

# VT Downing Global Investors Fund



## May 2021 Commentary

The price of the F share class accumulation units in the VT Downing Global Investors Fund went from 157.6416 pence to 155.1090 pence during the month.

We believe that the last quarter has been particularly significant in that market attention has sharply pivoted away from the Covid-19 year long 'only games in town' technology and decarbonisation asset classes that could be described as 'future profits' groups, to 'here and now' businesses. These include commodities in general, and recurring demand type businesses in particular. In other words, tech and decarbonisation remain fully attractive but suddenly there is other, competing stuff, going on too. Some of our exposure to tech and decarbonisation have dropped by around a third over the quarter (having risen by a lot more than that during Covid) and we have moved a good portion of capital to other areas as sentiment evolves.

We think that the underlying message is very exciting. Very dynamic. Virtually all input prices are on the move and we are conscious that at the vast majority of meetings with the management of businesses making things, any "things", the drumbeat is that costs are rising. Food, energy, materials, wood, paint, microchips, transport, storage and so on. That is great in that it signals improving activity levels. That in turn leads to widening margins, which should stimulate a capex response (the ability to increase supply). That will happen provided business has confidence in future demand. In our view, that piece of the jigsaw is also in place; the 30-year US treasury rate stands at around 2.3%. So it seems there is both a vigorous economic cycle building, and one that is well supplied by money, even relative to ramping demand. That implies we are at the early stages of the economic cycle and both capex (which itself enables and creates added demand) and digitalisation (enhances productivity) will extend it.

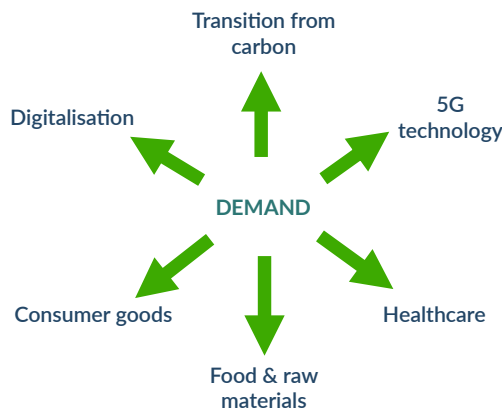
So over the month we have markedly increased exposure to capital goods businesses worldwide.

*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:



Distribution information*						
Period end	Ex Dividend	Payment date	A Acc (GBp)	A Inc (GBp)	F Acc (GBp)	F Inc (GBp)
Dec-20	31/12/2020	26/02/2021	0.0000	0.0000	0.5239	0.4315

Cumulative performance (%)							
	1m	3m	6m	YTD	1y	Since Launch**	
VT Downing Global Investors	-1.61	1.43	7.67	1.81	36.29	55.11	
IA Global TR Index	-1.07	6.09	9.04	6.41	24.59	50.83	
Quartile Ranking	3	4	3	4	1	2	

Discrete performance (%)	
	31/05/2020 - 31/05/2021
VT Downing Global Investors Fund	36.29
IA Global TR Index	24.59
Quartile Ranking	1

\*Distributions are subject to change and should not be utilised as a basis for an investment decision.

\*\*24 March 2020



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 1 June 2021



Anthony's fund is 3 Diamond rated, defaqto 2021

### 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.

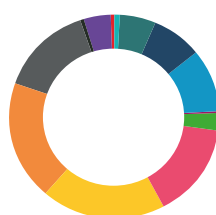
# Portfolio summary

As at 31 May 2021

## Top 5 holdings

	% of fund
Ivanhoe Mines Ltd	1.39
Anglo American plc	1.13
SITC International Holdings Co Ltd	1.11
Bolloré SE	1.03
Alphamin Resources Corp	0.97

## Portfolio by sector



0.94%	Cash	19.01%	Industrials
5.46%	Communication services	19.04%	Information technology
7.91%	Consumer discretionary	14.28%	Materials
9.90%	Consumer staples	0.48%	Property
0.44%	Energy	4.24%	Real estate
2.64%	Financials	0.46%	Utilities
15.20%	Healthcare		

Source: Valu-Trac Investment Management Limited.

## Key facts As at 31 May 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

£39.13m (A & F share classes combined)

### Share price

Class A 104.9674p (Acc)

Class A 100.0000p (Inc)

Class F 155.1090p (Acc)

Class F 137.0870p (Inc)

### Number of company holdings

215

### 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

### Contact details

Downing LLP, St Magnus House,

3 Lower Thames Street,

London EC3R 6HD

Tel: + 44 (0) 20 7416 7780

Email: customer@downing.co.uk

### Authorised Corporate Director

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: 0.92%

Class F: 0.77%

### How to apply:

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

Also on the following platforms:

Aegon

AJ Bell

Aviva

Canada Life International

FNZ

Hargreaves Lansdown

Hubwise

Interactive Investor

James Brearley

Old Mutual

Raymond James

Transact

Zurich

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

[www.downingglobalinvestors.com](http://www.downingglobalinvestors.com)

\* **Please note:** The ongoing charges figure is based on expenses and the net asset value as at 16 April 2021. This figure 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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