

VT DOWNING INVESTMENT FUNDS ICVC
(Sub-fund VT Downing Small & Mid-Cap Income Fund (formerly known as
VT Downing Monthly Income Fund)

Interim Report and Financial Statements
for the six-months ended 30 September 2021 (unaudited)

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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 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: 30 November 2021

SUB-FUND OVERVIEW

Name of Sub-fund	VT Downing Small & Mid-Cap Income Fund (formerly known as VT Downing Monthly Income Fund)
Size of Sub-fund	£46,650,532
Company information	<p>VT Downing Investment Funds ICVC is an investment company with variable capital incorporated in England and Wales under registered number IC000824, with Product Reference Number 521374, and authorised by the Financial Conduct Authority with effect from 4 June 2010. The Company has an unlimited duration.</p> <p>Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the shares.</p>
Sub-fund objective and policy to 01 November 2021	<p>The investment objective of the Sub-fund is to achieve a monthly income, together with capital growth over the long term (5 years).</p> <p>The Sub-fund intends to invest primarily (at least 70%) in equities listed on a UK stock exchange. The Sub fund may also invest in other transferable securities (for example, without limitation, international equities), units in collective investment schemes (which may include those managed and/or operated by the ACD or Investment Manager), money market instruments, warrants and deposits as detailed in the Prospectus.</p>
Sub-fund objective and policy From 01 November 2021	<p>The investment objective of the Fund is to achieve a monthly income, together with capital growth over the long term (5 years).</p> <p>The Fund intends to invest primarily (at least 70%) in equities listed on a UK stock exchange. The Fund may also invest in other transferable securities (for example, without limitation, international equities), units in collective investment schemes (which may include those managed and/or operated by the ACD or Investment Manager), money market instruments, warrants and deposits as detailed in the Prospectus.</p> <p>No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.</p>
Use of derivatives	Derivatives may be used for the purposes of efficient portfolio management. The use of derivatives for efficient portfolio management will generally not increase the risk profile of the Sub-fund.
Performance assessment	<p>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>The Sub-fund is not managed to or constrained by a benchmark. The ACD does, however, assess the performance of the Sub-fund against the IA UK Equity Income Sector, which includes a selection of funds which have broadly similar characteristics, particularly in terms of investment objective and time horizons.</p> <p>Some independent data providers prepare and publish performance data on the funds in this sector and investors can use this to assess the Sub-fund's performance. This information can be found on the IA website or Morningstar website.</p>
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited

SUB-FUND OVERVIEW (Continued)

Ex-distribution dates to 01 November 2021 31 March (final) and the last Business Day each calendar month (interim)

Ex-distribution dates From 01 November 2021 Final: 31 March, Interim: 30 June, 30 September and 31 December

Distribution dates to 01 November 2021 30 April (annual) and the last Business Day each calendar month

Distribution dates From 01 November 2021 Final: By 31 May, Interim By 31 August, 30 November and the last day of February (interim)

Individual Savings Account (ISA) The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information

Share class	Minimum initial	Minimum subsequent	Minimum holding	Monthly savings	Minimum redemption	Initial charge
Income	£1,000	£500	£1,000	Yes	N/A	0%
Accumulation	£1,000	£500	£1,000	Yes	N/A	0%

The ACD may waive the minimum levels at its discretion.

ACD charges

£30,000¹ per annum plus 0.75% per annum of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

¹ 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.

Changes to Company

On 1 December 2020, there was a change in ACD from Maitland Institutional Services Limited to Valu-Trac Investment Management Limited.

On 1 December 2020, there was a change in Auditor from Grant Thornton UK LLP to Johnston Carmichael LLP.

On 1 December 2020, there was a change in Depository from Northern Trust Global Services SE (UK Branch) to NatWest Trustee and Depository Services.

On 1 December 2020, there was a change in Sub-fund name from MI Downing Monthly Income Fund to VT Downing Monthly Income Fund.

On 1 December 2020, there was a change in company name from MI Downing Investment Funds ICVC to VT Downing Investment Funds ICVC.

On 1 November 2021, there was a change in Sub-fund name from VT Downing Monthly Income Fund to VT Downing Small & Mid-Cap Income Fund along with changes in the Sub-fund objective and policy, Ex-distribution dates and Distribution dates as stated above.

INVESTMENT MANAGER'S REVIEW

Performance overview

Over the 6 months to 30 September 2021 the Fund generated a total shareholder return of 15.80% (Accumulation). This compares to 7.48% returned by the IA UK Equity Income Sector.

Covid-19 continued to present challenges to markets and economies during the reporting period. While global economies gradually opened up as vaccination programmes were rolled out, the mid-July 'Freedom Day' in the UK was not quite the celebration many had anticipated. A relaxation in rules predictably led to rapidly rising case numbers and many workers were forced into self-isolation, with inevitable disruptions to businesses. There was a gradual return to more normalised trading conditions throughout the summer but the positive investor sentiment deteriorated into September and became much more risk-off as concerns grew over central banks beginning to pare back support as economies emerged from lockdown. There were also growing fears around Evergrande contagion, gas prices, fuel shortages and supply chain issues. Against this backdrop, the UK market made modest gains during the reporting period. Generally positive trading statements and a high level of private equity bids highlighted the attractiveness of the domestic market.

The Fund holds companies with resilient earnings and strong balance sheets. The Manager focuses on companies that can generate excess and sustainable returns on invested capital. This demonstrates that these businesses have a source of sustainable competitive advantage, but also indicates strong capital allocation decisions made by the management teams of those companies. This is especially important as it gives confidence in capital allocation between investing within growth in the business, and shareholder returns. The process leads on governance and engaging with the management teams that the Fund invests in. This primary due diligence also helps with understanding potential catalysts for value creation and why these businesses are demonstrating structural growth over the medium to long term. With this understanding of the company and the environment it operates in, there is a focus on the future cash generation of the business. The Fund then buys those businesses that are trading at a discount to this intrinsic value.

The priority of the Manager is to ensure that the Fund will provide investors with a compelling and diversified yield to the market. Investors that bought the income share class on 31 March 2021 would have received a yield of 1.84% over the following 6 months.

Over the period the Fund has exited 9 positions in full and taken on 11 new positions. This includes the exit of the final micro-cap position and the Fund now holds one position <£100m market cap and with one <£150m market cap position. Outside of full exits and new positions there has also been some meaningful rebalancing of positions based on the Manager's conviction levels.

A position was initiated in Stock Spirits Group in the period, an owner, manufacturer and distributor of spirits brands mainly in Poland, Czech Republic and Italy. We felt the strength of the brands in these markets gave runway to premiumise the brands which was far behind Western economies. Also, the manufacturing and distribution base were key assets to leverage growth into other geographies and were undervalued by the wider market. This rationale was confirmed with the management agreeing to a takeover bid from private equity group, CVC, at a 41% premium.

The weighting in Alpha Financial Markets Consulting was increased during the period. Alpha is a global provider of specialist consultancy services to the Asset Management, Wealth Management and Insurance industries. The business is a clear example of a return compounder by shaking up the industry it operates in, which is leading to customer driven growth based on service and not price. It is very capital light and cash generative and is seeing close to 20% ROIC which is accelerating, and double-digit earnings growth of which 50% is paid out as dividends.

The Fund exited Ramsdens Holdings during the period, given it was the last micro-cap (sub £100m market cap) position within the Fund. The Fund also exited from a position in Telecom Plus, given concerns on rising people costs which had continued to not deliver a return through meaningful revenue growth.

Key contributors and detractors

The key contributors to portfolio performance over the period were Strix Group plc (29.56%) and Lok'nStore plc (+33.66%), while Telecom Plus plc (-17.66%) and Moneysupermarket.com Group (-19.33%) were the most significant detractors.

Strix is global leader in the design, manufacture and supply of kettle safety controls and other complementary water temperature management components. The group published results for the six months to 30 June and highlighted revenue of £54.7 million, a significant increase on the same period the year prior, and also over the same period in 2019. This was driven both by organic growth and by the acquisition of LAICA which has delivered strong revenue growth over the period as the group rebounded to higher than pre-pandemic levels. Management believe that the business has experienced positive trends and momentum in H1 2021 and remains confident that it will deliver revenue growth of circa 30% for the group in 2021. Strix is benefiting from being a leading innovative and sustainable technology business and its continued focus on efficiency measures and strategic initiatives enable it to continue to prudently invest in compelling growth opportunities.

INVESTMENT MANAGER'S REVIEW (Continued)

Lok'nStore is a fast-growing self-storage company listed on AIM. The group issued a market update for the financial year to 31 July 2021 and highlighted that trading throughout the period has been excellent, with self-storage revenue up 20.9% on the previous year. There was also significant growth in occupancy as a percentage of lettable area. Average month-end occupied space was up 26% on the comparable period last year, with average month end prices up 0.4%.

The group has made significant progress on its new store pipeline, whilst remaining conservatively geared. Three stores are currently under construction, opening by early 2022, and three more are about to go on site. This pipeline of new stores, delivering 38% more space, will add considerable momentum to sales and earnings growth in the future.

Telecom Plus supplies a wide range of utility services focussed on domestic customers. In the group's most recent results covering the full year year ended 31 March 2021, it highlighted that results were in line with expectations. While this represented a resilient performance across all parts of the business, despite the challenges posed by the pandemic, the shares sold off sharply. The board reported revenues were down at £861.2 million versus £875.8 million, and adjusted profit before tax was £56.1 million versus £60.8 million the year prior.

Moneysupermarket.com published its latest results which cover the six months ended 30 June 2021. The group reported that its strategy implementation was on track, with good progress made in attracting customers more efficiently and improving its data infrastructure. However, revenue fell 11% due to Covid-19 market impacts and challenging energy market dynamics. Gross margin was up c.3%pts driven by more efficient customer acquisition and improved conversion in Money. The interim dividend was maintained at 3.1p, reflecting robust cash generation and management's confidence in the business.

The group's markets are recovering at different rates. In Q2, revenue for the quarter increased 1% year-on-year, with recovery in Insurance and Money (versus a heavily impacted Q2 2020) offset by Home Services, where market conditions deteriorated. Car insurance returned to year-on-year growth, although from June it started to lap the strong prior year market growth that continued into Q4. Travel insurance revenue remained negligible given ongoing restrictions. Money continued to benefit from gradually improving conversion in cards and loans, and in Home Services, energy revenue was weaker. The energy price cap increase in April was insufficient to offset sharply rising wholesale prices. As a result, across the market, providers had few attractive tariffs available and customer savings levels were low. In TravelSupermarket, revenue has yet to recover given ongoing travel restrictions.

Post Period End and following consultation with major shareholders, the Fund sought approval to change the name to VT Downning Small & Mid Cap Income Fund, better reflecting the objective of the Fund. Shareholder approval was also sought to change the income distributions from monthly to quarterly. On 1st November this approval was granted and therefore shareholders should expect to receive the next dividend payment on 30 November 2021, and quarterly thereafter.

Downing LLP
Investment Manager
15 September 2021

PERFORMANCE RECORD

Financial Highlights

Income Shares

	Six-months to 30 September 2021	Year to 31 March 2021	Year to 31 March 2020
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	113.83	87.43	117.57
Return before operating charges	18.50	31.71	(23.47)
Operating charges (note 1)	(0.61)	(0.96)	(1.20)
Return after operating charges *	17.89	30.75	(24.67)
Distributions on income units	(2.10)	(4.34)	(5.47)
Closing net asset value per unit	129.62	113.83	87.43
*after direct transactions costs of:	0.11	0.32	0.29
Performance			
Return after charges	15.71%	35.17%	(20.95%)
Other information			
Closing net asset value	£45,305,693	£40,925,206	£31,697,683
Closing number of units	34,951,572	35,951,911	36,253,436
Operating charges (note 2)	1.01%	0.95%	1.00%
Direct transaction costs	0.09%	0.32%	0.24%
Prices			
Highest unit price	134.29	114.06	131.10
Lowest unit price	114.69	85.91	79.12

Accumulation Shares

	Six-months to 30 September 2021	Year to 31 March 2021	Year to 31 March 2020
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	190.85	140.34	180.57
Return before operating charges	31.12	52.08	(38.35)
Operating charges (note 1)	(0.97)	(1.57)	(1.88)
Return after operating charges *	30.15	50.51	(40.23)
Closing net asset value per unit	221.00	190.85	140.34
Distributions on accumulation units	3.54	7.22	8.58
*after direct transactions costs of:	0.19	0.52	0.45
Performance			
Return after charges	15.80%	35.99%	(22.28%)
Other information			
Closing net asset value	£1,562,642	£1,949,674	£4,866,140
Closing number of units	707,077	1,021,573	3,467,388
Operating charges (note 2)	0.94%	0.95%	1.00%
Direct transaction costs	0.09%	0.32%	0.24%
Prices			
Highest unit price	228.33	190.85	208.15
Lowest unit price	192.29	138.29	127.09

PERFORMANCE RECORD (Continued)

Financial Highlights (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 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 weekly historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 30 September 2021 (unaudited)

Holding	Value £	% of net assets
OIL & GAS (31.03.21: 4.98%)		
	-	-
INDUSTRIALS (31.03.21: 18.24%)		
478,500 Alpha Financial Markets Consulting PLC	1,703,460	3.65
333,179 Gateley Holdings PLC	824,618	1.77
70,000 JTC PLC	518,350	1.11
258,000 K3 Capital Group PLC	922,350	1.98
498,492 Volex PLC	2,136,038	4.58
13,000 XP Power Ltd	696,800	1.49
	<u>6,801,616</u>	<u>14.58</u>
CONSUMER GOODS (31.03.21: 9.52%)		
105,000 Hilton Food Group PLC	1,227,450	2.63
361,173 Real Good Food PLC	5,779	0.01
316,900 Stock Spirits Group PLC	1,185,998	2.54
	<u>2,419,227</u>	<u>5.18</u>
HEALTH CARE (31.03.21: 7.14%)		
429,000 Alliance Pharma PLC	450,879	0.97
310,164 Caretech Holdings PLC	2,005,210	4.30
83,000 EMIS Group PLC	1,158,680	2.48
	<u>3,614,769</u>	<u>7.75</u>
CONSUMER SERVICES (31.03.21: 7.44%)		
246,000 Bloomsbury Publishing PLC	835,170	1.79
899,000 Zegona Communications PLC	1,361,985	2.92
53,000 Dunelm Group PLC	757,635	1.62
8,650 Games Workshop Group PLC	899,600	1.93
211,000 Moneysupermarket.Com Group PLC	448,797	0.96
141,000 Redrow PLC	930,036	1.99
	<u>5,233,223</u>	<u>11.21</u>
COMMODITY & ENERGY (31.03.21: 0.00%)		
571,000 Gresham House Energy Storage Fund PLC	710,895	1.52
1,634,000 Diversified Energy Company PLC	1,919,950	4.12
	<u>2,630,845</u>	<u>5.64</u>
UTILITIES (31.03.21: 16.30%)		
580,000 ContourGlobal PLC	1,107,800	2.37
278,000 Drax Group PLC	1,372,764	2.94
	<u>2,480,564</u>	<u>5.31</u>
FINANCIALS (31.03.21: 29.77%)		
192,000 Brewin Dolphin Holdings PLC	721,920	1.55
118,071 Chesnara PLC	339,454	0.73
184,000 Conduit Holdings Ltd	875,840	1.88
525,000 Frp Advisory Group PLC	666,750	1.43
812,000 Morses Club PLC	640,668	1.37
123,350 Polar Capital Holdings PLC	993,584	2.13
178,000 Sabre Insurance Group PLC	390,710	0.84
38,000 Secure Trust Bank PLC	460,750	0.99
1,018,400 Impact Healthcare REIT PLC	1,160,976	2.49
697,571 Urban Logistics Reit PLC	1,206,798	2.59
211,094 Lokn Store Group PLC	1,709,861	3.67
870,000 Watkin Jones PLC	1,994,475	4.28
828,000 Sequoia Economic Infrastructure Income Fund Ltd	887,616	1.90
883,000 Digital 9 Infrastructure	949,225	2.03
	<u>12,998,627</u>	<u>27.88</u>

PORTFOLIO STATEMENT (continued)

As at 30 September 2021 (unaudited)

Holding	Value £	% of net assets
TECHNOLOGY (31.03.21: 1.50%)		
54,500 Computacenter PLC	1,496,570	3.21
63,000 FDM Group (Holdings) PLC	801,990	1.72
636,000 Fonix Mobile PLC	954,000	2.04
24,000 Kainos Group PLC	450,240	0.97
870,700 Redcentric PLC	1,210,273	2.59
177,000 Smart Metering Systems PLC	1,469,100	3.15
615,000 Strix Group PLC	2,098,688	4.50
	<u>8,480,861</u>	<u>18.18</u>
FIXED INTEREST (31.03.21: 2.64%)		
772,932 Real Good Food 12% C Sec Guar Ln Note 19/05/2023	579,699	1.24
238,752 Real Good Food Var Loan Note 19/05/2023	179,064	0.38
	<u>758,763</u>	<u>1.62</u>
Portfolio of investments (31.03.21: 97.53%)	45,418,495	97.35
Net other assets (31.03.21: 3.04%)	1,449,838	3.12
Mid to bid adjustment (31.03.21: (0.57%))	(217,801)	(0.47)
	<u>46,650,532</u>	<u>100.00</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	15,319,437
Alliance Pharma PLC	150,933
Anglo Pacific Group PLC	1,084,563
Augean PLC	910,000
Brewin Dolphin Holdings PLC	462,854
Brickability Group PLC	415,350
Caretech Holdings PLC	445,983
Chesnara PLC	1,316,501
ContourGlobal PLC	497,630
Diversified Gas & Oil PLC	461,414
Future PLC	500,658
GCP Infrastructure Investments Ltd	14,323
Go-Ahead Group PLC	600,566
IG Design Group PLC	1,262,787
John Laing Group PLC	420,697
K3 Capital Group PLC	340,924
Kainos Group PLC	542,080
Lokn Store Group PLC	503,686
Moneysupermarket.Com Group PLC	340,175
Ramsdens Holdings PLC	1,169,237
Real Good Food Var Loan Note 19/05/2022	557,371
Round Hill Music Royalty Fund Limited	527,908
Smart Metering Systems PLC	282,348
Strix Group PLC	275,456
Telecom Plus PLC	1,066,220
Volex PLC	855,495
Watkin Jones PLC	314,278

	£
Total purchases for the period	13,521,971
Alpha Financial Markets Consulting PLC	851,895
Augean PLC	760,355
Computacenter PLC	392,936
Conduit Holdings Ltd	957,683
Digital 9 Infrastructure	949,225
Diversified Energy Company PLC	110,880
Drax Group PLC	531,645
Dunelm Group PLC	707,235
EMIS Group PLC	521,247
Fonix Mobile PLC	947,114
Gresham House Energy Storage Fund PLC	702,365
Hilton Food Group PLC	593,302
JTC PLC	177,812
Kainos Group PLC	161,677
Moneysupermarket.Com Group PLC	968,185
Morses Club PLC	563,900
Redcentric PLC	1,186,619
Redrow PLC	940,822
Secure Trust Bank PLC	449,347
Stock Spirits Group PLC	887,971
XP Power Ltd	159,756

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

STATEMENT OF TOTAL RETURN

For the six-months ended 30 September 2021 (unaudited)

	30.09.21	30.09.20
	£	£
Income		
Net capital gains	5,671,406	3,972,175
Revenue	1,142,055	1,125,956
Expenses	(204,769)	(206,540)
Interest payable and similar charges	<u>(3,311)</u>	<u>(6,822)</u>
Net revenue before taxation	933,975	912,594
Taxation	<u>-</u>	<u>(15,961)</u>
Net revenue after taxation	<u>933,975</u>	<u>896,633</u>
Total return before distributions	6,605,381	4,868,808
Finance costs: distributions	<u>(775,799)</u>	<u>(1,008,108)</u>
Changes in net assets attributable to shareholders from investment activities	<u>5,829,582</u>	<u>3,860,700</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six-months ended 30 September 2021 (unaudited)

	30.09.21	30.09.20
	£	£
Opening net assets attributable to shareholders	42,633,998	36,563,823
Amounts receivable on creation of shares	1,203,749	2,786,337
Amounts payable on cancellation of shares	(3,039,610)	(249,224)
Dividend reinvested	22,813	126,200
Changes in net assets attributable to shareholders from investment activities (see above)	<u>5,829,582</u>	<u>3,860,700</u>
Closing net assets attributable to shareholders	<u>46,650,532</u>	<u>43,087,836</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives are shown 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 31 March 2021 was £42,633,998.

BALANCE SHEET

As at 30 September 2021 (unaudited)	30.09.21		31.03.21	
	£	£	£	£
ASSETS				
Investment assets		45,200,694		41,334,043
Current assets				
Debtors	394,568		105,586	
Cash and bank balances	<u>2,926,874</u>		<u>1,602,423</u>	
Total current assets		<u>3,321,442</u>		<u>1,708,009</u>
Total assets		48,522,136		43,042,052
LIABILITIES				
Current liabilities				
Distribution payable on income shares	(244,870)		(268,238)	
Bank overdraft	-		(52,645)	
Creditors	<u>(1,626,734)</u>		<u>(87,171)</u>	
Total current liabilities		<u>(1,871,604)</u>		<u>(408,054)</u>
Net assets attributable to shareholders		<u>46,650,532</u>		<u>42,633,998</u>

The accounting policies applied are consistent with those of the financial statements for the year ended 31 March 2021 and are described in those financial statements.

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

DISTRIBUTION TABLES

First interim distribution in pence per share

Group 1: Shares purchased prior to 01 April 2021

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

01 April 2021 to 30 April 2021

Accumulation	Net Revenue 28.05.2021	Equalisation	Distribution 28.05.2021	Distribution 29.05.2020
Group 1	0.5868	-	0.5868	0.8036
Group 2	0.0779	0.5089	0.5868	0.8036

Income	Net Revenue 28.05.2021	Equalisation	Distribution 28.05.2021	Distribution 29.05.2020
Group 1	0.3500	-	0.3500	0.5000
Group 2	0.0052	0.3448	0.3500	0.5000

Second interim distribution in pence per share

Group 1: Shares purchased prior to 01 May 2021

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

01 May 2021 to 31 May 2021

Accumulation	Net Revenue 30.06.2021	Equalisation	Distribution 30.06.2021	Distribution 30.06.2020
Group 1	0.5876	-	0.5876	0.5654
Group 2	0.0000	0.5876	0.5876	0.5654

Income	Net Revenue 30.06.2021	Equalisation	Distribution 30.06.2021	Distribution 30.06.2020
Group 1	0.3500	-	0.3500	0.3500
Group 2	0.0000	0.3500	0.3500	0.3500

Third interim distribution in pence per share

Group 1: Shares purchased prior to 01 June 2021

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

01 June 2021 to 30 June 2021

Accumulation	Net Revenue 30.07.2021	Equalisation	Distribution 30.07.2021	Distribution 31.07.2020
Group 1	0.5882	-	0.5882	0.5674
Group 2	0.0000	0.5882	0.5882	0.5674

Income	Net Revenue 30.07.2021	Equalisation	Distribution 30.07.2021	Distribution 31.07.2020
Group 1	0.3500	-	0.3500	0.3500
Group 2	0.0000	0.3500	0.3500	0.3500

Fourth 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 July 2021

01 July 2021 to 31 July 2021

Accumulation	Net Revenue 31.08.2021	Equalisation	Distribution 31.08.2021	Distribution 28.08.2020
Group 1	0.5900	-	0.5900	0.5694
Group 2	0.0000	0.5900	0.5900	0.5694

Income	Net Revenue 31.08.2021	Equalisation	Distribution 31.08.2021	Distribution 28.08.2020
Group 1	0.3500	-	0.3500	0.3500
Group 2	0.0000	0.3500	0.3500	0.3500

DISTRIBUTION TABLES (Continued)**Fifth interim distribution in pence per share**

Group 1: Shares purchased prior to 01 August 2021

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

01 August 2021 to 31 August 2021

Accumulation	Net Revenue 30.09.2021	Equalisation	Distribution 30.09.2021	Distribution 30.09.2020
Group 1	0.5916	-	0.5916	0.5714
Group 2	0.0000	0.5916	0.5916	0.5714

Income	Net Revenue 30.09.2021	Equalisation	Distribution 30.09.2021	Distribution 30.09.2020
Group 1	0.3500	-	0.3500	0.3500
Group 2	0.0000	0.3500	0.3500	0.3500

Sixth interim distribution in pence per share

Group 1: Shares purchased prior to 01 September 2021

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

01 September 2021 to 30 September 2021

Accumulation	Net Revenue 30.10.2021	Equalisation	Distribution 30.10.2021	Distribution 30.10.2020
Group 1	0.5931	-	0.5931	0.5734
Group 2	0.0000	0.5931	0.5931	0.5734

Income	Net Revenue 30.10.2021	Equalisation	Distribution 30.10.2021	Distribution 30.10.2020
Group 1	0.3500	-	0.3500	0.3500
Group 2	0.0000	0.3500	0.3500	0.3500

EQUALISATION

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

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 March each year and interim allocations of revenue on or before the last working day of the month.

Individual shareholders

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

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 (2021/22) 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.

Taxation

The Company will pay no corporation tax on its profits for the period ended 30 September 2021. Capital gains within the Company will not be taxed.

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar. Email Downing@valu-trac.com

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon on each dealing day.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption.

The most recent issue and redemption prices are available from the ACD.

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 fund, 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 6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depository	<p>NatWest Trustee and Depository 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>