

Downing Strategic Micro-Cap Investment Trust

May 2024 commentary

In May, the Company's NAV returned 6.0% and the share price returned 6.2%. After adjusting for the returns of capital, in-line with the updated investment policy, these were 3.3% and 3.2%, respectively.

The most significant event in the month was the **FireAngel (+85.7%)** takeover being approved by the relevant authorities. This is an unconditional offer so, should the relevant acceptances be received, it will complete.

As in the 30 May announcement, the Board has stated the intention to return realisations, including the FireAngel proceeds, to DSM shareholders, of at least 7p per share to be paid by mid-late July. This is on top of the 21 June distribution of 12p per share, and the initial 30p per share which was paid earlier in the year.

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



Judith MacKenzie
Lead Investment
Manager

Judith is a Partner at Downing, having joined in 2009 and founding Downing Fund Managers.

Previously she was a partner at Acuity Capital managing AIM-quoted VCT and IHT investments and a small-cap activist fund. Prior to Acuity, Judith spent nine years as a senior investment manager with Aberdeen Asset Management Growth Capital as co Fund Manager of the five Aberdeen VCTs, focusing on technology and media investments in both the public and private arenas.



Nick Hawthorn
Investment
Manager

Nick began working on the buy side in 2013 and joined Downing in September 2015 from BP Investment Management.

Prior to this, he worked for Aberdeen Asset Management. Nick holds an MSc in Finance and Investment from Durham University and a MA in Accounting and Economics from the University of Aberdeen.

Fund Discrete Performance													Rolling 12-month period -6.91% (31/05/2023 to 31/05/2024)	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2024	-1.68	-0.76	-2.66	6.58%*	3.33%*								4.60	
2023	9.47	0.97	-1.35	-0.88	-1.37	-2.75	-0.54	-1.63	-1.43	5.12	-13.57	4.45	-5.14	
2022	4.83	-3.90	2.61	2.15	-5.57	-6.43	6.59	-5.53	-11.51	-0.78	1.72	-0.84	-16.79	
2021	1.63	3.80	2.46	7.64	-0.62	0.69	-1.02	5.73	-1.63	-1.51	-7.27	0.70	10.22	
2020	1.26	-10.64	-17.04	8.45	0.64	0.12	-2.09	6.44	-2.09	2.04	8.69	5.17	-2.36	
2019	-1.81	-3.59	1.65	4.01	-3.93	-1.20	0.57	-3.75	-2.83	0.72	5.23	5.57	-0.02	
2018	-0.98	-1.49	-1.76	-1.15	1.14	-2.24	-1.04	-0.19	-0.51	-7.23	1.07	-4.04	-17.18	
2017**					-0.02	-0.12	-0.64	-1.31	-0.16	-1.02	-0.55	0.86	-2.94	

Source: Downing.

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

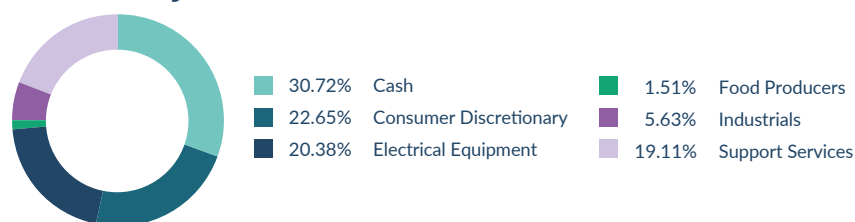
* The performance has been adjusted to include the 30p special dividend made on 26 April 2024.

** From inception 09/05/2017 to 31/12/2017

Portfolio summary

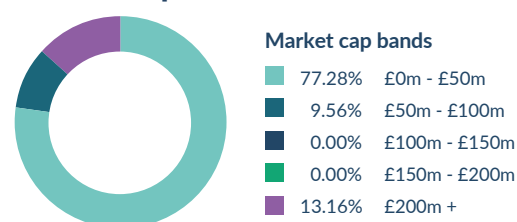
As at 31 May 2024

Portfolio by sector



Source of sector data: Downing

Market cap



Source of market cap data is Factset.

Top 5 portfolio holdings	Sector	% of company
Synectics Plc	Support Services	18.74
Fireangel Safety Technology Group Plc	Electrical Equipment	12.85
Centaur Media Plc	Consumer Discretionary	9.56
National World Plc	Consumer Discretionary	8.55
Volex Plc	Electrical Equipment	7.53

Source of Top 5 holdings: Downing

Key facts (As at 31 May 2024)

Launch Date:

9 May 2017

Morningstar sector:

UK Small Cap Equity

Total market value:

£15,747,608.15

Total net assets:

£18,265,453.65

No of ordinary shares in issue:

45,645,241

Current NAV per share:

40.02p

Market price of ordinary shares:

34.50p

Premium (Discount):

-13.78%

Total shareholder distributions:

33.95p

NAV total return:

73.97p

Source of data: Downing

Dividends:

The company has no stated dividend target.

The company is in a managed wind down and has the intention to return capital by way of special dividends.

Codes and fees:

- Ordinary Share ISIN: GB00BF0SCX52
- Ordinary Share SEDOL: BF0SCX5
- Ordinary Share Ticker: DSM
- AMC on market cap: 1%

Ongoing charges:

The ongoing charges represent the company's management fee and all other operating expenses excluding any finance costs, expressed as a percentage of the average daily net assets during the year.

The ongoing charges for the year ending 28 February 2023 were 1.94%.

Managers:

- Judith MacKenzie
- Nick Hawthorn

Directors:

- Hugh Aldous, Chairman
- Linda Bell, Non-Executive Director
- Robert Legget, Non-Executive Director

Financial calendar:

The company's annual financial statements will be prepared to 28 February in each year and will typically be sent to shareholders within four months of its financial year end. The company also publishes an unaudited interim report covering the six months to 31 August each year, typically within two months of that date.

Company Secretary:

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downingstrategic.co.uk

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