

# VT Downing Global Investors Fund



## October 2023 Commentary

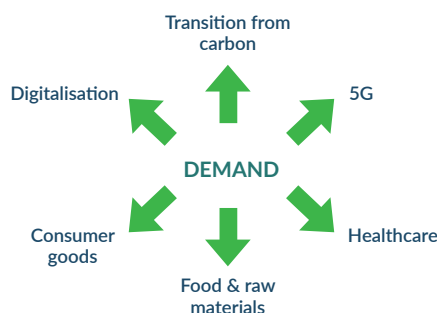
October was the worst month for equities so far during the current interest rate upcycle. Markets continued to derate into an interest rate fog of pea soup proportions. At the same time, statistics across Western economies, and indeed most of the free market economies, also represented something of a fog to the extent that they are recurrently better than expected. Good employment and pay data, and reports of pay settlements above inflation ironically scare markets, although they are great for end demand levels. These two conditions are bound together. Interest rates are the cost of money and they can only rise if demand for money remains healthy. Almost by definition, the moment comes when markets turn from de-rating into higher rates, to re-rating into the economic conditions driving demand for money. There may come a point further down the line where the cost of money reduces economic activity and demand for money and that forces rates back down. We have noticed what appears to be a bottoming pattern for bond proxy sectors – Real Estate Investment Trusts (REITs) in particular, during October. This would suggest that markets are processing the chances of interest rates reaching a level at which they may plateau unless or until economic activity turns down.

During the month, and similarly to the preceding few months, we have accumulated REITs and other infrastructure and income-producing assets together with old-school recurring demand consumer brands. They sit alongside our total tech exposure which has remained fairly constant in totality but is spread across broader moving parts.

*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:



**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.

\* M1 Thornbridge Global Opportunities Fund August 2019 factsheet.



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 and these will vary with circumstances.

## 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      |
| Jun-23     | 30/06/2023  | 31/08/2023   | 1.1925      | 0.0000      | 1.7671      | 1.5013      |

## Cumulative performance (%)

|                                   | 1m    | 3m    | 6m    | YTD   | 1y    | Since Launch** |
|-----------------------------------|-------|-------|-------|-------|-------|----------------|
| VT Downing Global Investors F Acc | -4.17 | -7.40 | -6.16 | -7.38 | -7.86 | 36.66          |
| IA Global TR Index                | -3.54 | -6.29 | -2.04 | 1.73  | 1.91  | 50.92          |
| Quartile Ranking                  | 3     | 3     | 4     | 4     | 4     | 4              |

## Discrete performance (%)

|                                   | 31/10/2022 - 31/10/2023 | 31/10/2021 - 31/10/2022 | 31/10/2020 - 31/10/2021 |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| VT Downing Global Investors F Acc | -7.86                   | -13.88                  | 31.77                   |
| IA Global TR Index                | 1.91                    | -9.25                   | 28.64                   |
| Quartile Ranking                  | 4                       | 3                       | 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

# Portfolio summary

As at 31 October 2023

## Top 10 holdings

|                                  | % of fund |
|----------------------------------|-----------|
| Novo Nordisk A/S                 | 1.92      |
| TotalEnergies SE                 | 1.55      |
| Cameco Corp (CAD)                | 1.50      |
| Microsoft Corp                   | 1.45      |
| Eli Lilly and Co                 | 1.43      |
| Avance Gas Holding Ltd           | 1.35      |
| Centrica Plc                     | 1.22      |
| Toyota Tsusho Corp               | 1.18      |
| Etablissements Maurel et Prom SA | 1.16      |
| Marubeni Corp                    | 1.14      |

Source: Valu-Trac Investment Management Limited.

## Portfolio by sector



## Key facts As at 31 October 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

£29.07m (A & F share classes combined)

### Share price

Class A 92.1456p (Acc)

Class A 100.0000p (Inc)

Class F 136.6619p (Acc)

Class F 114.7055p (Inc)

### Number of company holdings

129

### 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

Downing LLP, St Magnus House,

3 Lower Thames Street,

London EC3R 6HD

Tel: + 44 (0) 20 7416 7780

Email: [customer@downing.co.uk](mailto:customer@downing.co.uk)

### Authorised Corporate Director

Valu-Trac Investment

Management Ltd

Orton, Moray

IV32 7QE

Tel: +44 (0) 1343 880 217

[www.valu-trac.com](http://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](http://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](http://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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