



VT Downing Global Investors Fund

Launched
March
2020

Fund manager
Anthony Eaton

Over the course of this decade, it is estimated that the global middle-class population will increase from 3.3 billion to around 5.3 billion by 2030. This would be a historic expansion, equivalent to around 200 million people annually and a potential 80% increase to the aggregate spend of this group.

To take advantage of this macro trend, in March 2020 Downing Fund Managers launched the VT Downing Global Investors Fund managed by Anthony Eaton. The fund invests in companies, no matter where they are located, that supply the wants and needs of this growing consumer class.

This profile looks at what investors can expect from this fund and the types of companies it will hold.

Source: Brookings, 28 February 2017

A Darwinian approach

Following a consistent but evolving, long-term theme, Anthony describes his investment approach as Darwinian, i.e. 'grow or go'.

"The whole purpose of the fund is to view the global middle-class population as a single entity rather than a series of geographically distinct groups," he says. "We buy businesses, anywhere, which supply goods and services for this homogenous market place."

Anthony believes that trends drive events and change is brought about by pricing discovery. He says, "We believe markets collectively are good at signalling developing trends through pricing patterns. We identify candidates for investment through our initial screening process and conduct bottom-up analysis at a stock specific level to determine who gets selected."

Harvesting growth

To keep individual stock-specific risk low, the fund typically invests in around 200* positions, a number the manager says he is very comfortable with.

"Our thematic approach lies in identifying broad themes and the companies operating across those themes. We anticipate significant opportunity for capital and see no need to concentrate stock specific risk in that scenario.

"Cosmetics is a good example of a sector leveraged to the new discretionary spending dollar," he says. "We would generally seek out businesses at the top end of the market because higher pricing and better quality often imply wider margins. The same approach would apply to food, healthcare, technology and energy supply. Our focus is on established winners, strong margins, geographically diversified earnings, increasing demand

** The fund is not restricted by this number*

A proven approach

Anthony was lead manager of the Thornbridge Global Opportunities Fund from 2005 to August 2019 and has been applying his investment philosophy and principles for over 15 years.

“By the end of the decade around two-thirds of the global middle class will be Asian*,” he says. “Our investment strategy implicitly recognises this and we actively look for businesses moved by that compounding dynamic.”

** Source: Global Economy & Development, Brookings, February 2017.*

For more information about the VT Downing Global Investors Fund

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“Global equities provide unlimited opportunities to identify investment prospects at attractive valuations with the potential to grow investors’ capital over the long-term”



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