

VT Downing Global Investors Fund



April 2023 Commentary

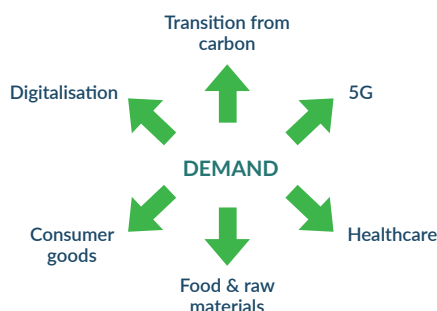
Another very volatile month has concluded, with massive swings under placid headline indices. Modest progress resulted as the balance was more positive than negative. However, there were sharp moves in both directions, and in our experience, market disappointment with anything triggered greater reaction than pleasant surprises. We endured falls of around 20% in at least three of our holdings: Crocs, the footwear business, MSCI, the indices business, and Enphase, one of the leading manufacturers of solar power inverters. All have been cut. Two of these hits came out of a blue sky to fully invested positions. One, Enphase, concluded a weak period and was therefore an already reduced holding. All were salutary reminders, in our view, of the necessity for diversification. These falls were big enough to do real damage in a concentrated portfolio, but are digestible within a thematic fund such as this.

The 30 and 10 year US treasury yields remained almost flat over the month, which makes them flat over three months now, and down over six. Yet at the same time, at least in our sphere of interest, the proportion of businesses reporting results that exceeded expectations ran ahead of those that disappointed. Those two phenomena would appear to be contradictory. So, we believe, either markets have got too depressed, or greater capacity is appearing in the global economy which both enables it to expand and reduces inflationary pressure. Either scenario is constructive. Both occurring together is reason to engage. After a prolonged drought, markets look interesting.

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	0.5432	0.0000	0.8949	0.7910
Dec-21	31/12/2021	28/02/2022	0.4518	0.0000	0.6681	0.5872
Jun-22	30/06/2022	31/08/2022	1.6622	0.0000	2.4595	2.1533
Dec-22	31/12/2022	28/02/2023	1.2642	0.0000	1.8728	1.6119

Cumulative performance (%)						
	1m	3m	6m	YTD	1y	Since Launch**
VT Downing Global Investors F Acc	0.27	-0.15	-1.81	-1.30	-8.36	45.63
IA Global TR Index	-0.19	-0.57	4.03	3.85	0.42	54.06
Quartile Ranking	3	3	4	4	4	4

Discrete performance (%)			
	30/04/2022 - 30/04/2023	30/04/2021 - 30/04/2022	
VT Downing Global Investors F Acc	-8.36	0.81	
IA Global TR Index	0.42	0.62	
Quartile Ranking	4	2	

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

* 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.

* MI Thornbridge Global Opportunities Fund August 2019 factsheet.



Awarded date 1 October 2022



Awarded on 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 30 April 2023

Top 10 holdings

	% of fund
Marubeni Corp	1.64
SMA Solar Technology AG	1.39
Quanta Services Inc	1.38
Sony Corp	1.24
Varun Beverages Ltd	1.22
Microsoft Corp	1.15
Koninklijke Vopak NV	1.15
Novo Nordisk A/S	1.14
Unilever Plc	1.13
First Solar Inc	1.13

Portfolio by sector



Source: Valu-Trac Investment Management Limited.

Key facts As at 30 April 2023

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

£36.47m (A & F share classes combined)

Share price

Class A 98.2694p (Acc)

Class A 100.0000p (Inc)

Class F 145.6336p (Acc)

Class F 123.7242p (Inc)

Number of company holdings

178

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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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: 0.93%

Class F: 0.78%

How to apply:

Telephone +44 (0)1343 880 217 or

visit: www.valu-trac.com/administration-services/clients/downing/global

Also on the following platforms:

7IM	Hubwise
Aegon Institutional	Interactive Investor
Aegon Platform	J Brearley
AJ Bell (Investcentre)	Pershing
AJ Bell (Youinvest)	Praemium
Aviva	Quilter
Canada Life	Standard Life - Elevate
Embark Platform	Transact
Hargreaves Lansdown	

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 30 December 2022. 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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