

# VT Downing Monthly Income Fund



## April 2021 Commentary

In April, the fund was up 6.14% while the IA UK Equity Income Total Return Index was up 3.38%. Key contributors were Watkin Jones (up 11.27%) and Diversified Gas & Oil (up 9.91%). Key detractors included Smart Metering Systems (down 1.42%) and Stock Spirits (down 2.15%).

Watkin Jones, a build to rent and student housing developer, issued a positive trading update. The group has maintained momentum from H2 2020, making further good progress in securing new forward sales, adding to its development pipeline and ensuring construction activities are on track.

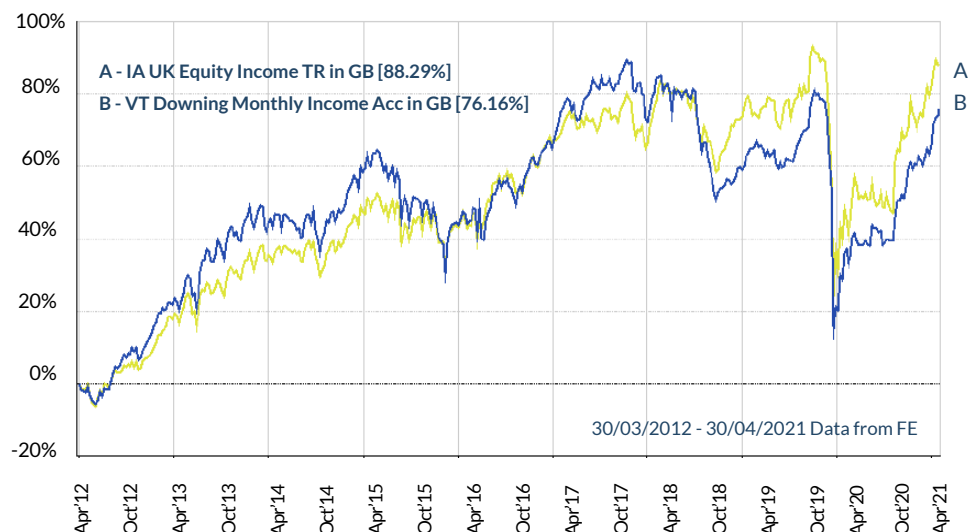
Diversified Gas & Oil, an independent energy company, announced the \$135 million (gross) acquisition of certain Cotton Valley upstream assets and related facilities from Indigo Minerals. This represents the first for the company in its newly identified "Central" Regional Focus Area (RFA) where it expects to replicate its proven business model on an expanded opportunity set.

Smart Metering Systems, an installer and manager of smart meters, made only one news announcement in April. Gavin Urwin has been appointed Chief Financial Officer and joins the board of SMS as an Executive Director with effect from 31 March 2021.

Stock Spirits, an owner and producer of branded spirits and liqueurs, made no news announcements in April. In an earlier trading statement, the group stated that its On-Trade channel has been closed or heavily restricted in each of its key markets. Management is hopeful that they will start to lift restrictions as vaccinations are rolled-out across its markets.

*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.*

## Performance



	Cumulative performance (%)			
	6m	1y	3y	5y
VT Downing Monthly Income Acc	28.37	28.39	-2.84	20.62
IA UK Equity Income TR index	32.37	26.20	6.08	29.98
Quartile ranking	3	2	4	4

	Discrete performance (%)				
	30/04/2020 - 30/04/2021	30/04/2020 - 30/04/2019	30/04/2018 - 30/04/2017	30/04/2016 - 30/04/2015	30/04/2014 - 30/04/2013
VT Downing Monthly Income Acc	28.39	-16.86	-8.98	3.85	19.55
IA UK Equity Income TR index	26.20	-16.51	0.68	5.18	16.49
Quartile ranking	2	2	4	3	1

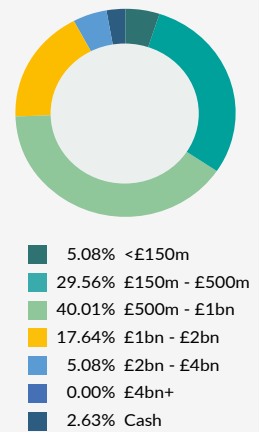
Past performance is not a reliable indicator of future results. Performance figures source: FE Analytics.



Josh McCathie joined Downing in 2018 as an analyst and took over as lead manager of the VT Downing Monthly Income Fund in April 2021. Prior to this, Josh had been working as co-manager dedicated to the VT Downing Monthly Income Fund for over two years.

Josh has over 7 years' experience in the industry. After studying Economics & Politics, he began his career at BRI Wealth Management focusing on UK equity research and portfolio management.

## Market Cap Breakdown



Source: Factset

## Top 10 Holdings

	% of fund
Watkin Jones plc	5.44
Diversified Gas & Oil plc	5.27
Caretech Holdings plc	4.88
Strix Group plc	4.47
Volex plc	4.30
Lokn Store Group plc	3.93
Smart Metering Systems plc	3.86
ContourGlobal plc	3.76
Chesnara plc	3.61
Alpha Financial Markets Consulting plc	3.22
<b>Total</b>	<b>42.75</b>

Source: Valu-Trac Investment Management Ltd

# Portfolio summary

As at 30 April 2021

## Sector breakdown



2.63% Cash	13.38% Financials	1.16% Other financial
4.40% Communication services	7.25% Healthcare	4.96% Property
5.03% Consumer discretionary	13.29% Industrials	9.37% Real estate
4.43% Consumer staples	14.67% Information technology	1.72% UK corporate bonds
7.78% Energy	1.99% International fixed interest	7.94% Utilities

Source: Valu-Trac Investment Management Ltd

## Key facts As at 30 April 2021

### 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)  
£44.55m

### Yield

3.5%\*\*\*

### Income paid

Monthly

### Number of holdings

41

### Prices as at 30 April 2021

Accumulation shares: 202.5671p

Income shares: 120.4730p

### Charges

Initial charge: 0%

Annual Mgmt charge: 0.75%

Ongoing charges charged to capital\*\*\*\*: 0.87%

### 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

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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
31/05/2020	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
31/01/2021	0.3500p
28/02/2021	0.3500p
31/03/2021	0.3430p
30/04/2021	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
Canada Life International	Standard life
Elevate	Transact
Fidelity (Inst)	Zurich
Fidelity (FFN)	
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 31 December 2020. This figure may vary from year to year. It excludes portfolio transaction costs. 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 30/04/2021.** Performance figures source: FE Analytics. Fund performance is based on accumulation shares, indices include net reinvested income. defaqto, 2021. 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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