

SVS Dowgate Wealth UK Small Cap Growth Fund Monthly Commentary: 31 August 2022

PERFORMANCE

UK equities fell in August as bond yields rose. The fund fell 4.06% during the month, giving back some of last months' gains.

During the month, our best contributor was **RPS**, which received a recommended cash offer of 206p. **Ashtead Technology** and **Wandisco** both also performed well on the back of promising results.

The worst performers for the month were **FD Technologies**, **Drax Group** and **Telecom Plus**, giving back some of the prior month's gains.

PORTFOLIO ACTIVITY

During the month we took part in the **Saietta Group** placing and added to our **Kainos** holding on the back of their appointment of **Workday** phase one Prime Status partner in the US, which we believe will lead to a step change in growth for the groups American growth prospects.

INVESTMENT OUTLOOK

The outlook on equities continues to worsen as the discount rate increases, while forward looking economic indicators continue to decline, causing GDP consensus to fall. Bloomberg consensus for 2023 GDP has now fallen from 1.1% to -0.1%, and thus a recession for next year appears to be now consensus. The recent strengthening of the US Dollar has also helped to boost the earnings of some dollar earners for the time being. We remain cautious, but we do believe there will be very good opportunities in the months ahead.



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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 31 August 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>

An investor must always read these before investing.