

VT Downing Small & Mid-Cap Income Fund

April 2026 commentary

In April, the Accumulation share class was up 5.31% while the IA UK Smaller Companies Sector was up 7.74%. Key contributors were Fonix (+16.78%) and Advanced Medical Solutions (+24.48%). Key detractors included Telecom Plus (-7.79%) and Galliford Try (-9.74%).

Fonix, a provider of mobile payments and messaging solutions, made no announcements in the month. However, in March, the company announced positive interim results and reported the continued delivery of innovation and European expansion. Later in the month, Fonix announced a share buyback of up to 230,000 shares, providing further support for the stock.

Advanced Medical Solutions (AMS), a developer and manufacturer of innovative tissue-healing technology, responded to recent press speculation and confirmed that it is in discussions with TA Associates (UK) LLP regarding a possible offer for AMS. There is no certainty that a firm offer will be made, nor as to the terms on which a firm offer might be made. Management will make a further announcement as and when appropriate.

Telecom Plus, an integrated platform for bundling subscription-style essential household services, issued a trading update for its financial year ending 31 March 2026. The group guided full-year profit at the bottom end of previous management expectations of £132m-£138m following reduced energy consumption during an unseasonably warm winter. On a more positive note, customer numbers were up strongly (+23%), and it continued to deliver double-digit organic growth.

Galliford Try, a construction group, announced that its Building business has been appointed to a major new £750m affordable homes framework by Sovereign Network Group. Galliford Try had upgraded full-year expectations above market forecasts in March, and we believe the shares offer good value at current levels.

Opinions expressed represent the views of the fund manager at the time of publication, are subject to change, and should not be interpreted as investment advice.

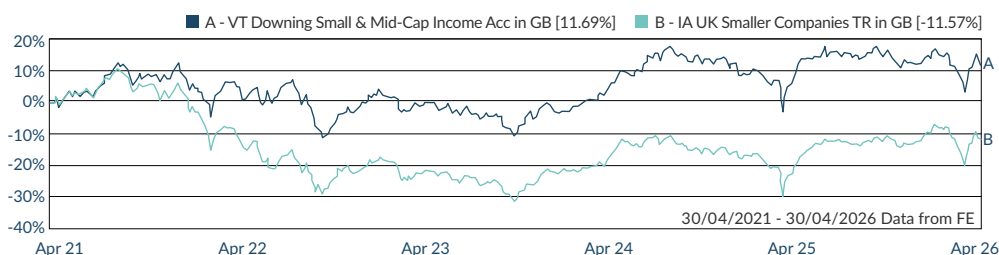
About the fund

The fund aims to have a portfolio of 30-50 holdings, with no exposure to the FTSE 100. Josh seeks to invest in equities with unique assets or an enduring competitive advantage. These businesses have the potential to generate excess returns on invested capital over the long term which can compound both capital and shareholder distributions.

Investment objective

The investment objective of the Fund is to achieve income, with the potential for capital growth over the long term (5+ years).

Performance



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

Cumulative performance (%)							
	1m	3m	6m	YTD	1y	3y	5y
VT Downing Small & Mid-Cap Income Fund (Acc)	5.31	-3.90	-3.13	-0.86	2.41	12.60	11.69
IA UK Smaller Companies TR Index	7.74	-4.74	-0.71	0.38	10.77	13.25	-11.57
Quartile ranking	4	2	3	3	4	2	1

Discrete performance (%)					
	30/04/2025 - 30/04/2026	30/04/2024 - 30/04/2025	30/04/2023 - 30/04/2024	30/04/2022 - 30/04/2023	30/04/2021 - 30/04/2022
VT Downing Small & Mid-Cap Income Fund (Acc)	2.41	4.13	5.59	-6.02	5.55
IA UK Smaller Companies TR Index	10.77	-3.65	6.12	-13.31	-9.93
Quartile ranking	4	1	3	1	1

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

Performance figures source: FE fundinfo.



Josh McCathie
Fund Manager

Josh McCathie serves as the Manager to the VT Downing Small & Mid-Cap Income Fund and VT Downing Unique Opportunities Fund.

Josh joined Downing in 2018 and brings over 10 years' investment management experience, having previously worked at BRI Wealth Management focusing on research of UK equities.

Josh is a CFA charterholder.

Top 10 portfolio holdings	%
Galliford Try Plc	3.98
FRP Advisory Group Plc	3.64
XPS Pensions Group Plc	3.61
Fonix Plc	3.52
Safestore Holdings Plc	3.14
Restore Plc	3.11
Cohort Plc	2.96
Advanced Medical Solutions Group Plc	2.82
Coats Group Plc	2.80
Telecom Plus Plc	2.72
Total	32.30

Source: Valu-Trac Investment Management Ltd.



As at 1st February 2026

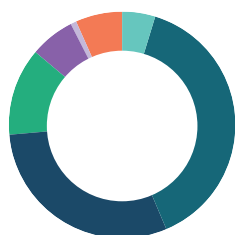


As at 1 December 2024

Portfolio summary

As at 30 April 2026

Market cap breakdown

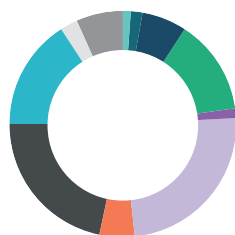


Market cap bands

4.94%	<£150m
38.68%	£150m-£500m
30.18%	£500m-£1bn
12.36%	£1bn-£2bn
6.43%	£2bn-£4bn
1.02%	£4bn+
6.39%	Cash

Source: Factset

Sector breakdown



1.28%	Basic Materials
1.58%	Consumer Durables
6.38%	Consumer Non-Durables
13.72%	Consumer Services
1.34%	Energy
24.06%	Finance
5.14%	Healthcare
21.59%	Industrials
15.80%	Technology
2.72%	Utilities
6.39%	Cash

Source: Factset

Quarterly distribution:

Period to	Income
30/09/2022	1.3105p
30/12/2022	1.1963p
31/03/2023	1.0496p
30/06/2023	1.1652p
30/09/2023	1.5106p
31/12/2023	1.3821p
31/03/2024	0.9790p
30/06/2024	1.1720p
30/09/2024	1.4397p
31/12/2024	1.1290p
31/03/2025	1.3029p
30/06/2025	1.5140p
30/09/2025	1.3511p
31/12/2025	1.2422p
31/03/2026*	0.9953p

Source: Valu-Trac Investment Management Ltd and Downing
* Estimated

Key facts (As at 30 April 2026)

Fund objective

To achieve a quarterly income, together with long-term capital growth

Launch date:

14 June 2010

IA sector:

UK Smaller Companies

Currency:

UK Sterling

Types of shares:

Income & Accumulation

Fund size:

(Income & Accumulation shares combined) £39.80m

Yield¹:

4.7%

Income paid:

Quarterly

Number of holdings:

47

Prices as at 30 April 2026

Accumulation shares: 226.2495p

Income shares: 108.2158p

Charges

Initial charge: 0%

Annual Mgmt charge: 0.75%

Ongoing charges

charged to capital²: 1.00%

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,
Level 4, Dashwood House, 69 Old Broad Street,
London EC2M 1QS

Tel: +44 (0) 1343 880 217

www.valu-trac.com

Investment Manager:

Downing 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. As from the 1 November 2021, the fund is now known as the VT Downing Small & Mid-Cap Income Fund.

Advisory Committee:

Judith MacKenzie: Non-Independent Member

Darrell O'Dea: Independent Member

How to apply

Telephone: +44 (0) 1343 880217 or visit:
www.valu-trac.com/administration-services/clients/downing/dsmi/

Platforms and wraps:

- Abrdn - Wrap
- Abrdn - Wrap DFM Hub
- Abrdn - Elevate
- Abrdn - Fundzone
- Aegon
- Aegon Platform
- AJ Bell
- AJ Bell - Investcentre
- Allfunds EO
- M&G/ Ascentric
- Aviva
- Canada Life
- Embark Platform/ Scottish Widows
- Fidelity - Platform
- FNZ
- FNZ Institutional
- Fundment
- Fusion/Benchmark Capital
- Halifax
- Hargreaves Lansdown
- Hubwise
- Interactive Investor
- Iweb
- J Brearley
- Novia - Wealthtime
- Nucleus
- Quilter
- Seven IM
- Standard Life
- Standard Life - Fundzone
- Scottish Widows - Fund Supermarket
- Stocktrade (Embark Group)
- Transact

* The historic yield reflects distributions declared over the past twelve months as a percentage of the fund price as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions

** The ongoing charges figure is based on expenses and the net asset value as at 10 April 2026. This figure may vary from year to year. It excludes portfolio transaction costs.

This document has been approved as a financial promotion. Capital is at risk. The value of any investments may go up as well as down. Downing LLP is authorised and regulated by the Financial Conduct Authority (Reference No. 545025). Registered in England and Wales (No. OC341575). Registered Office: 10 Lower Thames Street London EC3R 6AF.