspired construction delays and supply chain bottlenecks it would complete fewer properties than expected⁴.

The rise of Omicron complicated the economic outlook during the period as investors feared that the expected post-Covid demand recovery for cyclical sectors would be pushed further back into 2022. The fund has a number of re-opening plays which struggled, including consumer plays such as Glanbia, and the salmon producers. Other re-opening plays such as Rubis, Fagron and Fnac Darty also took a hit.

Portfolio activity & outlook

Despite the market increasing in value, investors became increasingly concerned through the period about a number of different risks. Firstly, the emergence of the highly infectious Omicron variant of Covid led to a sharp increase in positive cases and increased restrictions as countries grappled to slow the spread and healthcare systems came under renewed pressure. Secondly, inflation is beginning to pick up strongly as rebounding demand is not being matched by increased supply as many industries are facing disruptions to their logistics chains. Inflation expectations are also increasing and, in many parts of the world, are becoming embedded into wage negotiations. Central banks are responding by raising interest rates from their current extremely low levels and there is a lot of debate about the magnitude and pace of base rate hikes.

The geopolitical situation has also become more uncertain with renewed tensions with China and Russia unsettling markets. Combined with investor nervousness about high absolute and relative valuations we are likely to see more volatility such as we saw in late September 2020 when there was a violent intra-market rotation from growth to value stocks for a couple of weeks before reversing back.

There were a number of changes to the portfolio during the period. The fund is exposed to the ongoing energy transition through stocks such as Aumann, Prysmian and Schneider. This exposure was bolstered during the period through a number of new ideas. Cadeler is a small cap company that operates a number of wind turbine installation vessels. Offshore wind energy is growing rapidly with numerous wind farms planned in Europe over the next decade. These all require Cadeler's equipment and expertise to install the ever-larger turbines in the North Sea, often in hostile weather conditions.

Electric vehicles continue to be an area of the market that is of interest to us. Following on from our purchase in January 2021 of Aumann, an interesting German manufacturer of electric motor and battery component equipment, we invested in Volkswagen in September. In the view of the managers, Volkswagen is well positioned to take advantage of the shift to electric vehicles and yet is still being valued on legacy multiples. Electric cars require batteries and so there will be numerous battery "gigafactories" built in Europe over the next 10 years⁵. These factories will require ever increasing metals such as lithium, nickel, and cobalt. One area of the value chain that is often overlooked, however is graphite which forms the battery anode. Talga is developing a high-grade graphite mine in Northern Sweden which it will then process into battery anodes to sell to these new battery clients⁶.

Other new purchases during the period were Stillfront, Deutsche Boerse, KBC Ancora and Worldline. These were funded by exiting the positions in Amadeus IT, GTT, Van Lanschot Kempen, Fresenius Medical Care and Amundi.

Downing LLP
Investment Manager to the Fund
09 February 2022

[1] Source: Bloomberg, 01 July 2021 to 31 December 2021.

[2] http://www.bequoted.com/bolag/cibus/download/?file=interim-report-q3-2021-90749/Cibus_Interim_report_Q3_2021.pdf

[3] Vestas Annual Report 2021

[4] <https://ir.de.instone.de/websites/instonereal/English/2100/share-price.html>

[5] <https://cicenergigune.com/en/blog/gigafactories-europe-commitment-economic-recovery-battery-factories>

[6] <https://www.talgagroup.com/irm/content/graphite.aspx?RID=275>

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Period from 17	
	Period to 31 December 2021	November 2020 to 30 June 2021 [^]
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	112.9041	100.0000
Return before operating charges	1.0860	13.4829
Operating charges (note 1)	(0.4811)	(0.5788)
Return after operating charges *	0.6049	12.9041
Closing net asset value per unit	113.5090	112.9041
Retained distributions on accumulated units	0.7487	1.7700
*after direct transactions costs of:	0.0453	0.2768
Performance		
Return after charges	0.54%	12.90%
Other information		
Closing net asset value	£433,496	£338,048
Closing number of units	381,905	299,412
Operating charges (note 2)	0.85%	0.87%
Direct transaction costs	0.04%	0.26%
Prices		
Highest unit price	120.4776	113.7486
Lowest unit price	109.0552	99.7415

[^]Share class launched 17 November 2020

Class A (Income)	Period from 30	
	Period to 31 December 2021	November 2020 to 30 June 2021 [^]
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	107.8130	100.0000
Return before operating charges	1.0394	10.0255
Operating charges (note 1)	(0.4579)	(0.5273)
Return after operating charges *	0.5815	9.4982
Distribution on income units	(0.7138)	(1.6852)
Closing net asset value per unit	107.6807	107.8130
*after direct transactions - costs of:	0.0431	0.2702
Performance		
Return after charges	0.54%	9.50%
Other information		
Closing net asset value	£27,588	£16,976
Closing number of units	25,620	15,745
Operating charges (note 2)	0.85%	0.87%
Direct transaction costs	0.04%	0.26%
Prices		
Highest unit price	115.0475	109.9695
Lowest unit price	103.7254	98.1547

[^]Share class launched 30 November 2020

PERFORMANCE RECORD (Continued)**Financial Highlights (continued)**

Class F (Accumulation)	Period from 11	
	Period to 31	December 2020 to
	December 2021	30 June 2021 ^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	109.1734	100.0000
Return before operating charges	1.0508	9.5530
Operating charges (note 1)	(0.3559)	(0.3796)
Return after operating charges *	0.6949	9.1734
Closing net asset value per unit	109.8683	109.1734
Retained distributions on accumulated units	0.7243	1.9780
*after direct transactions costs of:	0.0438	0.2719
Performance		
Return after charges	0.64%	9.17%
Other information		
Closing net asset value	£28,980,624	£28,797,328
Closing number of units	26,377,615	26,377,615
Operating charges (note 2)	0.65%	0.67%
Direct transaction costs	0.04%	0.26%
Prices		
Highest unit price	116.5370	109.9894
Lowest unit price	105.5428	97.9021

^Share class launched 11 December 2020

Class F (Income)	Period from 5	
	Period to 31	November 2020 to
	December 2021	30 June 2021 ^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	115.4496	100.0000
Return before operating charges	1.1141	18.0441
Operating charges (note 1)	(0.3752)	(0.4812)
Return after operating charges *	0.7389	17.5629
Distribution on income units	(0.7647)	(2.1133)
Closing net asset value per unit	115.4238	115.4496
*after direct transactions costs of:	0.0462	0.2801
Performance		
Return after charges	0.64%	17.56%
Other information		
Closing net asset value	£55,948,746	£55,830,166
Closing number of units	48,472,456	48,358,899
Operating charges (note 2)	0.65%	0.67%
Direct transaction costs	0.04%	0.26%
Prices		
Highest unit price	123.2365	117.7584
Lowest unit price	111.1684	100.0000

^Share class launched 5 November 2020

PERFORMANCE RECORD (Continued)

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 5 because simulated monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 December 2021

Holding		Value £	% of net assets
Communications (30.06.2021: 2.06%)			
298,768	Infrastrutture Wireless Italiane SpA	2,652,352	3.12%
		<u>2,652,352</u>	<u>3.12%</u>
Consumer Discretionary (30.06.2021: 6.52%)			
3,144,226	Cairn Homes PLC	3,007,873	3.54%
508,000	Cadeler A/S	1,539,758	1.81%
454,339	Europris ASA	2,689,468	3.17%
		<u>7,237,099</u>	<u>8.52%</u>
Consumer Staples (30.06.2021: 6.61%)			
180,407	Glanbia PLC	1,863,719	2.19%
79,428	Mowi ASA	1,390,824	1.64%
33,484	SalMar ASA	1,711,806	2.01%
		<u>4,966,349</u>	<u>5.84%</u>
Energy (30.06.2021: 3.79%)			
605,728	Snam SpA	2,702,959	3.18%
659,924	Stillfront Group AB (publ)	2,602,507	3.06%
1,758,516	Talga Group Ltd	1,523,202	1.79%
		<u>6,828,668</u>	<u>8.03%</u>
Financials (30.06.2021: 20.47%)			
175,353	Aumann AG	2,013,278	2.37%
264,683	Banca Farmafactoring SpA	1,576,694	1.86%
374,821	doValue SpA	2,628,648	3.09%
42,762	Julius Baer Gruppe AG	2,129,495	2.51%
53,589	KBC Ancora CVA	1,893,071	2.23%
363,446	Måsøval AS	1,210,940	1.43%
		<u>11,452,126</u>	<u>13.49%</u>
Health Care (30.06.2021: 13.64%)			
139,105	Fagron NV	1,743,145	2.05%
105,070	Flow Traders NV	2,853,031	3.36%
54,829	Fnac Darty SA	2,632,925	3.10%
37,529	Siemens Healthineers AG	2,079,073	2.45%
		<u>9,308,174</u>	<u>10.96%</u>
Industrials (30.06.2021: 16.40%)			
23,343	Befesa SA	1,315,531	1.55%
20,394	Eiffage SA	1,543,639	1.82%
56,930	Prysmian SpA	1,583,390	1.86%
110,700	Relx PLC	2,648,414	3.12%
15,575	Schneider Electric SE	2,261,098	2.66%
54,845	Vestas Wind Systems A/S	1,239,784	1.46%
10,205	Volkswagen AG	1,521,022	1.79%
40,809	Worldline	1,677,506	1.97%
		<u>13,790,384</u>	<u>16.23%</u>
Information Technology (30.06.2021: 11.88%)			
122,725	Aedas Homes SA	2,587,193	3.05%
87,936	AMS AG	1,185,561	1.40%
28,376	BE Semiconductor Industries NV	1,770,531	2.08%
58,639	Infineon Technologies AG	2,005,225	2.36%
26,159	SAP SE	2,731,832	3.22%
		<u>10,280,342</u>	<u>12.11%</u>
Real Estate (30.06.2021: 9.20%)			
185,771	Cibus Nordic Real Estate AB (publ)	4,416,992	5.20%
23,294	Deutsche Boerse AG	2,875,965	3.38%
96,255	Instone Real Estate Group AG	1,348,471	1.59%
1,293,179	Sirius Real Estate Ltd	1,835,022	2.16%
		<u>10,476,450</u>	<u>12.33%</u>

PORTFOLIO STATEMENT (Continued)

As at 31 December 2021

Holding		Value £	% of net assets
	Utilities (30.06.2021: 2.75%)		
76,442	Rubis SCA	<u>1,692,386</u>	<u>1.99%</u>
		1,692,386	1.99%
	Portfolio of investments (30.06.2021: 93.32%)	<u>78,684,330</u>	<u>92.62%</u>
	Net other assets (30.06.2021: 6.77%)	6,706,123	7.89%
	Mid to bid adjustment (30.06.2021: (0.09%))	(426,738)	(0.51%)
		<u>84,963,715</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	22,435,715
Amadeus IT Group SA	1,559,656
AMS AG	1,581,786
Aumann AG	199,369
Banca Farmafactoring SpA	1,813,307
Befesa SA	1,425,468
Cairn Homes PLC	464,272
Cibus Nordic Real Estate AB (publ)	410,494
doValue SpA	326,194
Eiffage SA	966,586
Europris ASA	377,908
Fnac Darty SA	381,513
Fresenius Medical Care AG & Co KGaA	2,038,302
Gaztransport et Technigaz SA	708,359
Glanbia PLC	408,441
Instone Real Estate Group AG	219,779
Julius Baer Gruppe AG	488,313
Prysmian SpA	1,290,140
Schneider Electric SE	669,995
Siemens Healthineers AG	2,171,994
Sirius Real Estate Ltd	338,697
Van Lanschot Kempen NV	2,470,675
Volkswagen AG	418,711
Amundi SA	1,705,756

	£
Total purchases for the period	21,843,512
Aedas Homes SA	2,529,218
Banca Farmafactoring SpA	176,328
Cadeler A/S	1,495,474
Cairn Homes PLC	209,608
Deutsche Boerse AG	2,827,220
doValue SpA	340,733
Flow Traders NV	1,414,037
Fnac Darty SA	369,988
Infrastrutture Wireless Italiane SpA	713,884
KBC Ancora CVA	2,037,664
SAP SE	467,253
Siemens Healthineers AG	1,113,864
Stillfront Group AB (publ)	2,643,505
Talga Group Ltd	1,485,618
Volkswagen AG	2,184,254
Worldline SA	1,724,843
Rubis SCA	110,021

The above purchases and sales represent all of the purchases and sales during the period.

STATEMENT OF TOTAL RETURN

For the six month period ended 31 December 2021

	31.12.2021		05.11.2020 to 31.12.2020	
	£	£	£	£
Income				
Net capital (losses)/gains		(359,956)		4,642,561
Revenue	1,016,115		120,582	
Expenses	(277,774)		(61,827)	
Interest payable and similar charges	<u>(8,453)</u>		<u>(2,188)</u>	
Net revenue before taxation	729,888		56,567	
Taxation	<u>(93,807)</u>		<u>(16,591)</u>	
Net revenue after taxation		<u>636,081</u>		<u>39,976</u>
Total return before distributions		276,125		4,682,537
Finance costs: distributions		<u>(560,293)</u>		<u>(101,662)</u>
Changes in net assets attributable to shareholders from investment activities		<u>(284,168)</u>		<u>4,580,875</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 December 2021

	31.12.2021	05.11.2020 to 31.12.2020
	£	£
Opening net assets attributable to shareholders	84,901,450	-
Amounts receivable on creation of shares	1,979,919	78,226,083
Amounts payable on cancellation of shares	(1,827,197)	(549,673)
Dividend reinvested	193,711	17,933
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(284,168)</u>	<u>4,580,875</u>
Closing net assets attributable to shareholders	<u>84,963,715</u>	<u>82,275,218</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The company net asset value as at 30 June 2021 was £84,901,450.

BALANCE SHEET

As at 31 December 2021	30.06.21		30.06.2020	
	£	£	£	£
ASSETS				
Investment assets		78,257,592		79,158,470
Current assets				
Debtors	147,560		2,075,681	
Cash and bank balances	<u>6,755,296</u>		<u>4,742,763</u>	
Total current assets		<u>6,902,856</u>		<u>6,818,444</u>
Total assets		85,160,448		85,976,914
LIABILITIES				
Current liabilities				
Distribution payable on income shares	(145,784)		(694,236)	
Creditors	<u>(50,949)</u>		<u>(381,228)</u>	
Total current liabilities		<u>(196,733)</u>		<u>(1,075,464)</u>
Net assets attributable to shareholders		<u>84,963,715</u>		<u>84,901,450</u>

Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the period ended 30 June 2021 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014.

DISTRIBUTION TABLES

Q1 Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2021

Group 2 : Shares purchased on or after 01 July and on or before 30 September 2021

01 July 2021 to 30 September 2021

Class A (Accumulation)	Net revenue 30 November 2021	Equalisation	Distribution 30 November 2021
Group 1	0.4538p	-	0.4538p
Group 2	0.2063p	0.2475p	0.4538p

Class A (Income)	Net revenue 30 November 2021	Equalisation	Distribution 30 November 2021
Group 1	0.4333p	-	0.4333p
Group 2	0.2069p	0.2264p	0.4333p

Class F (Accumulation)	Net revenue 30 November 2021	Equalisation	Distribution 30 November 2021
Group 1	0.4389p	-	0.4389p
Group 2	0.4389p	-	0.4389p

Class F (Income)	Net revenue 30 November 2021	Equalisation	Distribution 30 November 2021
Group 1	0.4641p	-	0.4641p
Group 2	0.2191p	0.2450p	0.4641p

Q2 Interim distribution in pence per share

Group 1: Shares purchased prior to 01 October 2021

Group 2 : Shares purchased on or after 01 October 2021 and on or before 31 December 2021

01 October 2021 to 31 December 2021

Class A (Accumulation)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021[^]
Group 1	0.2949p	-	0.2949p	0.1573p
Group 2	0.1738p	0.1211p	0.2949p	0.1573p

Class A (Income)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021[^]
Group 1	0.2805p	-	0.2805p	0.1255p
Group 2	0.1992p	0.0813p	0.2805p	0.1255p

Class F (Accumulation)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021[^]
Group 1	0.2854p	-	0.2854p	0.4191p
Group 2	0.2854p	-	0.2854p	0.4191p

Class F (Income)	Net revenue 28 February 2022	Equalisation	Distribution 28 February 2022	Distribution 26 February 2021[^]
Group 1	0.3006p	-	0.3006p	0.4435p
Group 2	0.1673p	0.1333p	0.3006p	0.4435p

[^]Period 05 November 2020 to 31 December 2020

DISTRIBUTION TABLES (Continued)

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

INFORMATION FOR INVESTORS

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Structure of the Company

VT Downing Investor Funds ICVC is structured as an umbrella company. Provision exists for an unlimited number of Sub-funds, and at the date of this report three sub-funds, VT Downing Global Investors Fund, VT Downing Unique Opportunities Fund and VT Downing European Unconstrained Income Fund are authorised.

Taxation

The Company will pay no corporation tax on its profits for the period ended 31 December 2021 and capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2021/22). UK resident shareholders are subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2021/2022) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Classes of Shares

The Company can issue different classes of share in respect to any sub-fund.

Valuation Point

The scheme property of the Company and each sub-fund will normally be valued at 12:00 mid-day on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Sub-fund at any time if it considers it desirable to do so, with the Depositary's approval.

Buying and Selling of Shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8:30am and 5:30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Limited
Orton, Fochabers, Moray, IV32 7QE
Or by email to:
Downing@valu-trac.com for deals relating to all the Sub-funds.

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the net asset value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next valuation point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Association website at www.fundlistings.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected free of charge at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

Remuneration: Information about the authorised fund manager (AFM) remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website which can be found on the link below.
<https://www.valu-trac.com/VIML%20Remuneration%20Policy%20Statement.pdf>

The AFM does not employ any staff directly from the Company, so there are no quantitative disclosures in this report.

CORPORATE DIRECTORY

Authorised Corporate Director & Registrar	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: Downing@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Investment Manager	<p>Downing LLP St Magnus House 3 Lower Thames Street London EC3R 6HD</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depositary	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>