



# VT Downing Global Investors Fund

Fund launched  
**March  
2020**

Anthony Eaton  
Fund Manager

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. A historic expansion equivalent to around 200 million people annually and a potential 80% increase to the global middle-class populations aggregate spend.

To take advantage of this trend, in March this year Downing Fund Managers launched the VT Downing Global Investors Fund. Managed by Anthony Eaton, the fund invests in companies, no matter their geography, that supply the wants and needs of this growing consumer class population.

We spoke to Anthony to find out what investors should expect from this fund and the types of companies it invests in.

*Source: Brookings, 28 February 2017*



## A Darwinian approach

Following a consistent but evolving, long-term theme, Anthony describes his investment approach as one of adopting a Darwinian view; namely '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 the needs and wants of this compounding, homogenous market place."

Diversified portfolio which aims to have c.150\* holdings

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 screening and conduct bottom-up analysis at a stock specific level to select those candidates."

## Harvesting growth

To keep individual stock-specific risk low, the fund invests in around 150\* positions, a number the manager says he is very comfortable with.

"Our thematic approach lies in identifying broad themes and the companies 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 newly discretionary spending dollar" he says. "We would generally seek out those businesses at the top end of the market. Higher pricing and 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, demand and governance."

*\* This is not a requirement or restriction of the fund.*





## A proven approach

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

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

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


## Key Themes:

- Global thematic fund
- Dramatic increase in global middle class spending
- Focus on established winners and strong margins’

# Downing



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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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