

DOWGATE DIGEST

MAY 2024

CHAIRMAN'S NOTE

It is pleasing to start by reporting on a trio of unequivocally good statistics: the FTSE 100 index recently hit an all time high of 8455, UK GDP growth of 0.6% in Q1 dragging us out of recession and inflation heading rapidly towards the Bank of England's 2% target which in turn could pave the way for two rate cuts by the end of the year. Whilst investors can take comfort in these statistics, there appears to be little in the way of a feelgood factor in the population at large to turn the opinion polls away from Labour. It is too soon to call the next bull market given the continuing geopolitical troubles, but it does appear the worst is over.

CORPORATE BROKING & ADVISORY

Recent Client Wins:



Velocity Composites plc, a composite manufacturing company that helps customers drive efficiency and reduce waste, specialising in aerospace.



RwHealth, a digital health and life sciences company bringing true value to patients and their health teams.

Latest fund raises:

Despite a difficult market, we have completed a number of transactions including; Synapse, Saxavord, Onward Opportunities, RwHealth and Ondo.

LTG LEAVING DRINKS

In March, we said farewell to LTG after sharing an office since November 2018. We wish them all the best in their new home, which is incidentally only round the corner from us!



NEW JOINER ANNOUCEMENTS



Damian Testi
Investment Manager



Alan Holton
Investment Manager



Simon Inness
Investment Manager



Simon Hughes
Marketing Consultant



Natalie Berg
HR



Amber Philipps
Corporate Broking & Advisory

We have continued to expand our Dowgate Capital, Asset Management team with the addition of **Damian Testi** and **Alan Holton** who have both joined us from Walker Crips. Combined, they come with over 40 years experience and between them have previously worked at Brewin Dolphin, NCL and Arjent.

Simon Inness is a welcome addition to Dowgate Wealth who joins us from Brewin Dolphin where he started his career in 2001.

We are very excited to have **Simon Hughes** onboard to head up our new Marketing department. Simon has previously worked at Sky, BT and Shard Capital and brings with him a wealth of experience in marketing and strategy.

Natalie Berg has already proved to be a valuable addition to our HR department who has over 20 years experience having previously worked at HSBC and Nomura.

Amber Philipps has joined Corporate Broking as Senior Associate and thrilled to have her on the team. Amber started her career at Optiva before joining the Corporate Broking team at Deutsche Numis in 2022.

DOWGATE IN THE NEWS

[SaxaVord Spaceport secures government investment](#)

[UK Culture Secretary Appoints Expert Panel](#)

[Synapse Secures New Funding](#)

[Jackson Wray talks to City AM](#)

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ONWARD OPPORTUNITIES IS ONE!

Our Onward Opportunities fund (ONWD LN) reached its first birthday last month, celebrating a strong first year of investment performance with an increase in NAV of +14.0% since launch, outperforming the AIM All-Share market by 19.9%!

Other news items to highlight include:

- Release of our first full set of accounts. Includes commentary on the positions we have built and drivers of the investment performance
- Release of our Q1 2024 factsheet, showing another positive quarter (+2.3%) and information about our new core holdings
- Opened the London Stock Exchange as the first investment company to float on the London market since 2021
- Concluded our third fundraise, which has grown the fund to c.£20m in 12-months

What next? Well, markets remain fickle but we are demonstrating to shareholders that we have a compelling strategy and generate profits for investors. Thanks to everyone who has supported us on our journey so far.



Laurence Hulse
Fund Manager, Onward Opportunities Fund

ASIA FUNDS UPDATE

Share buy backs and increasing dividend payouts have become important drivers of share prices, not just in Japan but across the region. Since bottoming in January China has been the standout in the region with the Hang Seng gaining 7.4% last month as many of the internet companies increased dividend pay-outs and/or share buy backs.

Alpha generation has come from some of our smaller, less well-known investments, notably Indian industrial gas producer Linde, a beneficiary of India's industrialisation and Australian listed Pro Medicus, a global leader in medical imaging software.

Jane Andrews
Fund Manager, Asia Fund

MARKET NEWS : Q2 OUTLOOK

The first quarter was characterised by factors that conspired to make US inflation sticky, tightening financial conditions as investors began to expect fewer and smaller interest rate reductions for the year ahead.

More recently, there have been some weakening signals from the US economy and emerging signs of stress in the global financial system. The Fed eased policy at its latest meeting by reducing the rate of quantitative tightening. Liquidity conditions across most risk assets have improved.

Despite concerns about the functionality of our capital markets, the UK economy has been a beacon of stability, outperforming low expectations. This has made our markets increasingly attractive for global capital. Sterling's stability now allows policymakers to consider lowering rates without the risk of a currency run.

As fund inflows start to return, the price action in the lower echelons of the UK market has been sudden and dramatic. UK-listed companies are retiring their lowly valued equity through record share buybacks and agreeing to offers at attractive valuation premia.

There is already a pipeline of new issue candidates looking at these trends. This suggests that the process of raising new capital for companies - the lifeblood of capital markets - should gain momentum during the remainder of this year.

DOWGATE AT THE SHOWDOWN

On Saturday 23rd March, Dowgate had the pleasure of hosting clients at The Showdown: Saracens vs Harlequins at Tottenham Hotspur Stadium. The day was all the more special given the presence of our Head of Business Development, **Jackson Wray**, who made over 300 appearances for Saracens RFC before retiring at the end of last season.

The venue was spectacular and the game did not disappoint. Saracens ran in eight tries for a club record 52-7 victory against Quins, meaning they climbed up to second in the Gallagher Premiership – a position they still hold at time of distribution.

