

VT Downing Global Investors Fund



April 2021 Commentary

The price of the F share class accumulation units in the VT Downing Global investors Fund went from 150.6907 pence to 157.6416 pence during the month.

Our view, and one that our portfolio is intended to reflect, is that the global economy is being reset to the very early stages of a new, possibly vigorous and probably broad upturn in the economic cycle. Because of the extent of Covid 'stop' and the massive and coordinated response from governments and central banks, Planet Earth has an air of 'the Sims' computer game to it. Inputs to enable human endeavour have been provided in largesse for players. Money supply is huge, and as a consequence, the price of it is affordable, similarly for labour and, until the beginning of this year, materials. Demand has begun to manifest itself first through demand for materials, and they are all now rising; foods, energy, wood, metals, microchips, the lot. We should be about to get a lesson in pricing power as those businesses turning commodities into value added consumer goods are feeling a bit of a squeeze at present. Input prices up, output prices not yet up. In theory, and we have invested for in practice as well, the largest most trusted brands should be able to get their prices up, whereas more commoditised or less differentiated names may suffer. Going for premium should be rewarded if that is the case.

What feels relevant is that the prices of many of these commodities have regained or exceeded levels last seen in 2008. Back then the global economy had been expanding for a number of years, input prices were rising and the whole shebang was tipped over by the Global Financial Crisis - it was the blow-out at the end of an economic cycle. Now the global economy is larger than it was then but we believe is right at the start of an economic cycle. Unemployment levels are much lower than might have been expected thanks to inspired furlough schemes, and areas of activity have remained buoyant during lock down, meaning consumption may pick up much faster than in previous cycle restarts.

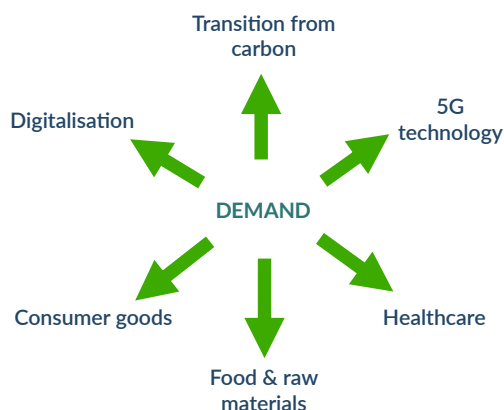
Ironically, or perhaps with hindsight, the areas that have caused us the greatest challenge over the past few months have been those that carried us all through 2020 - alternative energy and technology. We believe that the fact that these slightly 'jam tomorrow' areas are now judged, to some extent, as fully priced, is also indicative of anticipated upswing in the broader economy.

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:



Cumulative performance (%)						
	1m	3m	6m	YTD	1y	Since Launch*
VT Downing Global Investors	4.61	1.18	20.62	3.47	50.94	57.64
IA Global TR Index	4.22	7.72	20.20	7.56	33.52	52.47
Quartile Ranking	2	4	2	4	1	2

*24 March 2020

Discrete performance (%)	
	30/04/2020-30/04/2021
VT Downing Global Investors	50.94
IA Global TR Index	33.52
Quartile Ranking	1



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 March 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 30 April 2021

Top 5 holdings

	% of fund
Ivanhoe Mines Ltd	1.34
SITC International Holdings Co Ltd	1.24
Anglo American plc	1.11
Bolloré SE	1.04
Itochu Corp	0.99

Portfolio by sector



Source: Valu-Trac Investment Management Limited.

Key facts As at 30 April 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

£38.57m (A & F share classes combined)

Share price

Class A 106.6920p (Acc)

Class A 100.0000p (Inc)

Class F 157.6416p (Acc)

Class F 139.3255p (Inc)

Number of company holdings

212

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

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:

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

* **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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