




DOWGATE DIGEST

CHAIRMAN'S NOTE

Most investors in the UK stockmarket will not be sorry to see the back of 2023. A modest Santa rally pushed the FTSE100 and 250 indices into positive territory for the year but these small advances masked a disappointing year for market activity best summarised by the fact that there were only 23 IPOs on the London market all year. Our wealth managers have generally taken a cautious stance but there are two key reasons to believe that 2024 could be better. Firstly, there is a definite pick up in M&A activity which is recycling cash back into the market and secondly, the downward trend in inflation should lead to falling interest rates by the second half of the year. Our assets under management grew strongly in 2023 despite the market gloom and in 2024 we look forward to seizing the opportunities that falling interest rates should bring.

CORPORATE BROKING & ADVISORY

Recent Transactions:

 <p>OpenDialog AI Limited</p> <p>£6m Private Placing</p> <p>Adviser & Broker</p> <p>December 2023</p>	 <p>Process Vision Ltd</p> <p>£1.8m Private Placing</p> <p>Adviser & Broker</p> <p>December 2023</p>	 <p>Ondo InsurTech Plc</p> <p>£1.08m Placing</p> <p>Adviser & Broker</p> <p>November 2023</p>
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Along with our 3 most recent transactions, we were also pleased to announce 2 new brokerships in Q4;



REACT Group Plc, a leading specialist cleaning, hygiene and decontamination company



Ondo InsurTech Plc, a leading company in claims prevention technology for home insurers.

JANUARY 2024

NEW JOINER ANNOUNCEMENTS



Jane Andrews
Fund Manager



Linda Wang
Fund Manager



Mel Brown
Sales & Trading
Director



Rob Price
Senior Compliance
Manager



Kat Harrington
Executive Assistant

We have been busy expanding our Dowgate Wealth Fund Division with the addition of **Jane Andrews** and **Linda Wang** who joined us in November. Jane is the lead manager of the [SVS DW Asia Income & Growth Fund](#), which she has managed since 1996. Jane has over 30 years' experience investing in Asia Pacific equities through multiple cycles. Linda works alongside Jane as the Portfolio Manager of the Fund, a role she has held since July 2019. Linda started her buy side journey in 2007 at HSBC Global Asset Management as an analyst in the Global Technology hedge fund.

Mel Brown joined the Sales & Trading team at Dowgate Capital in the new year. Mel started his career as a jobber on the London Stock Exchange and has since worked at BZW, Altium, finnCap and WH Ireland, where he specialised in AIM and smaller companies.

As our company grows, it's vital our operations and compliance team grows with it. **Rob Price** joins us as our Senior Compliance Manager and comes with 20 years of experience in buy side wealth management. **Kat Harrington** joined us in October and has been a great addition to our back office team.

DOWGATE IN THE NEWS

[Impact: 'Farewell Numis' by Lorna Tilbian](#)

[Vox Markets Fund Manager Series: Laurence Hulse](#)

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EMPLOYEES WITH COMPANY SHARES : THE DOUBLE STAKEHOLDER

Taking part in a share plan allows employees to be incentivised to contribute to and ultimately benefit in the success of a company via its share price. These plans not only benefit the employees but also result in increased employee retention for employers.

Why then do we allow all that to lapse on vesting?

Employees and shareholders are both stakeholders, but employees with shares are doubly so and need to be treated differently to just one or the other.

Companies spend time and money on designing, implementing and running share plans and while a lot of employees will want to sell down at vesting, these plans are not just convenient savings accounts. Of course, part of the appeal is to benefit financially at vesting, but what if employees were provided with the education and the means to be able to hold the shares beyond vesting, to continue to participate in the success of the company and to benefit past vesting date?

Dowgate Equity Solutions spend time with companies to provide in-house education on being a shareholder and provide employers with different options for continued employee share ownership post vesting. We offer solutions that eliminate the need for share certificates and that cater to international employees including those in the USA. Contact us today for more information at es@dowgate.co.uk

Lucy Anderson

Deputy Head of Equity Solutions

CHANNEL ISLANDS TRIP

The Equity Solutions teams spent some time in Jersey and Guernsey at the beginning of January, meeting with a number of our partners and clients to see how we can work better together and even saw the first snow Jersey has had in 10 years.



MARKET NEWS : 2024 OUTLOOK

The main equity market story of 2023 was the continued power of US Big Tech with its Magnificent Seven AI wonder stocks, more than doubling to account for nearly 30% of the US market. (The UK has similarly high concentration levels around its top 20 largest companies). We last saw market concentration like this during the dot-com boom. If yield curves revert to normal as policy rates reduce, it is rational to expect equity returns to disperse and concentration to reduce. This was the case in the early 2000s, leading to a multiyear period of outperformance for smaller companies and the value style.

We experienced a dry run of what we might expect in 2024. After the Fed indicated its pivot on rates, liquidity-starved smaller companies reawakened, and the value-laden FTSE Smaller Companies rose by 13% from its October low. Even the AIM market returned to life for a year-end surge, reflecting the long-run smaller companies effect also seen in the sharp outperformance of the Russell 2000 versus the US large-cap indices.

The prospect for 2024 is increased global allocations to the UK, a reversal of outflows into fixed-income as rates moderate, and a recovery in IPO activity. With historically low valuations, the UK should provide a great hunting ground for investment opportunities, which we now find again in abundance.

DOWGATE CHRISTMAS PARTY

We were delighted to see so many of our colleagues able to attend our Christmas Party of 2023. It was a great way to finish the year with some fun festivities and our 'Dowgate Awards'. Here were our winners:

Bright beginning: Bridey Clifton

Human wikipedia: Jeremy Harris St-John

Team player: Jackson Wray

The office parent: Alice Poutney

Busy bee: Lorna Tilbian

