Downing

VT Downing Unique Opportunities Fund

July 2025 commentary

July saw the price of accumulation units in the fund fall by 1.01%, versus a 2.27% rise in the peer group, the IA UK All Companies TR Index. It was another positive month overall for UK small and mid-cap businesses, as valuation-driven interest and more favourable economic conditions supported a rebound in these areas.

The most significant contributor to returns was Diploma (8.23%), a value-add distributor of technical products and services. The group issued a trading update and reported strong Q3 performance and a FY upgrade to organic growth of 10%. The business made two quality acquisitions: Haagansen A/S (Seals) which adds to M-Seals' capability in Denmark, and Alpha Laboratories (Life Sciences) which marks its entry into the UK Vitro Diagnostics market.

Tatton Asset Management (+9.38%), an investment management and IFA support services group, issued no significant news but its share price has climbed steadily since it issued positive FY results in June. The group recorded net inflows of £3.7bn, which drove strong double-digit organic growth in revenue and profits. Both were comfortably at the top end of market expectations.

The largest detractor in the month was Bytes Technology Group (-25.26%), a software, security, cloud and AI services specialist. In an AGM statement, management referred to the 'challenging macro environment, compounded by the near-term effect of transforming our corporate sales team'. While this has affected trading, the board remains confident that as the sales team changes bed in, the business will return to much firmer footing.

Mortgage Advice Bureau (-6.88%), a mortgage network and broker, issued a positive trading update despite the shares being down over the month. There were indications of a gradual recovery in underlying purchase activity, supported by buyer affordability and an increase in supply of new properties coming on market. Refinancing is expected to as a substantial volume of 5-year fixed mortgages from the post-pandemic boom and 2-year fixed deals taken out following the 2022 mini budget approach maturity. The group continues to trade in line with the board's expectations.

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 25-40 holdings. As Fund Manager, Josh McCathie seeks to invest in equities he considers to have a unique outlook and opportunity for growth. These businesses will be identified as having enduring competitive advantages that are difficult to replicate, which can create high barriers for new entrants and have the potential to generate superior returns over the long term.

Investment objective

The fund's objective is to achieve capital growth and income over the long term (five+ years). It seeks to invest at least 80% in equities listed on UK markets (including the London Stock Exchange and AIM). The remainder will be invested in other equities, fixed income, money market instruments, deposits, warrants, cash and near cash.

The unique characteristics sought include:

- Having intangible assets e.g. brands, patents or regulatory licenses
- Having cost advantages stemming from process, location, scale or access to a unique asset
- Being the leading network in a business segment
- There being high switching costs, which generate high customer retention rates

Cumulative performance (%)								
	1m	3m	6m	YTD	1y	3y	5y	Since Launch*
VT DUO A Acc	-1.01	4.23	0.19	1.06	-6.27	7.84	32.68	58.26
IA UK All Companies TR Index	2.27	8.92	5.64	10.09	7.30	25.70	58.85	81.47
Quartile ranking	4	4	4	4	4	4	4	4
Position	206/220	217/220	198/219	214/219	207/215	190/213	169/204	163/203

**25 March 2020*

Discrete performance (%)					
	31/07/2024 - 31/07/2025	31/07/2023- 31/07/2024	31/07/2022 - 31/07/2023	31/07/2021 - 31/07/2022	31/07/2020- 31/07/2021
VT DUO A Acc	-6.27	18.69	-3.06	-16.18	46.78
IA UK All Companies TR Index	7.30	13.78	2.96	-4.48	32.29
Quartile ranking	4	1	4	4	1
Position	207/215	24/214	181/213	184/208	26/204

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

Performance figures source: FE fundinfo 2025.

Josh McCathie
Fund Manager

Josh McCathie serves as the Manager to the VT Downing Unique Opportunities Fund and VT Downing Small & Mid-Cap Income 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	%
Games Workshop Group Plc	4.70
Rightmove Plc	4.66
Diploma Plc	4.65
Alfa Financial Software Holdings Plc	4.47
Auto Trader Group Plc	4.31
Mortgage Advice Bureau (Holdings) Plc	4.17
Tatton Asset Management Ltd.	3.57
Bloomsbury Publishing Plc	3.44
JTC Plc	3.32
dotDigital Group Plc	3.11

Source: Valu-Trac Investment Management Ltd.

defaqto
Single-Asset Return Focused 2024
EXPERT RATED

defaqto
REVIEWED

As at 1 December 2024

Portfolio summary

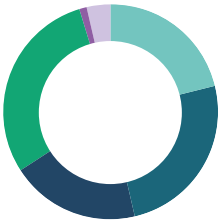
As at 31 July 2025

Portfolio by sector

3.55%	Cash
12.41%	Communications
14.70%	Consumer Discretionary
7.37%	Consumer Staples
18.56%	Financials
1.67%	Healthcare
24.24%	Industrials
12.27%	Information Technology
1.86%	Materials
1.60%	Utilities
1.77%	Real Estate

Source: Valu-Trac Investment Management Ltd

Portfolio by company size



Market cap bands	
21.29%	>£5b
25.11%	£1b - £5b
19.70%	£500m - £1b
29.26%	£200m - £500m
1.09%	<£200m
3.55%	Cash

Source: Factset

Distribution

Period end	Ex Dividend	Date Payment	A Acc (GBp)	A Inc (GBp)
Dec-21	31/12/2021	28/02/2022	1.5653	1.5782
Jun-22	30/06/2022	31/08/2022	1.9295	1.9287
Dec-22	30/12/2022	28/02/2023	1.4374	1.4162
Jun-23	30/06/2023	31/08/2023	2.4066	2.3478
Dec-23	31/12/2023	29/02/2024	1.8575	1.7814
Jun-24	30/06/2024	31/08/2024	2.3148	2.1926
Dec-24	31/12/2024	28/02/2025	1.8758	1.7514
Jun-25	30/06/2025	29/08/2025	2.6949	2.4861*

Distributions are subject to change and should not be utilised as a basis for an investment decision.

Source: Valu-Trac Investment Management Ltd

**Estimated*

Key facts *(As at 31 July 2025)*

Structure:
London listed Open Ended Investment Company (OEIC), established as a "UCITS scheme".

Launch date:
Income: 17 March 2020 Accumulation: 25 March 2020

Fund size:
£26.55m (Accumulation and Income share classes combined)

Share price:
Class A: 158.2560p (Acc.)
Class A: 143.5355p (Inc.)

No of holdings:
38

Minimum initial investment:
Class A lump sum: £1,000

Dividends:
Semi-annual

Liquidity:
Daily pricing and daily dealing

ISA eligible:
Yes

Sector:
IA UK All Companies Sector

ISIN codes:
Class A Accumulation: GB00BHNC2614

Class A Income: GB00BHNC2721

Fund charges:
Initial charge: 0%

Annual management charge: 0.75% p.a.

Ongoing charges* 1.00% p.a.

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How to apply

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or visit: https://www.valu-trac.com/administration-services/clients/downing/unique-opportunities/

Also on the following platforms:

- Abrdn - Wrap
- Abrdn - Wrap DFM Hub
- Abrdn - Elevate
- Aegon
- Aegon Platform
- AJ Bell
- AJ Bell - Investcentre
- Allfunds EO
- M&G/ Ascentric
- Aviva
- Canada Life
- Embark Platform/Scottish Widows
- FNZ
- FNZ Institutional
- Halifax
- Hargreaves Lansdown
- Hubwise
- Interactive Investor
- Iweb
- James Hay
- J Brearley
- Nucleus
- Quilter
- Raymond James
- Seccl
- Selftrade/Eqi
- Seven IM
- Standard Life
- Scottish Widows - Fund Supermarket
- Stocktrade (Embark Group)
- Transact
- Utmost

We are currently working with other platforms so please let us know if yours is not listed above.

For more information about this fund please visit:
downingunique.co.uk

* ***Please note:*** *The ongoing charges figure is based on expenses and the net asset value as at 12 June 2025. 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.*