

VT Downing Global Investors Fund



January 2021 Commentary

The price of the F share class accumulation shares in the VT Downing Global Investors Fund went from 152.3548 pence to 155.8019 pence during the month.

Markets flipped to reflection mode at the end of January. Possibly the trigger was the fabulous short squeeze in [GameStop](#), which was the cheerleader for a rally in several shorted names. Exciting in its own right, that phenomenon is also a reminder that money supply is ample and looking for employment. That may manifest itself first in surprising areas but, in our view, it will be coming to the real economy as sure as a rising river waters the delta.

So, we may be reaching the point at which markets see that so much capital is flowing into the disruptor sectors that accumulating competition is going to cause some lunch stealing. Market capitalisations at even 30x sales are fairly easy to find, prompting comparisons with year 2000 'dotcom' levels, [when disruption was also the key](#). However, to the extent that 2000 is a useful reference point, then we would suggest that the direction of travel was correct. That is probably so again, and with much bigger numbers at work in a converging global economy.

Another near certainty though, is that outsize margins or growth [will attract competition](#) the way pigeons flock to a grain field. Meanwhile, the disrupted markets get reinvigorated with new efficiencies and leaps in productivity, and that is where margin progression should take place next.

Over the month we started in that direction. We have reduced exposure to some of the tech platform businesses and moved that capital to the recurring demand businesses that benefit from rising volumes, and the supply chains that support them.

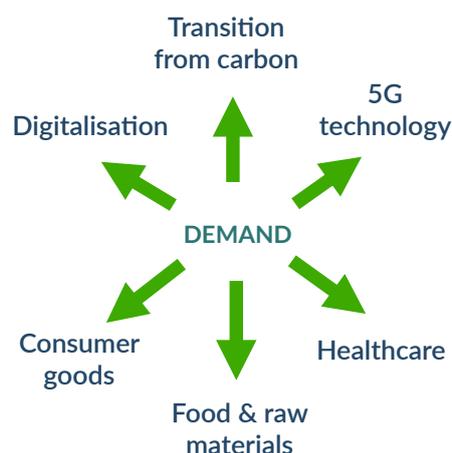
Opinions expressed represent the views of the fund manager at the time of publication, are subject to change, and should not be interpreted as investment advice.

About the fund

The VT Downing Global Investors Fund is a thematically invested fund focused on the needs and wants of the growing middle-class population.

We believe this population is a homogeneous borderless group, showing a single set of demands and aspirations. Currently numbering around [3.3 billion](#), we believe the global middle-class will be closer to 5.3 billion at the end of this decade.

That is a needle-moving demographic to be engaged with that will drive our six key themes:



Fund Manager
Anthony Eaton

Anthony joined Greig Middleton in 1991 and was appointed a director in 1996. He moved to JM Finn & Co in 2001 and became lead manager on the CF JM Finn Global Opportunities Fund in 2005 where he returned a 10.4%* compound annual growth rate through to August 2019 when it was sold to Thornbridge.

He has consistently applied an evolutionary strategy over the past 15 years as the global middle-class phenomenon has gained momentum. His investment process focuses on producing compounding returns, with a view to generating growth over the long-term.

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

* *MI Thornbridge Global Opportunities Fund August 2019 factsheet.*



Awarded on 18 December 2020

Investment strategy

We use pattern hunting strategies to identify areas of economic activity attracting capital. We buy equity stakes in businesses that supply the needs and wants of the expanding global middle class population. We seek to invest in the leading companies within any business grouping we identify.

Liquidity

Our top-down conviction primarily leads to larger capitalisation businesses and aims to avoid undue exposure to any single factor. We balance defensive and cyclical stocks and sectors depending on where we are in the business cycle.

Investment objective

The fund aims to achieve capital growth and income over the long term (5+ years) across global markets.

It will invest at least 70% in equities globally with up to 20% invested in higher risk emerging markets.

The fund will invest in any geographic, industry or economic sector on merit and weightings in these will vary with circumstances.

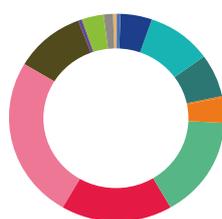
Portfolio summary

As at 31 January 2021

Top 5 holdings

	% of fund
Plug Power Inc	1.27
Switchback Energy Acquisition Corp	1.22
Ivanhoe Mines Ltd	1.01
Albemarle Corp	1.01
Daqo New Energy Corp	1.00

Portfolio by sector



0.72% Cash	16.58% Industrials
4.77% Communication services	25.46% Information technology
9.76% Consumer discretionary	10.50% Materials
6.47% Consumer staples	0.48% Property
0.48% Energy	3.41% Real estate
3.90% Financials	1.36% Utilities
15.68% Healthcare	0.43% US equities

Source: Valu-Trac Investment Management Limited.

Key facts As at 31 January 2021

Structure

London listed Open Ended Investment Company (OEIC), established as a "UCITS scheme".

Launch date

24 March 2020 at 100.0000p per unit

Fund size

£35.58m (A & F share classes combined)

Share price

Class A 100.0000p (Acc and Inc)

Class F 155.8019p (Acc)

Class F 137.6984p (Inc)

Number of company holdings

199

Dividends

TBC

Liquidity

Daily pricing and daily dealing

Sector: IA Global

Minimum initial investment

Class A: £1,000 lump sum

Class F: £1,000,000 lump sum

ISIN & Sedol Codes:

Class A Accumulation: GB00BHNC2499 / BHNC249

Class A Income: GB00BHNC2507 / BHNC250

Class F Accumulation: GB00BHNC1N11 / BHNC1N1

Class F Income: GB00BMQ57900 / BMQ5790

ISA Eligible: Yes

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Valu-Trac Investment

Management Ltd

Orton, Moray

IV32 7QE

Tel: +44 (0) 1343 880 217

www.valu-trac.com

Fund charges

Initial charge: 0%

Annual management charge:

Class A: 0.75% per annum

Class F: 0.60% per annum

Ongoing charges*

Class A: 1.00%

Class F: 0.90%

How to apply:

Telephone +44 (0)1343 880 217 or
visit: www.valu-trac.com/administration-services/clients/downing/

Also on the following platforms:

Aegon

AJ Bell

Canada Life International

Hargreaves Lansdown

Hubwise

Interactive Investor

James Brearley

Old Mutual

Transact

Zurich

We are currently working with other
platforms so please let us know if
yours is not listed above.

www.downingglobalinvestors.com

* **Please note:** As the fund only launched on 24 March 2020, the ongoing charges figure shown here is an estimate of the charges and may vary from year to year. It excludes portfolio transaction costs.

The Investment Manager of the fund has undertaken to absorb any costs that would otherwise cause the fund to have ongoing charges in excess of 1%.

Risk warning: Your capital is at risk. Investments into this fund should be held for the long term (+5 years). The value of your investment and income derived from it can fall as well as rise and investors may not get back the full amount invested. Values may be affected by fluctuations in currency exchange rates and may cause the value of your investment to go up and down. In addition, investments in emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and your money is at greater risk. Past performance is not a guide to future returns. Please refer to the latest Full Prospectus and KIID before investing; your attention is drawn to the risk, fees and taxation factors contained therein.

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