

SVS Dowgate Wealth UK Small Cap Growth Fund Monthly Commentary: 30 June 2022

PERFORMANCE

UK equities moved sharply lower during the month as investors evaluated the increasing risk of recession. This was driven by the news of weakening consumer demand against a backdrop of ongoing wage and cost inflation, increasing interest rates, covid shutdowns in China and the continuing conflict in Ukraine. The Fund returned -8.04% (net income reinvested, GBP) during the month.

Our biggest contributors over the month were UK Utility provider **Telecom Plus** and **Ashtead Technologies** (a leading subsea equipment rental business) which both upgraded estimates during the month as well as **AB Dynamics** (a specialist in automotive test systems) which rallied following a weaker prior month. While the biggest detractors were **Alpha FX**, **Watches of Switzerland** and **JTC** all of which suffered with little news flow.

PORTFOLIO ACTIVITY

Trading activity was subdued throughout the month given the ongoing volatility in the market. We spent the month investing into existing holdings where we had good confidence of delivery as a result the cash allocation in the fund has fallen.

INVESTMENT OUTLOOK

Currently, there is a high level of short-term uncertainty as investors and markets try to assess the likelihood of a recession and how long it could last. Inflation has remained stubbornly high, however, we now see early indicators that this could roll over. In recent weeks the price of copper, generally a leading indicator of industrial activity has pulled back from recent highs. Oil prices have also started to come off recent highs.

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We believe the information provided here is reliable but should not be assumed to be accurate or complete.

All information accurate as at 30 June 2022

The Key Investor Information Documents (KIID's) and the Prospectuses for all funds are available, in English, free of charge and can be obtained directly using the contact details in this document. They can also be downloaded from:

<https://dowgatewealth.co.uk/fund-management-new/>

An investor must always read these before investing.