

VT Downing Global Investors Fund



October 2021 Commentary

The price of the F share class accumulation units in the VT Downing Global Investors Fund went from 167.3875 pence to 172.2183 pence during the month.

Markets are vibrant in so many ways at the moment, and one area that stands out is the vigorous state of the new issues market globally. Normally we avoid new issues because, so often in the past, they have proved to be more of an exit route for the promoters or founders; in other words, a market signal of toppiness in themselves. In our experience, a characteristic of the current cycle is the number of new listings of businesses operating in, effectively, wholly new areas of enterprise. These companies are using capital markets much more to fund and scale up their development than to provide an exit for early backers. That is a dynamic scenario and in the last couple of months alone we have invested in newly listed operators of digital online healthcare, cyber security, non-carbon energy storage, medical lasers and, shortly, an online home-grown health and beauty platform success story in India. The common link is an ambition to be leaders in emerging and compounding areas of business that simply did not exist a few years ago.

If correctly interpreted, this shows that a cycle of capital investment is underway, implying improving business confidence. That, in turn, will raise both capacity (the size of the productive economy) and productivity (the value of output per input). In our view, higher prices for many inputs in the short-term will bolster this renewed confidence, provided central banks and politicians can avoid the urge to raise short-term interest rates too much. Modest long-term money rates imply both that markets do not fear this, and that there is plenty of money supply (ammunition for the capex cycle).

In that connection perhaps the most exciting thing we have witnessed recently, is the COP26 commitment to net zero by 2070 by the Indian Prime Minister. This triggers an epic investable journey with consequences almost immediately. Aarti Khosla, Director, Climate Trends, said, "By announcing a commitment for achieving net zero targets by 2070, India has responded positively, and it was the best climate action in Glasgow today. The commitment of 500GW of renewable energy by 2030 which is more than twice the installed capacity of coal currently (accounting for around 70% of generated power), should set the stage for a quick transformation of the energy sector, the kind of which hasn't been witnessed so far." That is a statement worth reading twice.

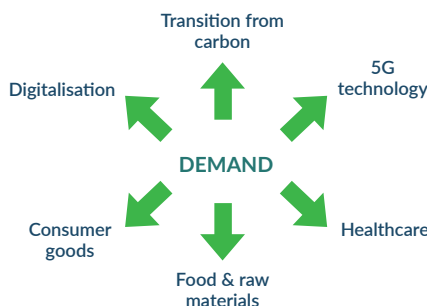
Opinions expressed represent the views of the fund manager at the time of publication, are subject to change, and should not be interpreted as investment advice.

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)
Jun-20	30/06/2020	28/08/2020	0.0000	0.0000	0.3645	0.1479
Dec-20	31/12/2020	26/02/2021	0.0000	0.0000	0.5239	0.4315
Jun-21	30/06/2021	31/08/2021	0.0000	0.0000	0.8949	0.7910

	Cumulative performance (%)					
	1m	3m	6m	YTD	1y	Since Launch**
VT Downing Global Investors F Acc	2.89	3.68	9.25	13.04	31.77	72.22
IA Global TR Index	2.40	3.78	7.03	15.12	28.64	63.18
Quartile Ranking	2	2	2	3	2	1

Discrete performance (%)	
	31/10/2020 - 31/10/2021
VT Downing Global Investors F Acc	31.77
IA Global TR Index	28.64
Quartile Ranking	2

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

** 24 March 2020

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



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.

* MI Thornbridge Global Opportunities Fund August 2019 factsheet.



Awarded on 02 September 2021



Anthony's fund is 3 Diamond rated, defaqto 2021



As at 30 August 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.

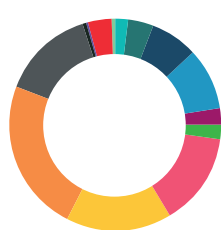
Portfolio summary

As at 31 October 2021

Top 5 holdings

	% of fund
Ivanhoe Mines Ltd	1.28
Alphamin Resources Corp	1.08
Bollore SE	1.04
Wilmar International Ltd	0.99
Olam International Ltd	0.97

Portfolio by sector



1.99%	Cash	23.25%	Information technology
3.85%	Communications	14.10%	Materials
7.36%	Consumer discretionary	0.52%	Property
9.30%	Consumer staples	0.40%	Preference shares
2.61%	Energy	3.47%	Real estate
2.22%	Financials	0.03%	UK equities
14.30%	Healthcare	0.46%	Utilities
16.14%	Industrials		

Source: Valu-Trac Investment Management Limited.

Key facts As at 31 October 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

£44.56m (A & F share classes combined)

Share price

Class A 116.4696p (Acc)

Class A 100.0000p (Inc)

Class F 172.2183p (Acc)

Class F 151.3592p (Inc)

Number of company holdings

203

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

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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/

Also on the following platforms:

7IM

Aegon

AJ Bell

Aviva

Canada Life International

FNZ

Hargreaves Lansdown

Hubwise

Interactive Investor

James Brearley

Nexus Funds Service

Old Mutual

Raymond James

Transact

Zurich

* 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%.

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

www.downinglobalinvestors.com

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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