

# VT Downing Global Investors Fund



## December 2023 Commentary

Good riddance to 2023. It was a ghastly year for top-down thematic investors. We apologise to our investors for a disappointing return over much of the year, saved only by a useful recovery in November and December.

The significant rise in interest rates during the year caused a substantial relative rerating of many sectors, triggering messy patterns and creating few enduring investment themes to engage with. Many sectors of activity and many regions of the world had brief periods in which they were wanted by investors before attention switched elsewhere. The good simply neutralised the bad and each became the other.

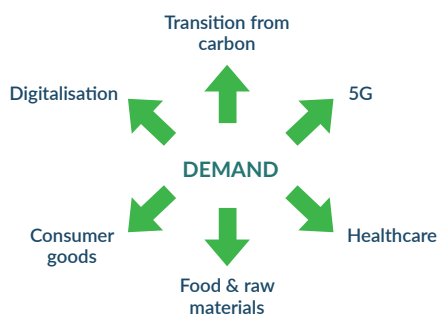
To the extent that interest rates may now have normalised, conditions for thematic investment should improve markedly this year. There is plenty to be excited about after all. There was throughout 2023 as well, but it got buried under interest rate moves. We have meaningful exposures to energy transition and electrification, to the healthcare industry (one of the worst performers in 2023), across the technology sector, and consumer brands (another lemon last year). More recently, on the view that the interest rate cycle may be stabilising, we have increased exposure to infrastructure (air and sea ports), property (mostly goods and data warehouses), and related logistics. Geographically the fund is invested by listing, approximately 20% India, 35% USA, 35% Europe, and 10% Japan and other regions.

Here is to a better 2024, and thank you for your investment.

*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
Jun-23	30/06/2023	31/08/2023	1.1925	0.0000	1.7671	1.5013
Dec-23**	31/12/2023	29/02/2024	0.6148	0.0000	0.9093	0.7647

Cumulative performance (%)						
	1m	3m	6m	YTD	1y	Since Launch***
VT Downing Global Investors F Acc	3.78	3.58	0.59	0.10	0.10	47.70
IA Global TR Index	5.17	6.84	5.80	12.68	12.68	67.17
Quartile Ranking	4	4	4	4	4	4

Discrete performance (%)			
	31/12/2022 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2020 - 31/12/2021
VT Downing Global Investors F Acc	0.10	-15.78	14.99
IA Global TR Index	12.68	-11.06	17.68
Quartile Ranking	4	3	3

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.

\*\* Estimated

\*\*\* 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 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.

# Portfolio summary

As at 31 December 2023

## Top 10 holdings

	% of fund
Novo Nordisk A/S	1.66
Cameco Corp (CAD)	1.53
Microsoft Corp	1.44
Ivanhoe Mines Ltd	1.19
L'Oreal SA	1.17
Varun Beverages Ltd	1.09
Sherwin-Williams Co	1.04
Vivendi SE	1.02
Jyothy Labs Ltd	1.02
Quanta Services Inc	1.02

## Portfolio by sector



Source: Valu-Trac Investment Management Limited.

## Key facts As at 31 December 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

£30.99m (A & F share classes combined)

### Share price

Class A 99.5700p (Acc)

Class A 100.0000p (Inc)

Class F 147.7032p (Acc)

Class F 123.2083p (Inc)

### Number of company holdings

149

### 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

### 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: 0.93%

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

Aegon Institutional

Aegon Platform

AJ Bell (Investcentre)

AJ Bell (Youinvest)

Aviva

Canada Life

Embark Platform

Hargreaves Lansdown

Hubwise

Interactive Investor

J Brearley

Pershing

Praemium

Quilter

Standard Life - Elevate

Transact

\* **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%.

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)

**Risk warning:** Your capital is at risk. The value of your investment is not guaranteed and may go down as well as up and you may not get back the amount invested. Any subscription to the fund should be made on the basis of the relevant product literature available from Downing LLP, or from the ACD, Valu-Trac Investment Management Limited and your attention is drawn to the charges and risk factors contained therein.

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