

VT Downing Global Investors Fund



January 2024 Commentary

Another good month has ended (good as in rising net asset value - the third in a row). Longer-term interest rates have been flat or falling now for, er, three months! This is no coincidence. It is looking increasingly likely that markets needed to see a stabilisation, or some predictability, in longer-term rates before they had any chance of being able to move on from pricing off interest rates to pricing off future prospects. Three months is not long compared to the downward drift that ran from the start of January 2022 to the end of October 2023, but it is remarkably consistent with the track of interest rates. Inflationary pressures have subsided in most areas despite good levels of activity and employment (the employment rate in the EU reached a historic high of 74.6 % in 2022, according to new data from Eurostat, and the jobless rate has been below 4% for 23 months in a row in the USA. This represents an over 50-year record and is indicative of the persistently tight labour market. Supply bottlenecks seem to be resolving themselves in most spheres of activity, and even the rerouting of shipping around the Cape of Good Hope has done little to spook energy markets.

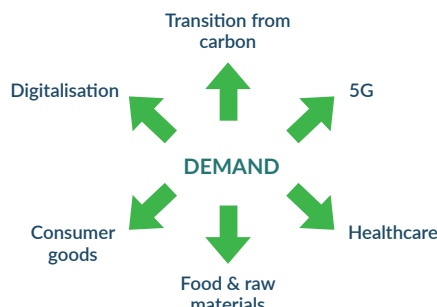
We have noticed and engaged with a reappearance or renaissance over the same period, of valuations placed on businesses engaged in relatively humdrum but reliable branded consumer goods and infrastructure assets. The common link we believe, is being little and often recurring demand. That is a feature of improved sentiment in that markets are looking outside the narrow (but still thrilling) realm of Big Tech. We have also noticed improved sentiment towards Latin America and Africa and have positions in these economic areas.

For a top-down thematic investor, the environment is looking much more constructive than it has for, literally, years.

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	3.70	12.08	3.78	3.70	5.02	53.17
IA Global TR Index	0.60	11.43	4.42	0.60	8.53	68.17
Quartile Ranking	1	2	3	1	3	4

Discrete performance (%)			
	31/01/2023 - 31/01/2024	31/01/2022 - 31/01/2023	31/01/2021 - 31/01/2022
VT Downing Global Investors F Acc	5.02	-5.50	-0.94
IA Global TR Index	8.53	0.05	9.41
Quartile Ranking	3	4	4

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.

* 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.

Portfolio summary

As at 31 January 2024

Top 10 holdings

	% of fund
Novo Nordisk A/S	1.69
Ivanhoe Mines Ltd	1.60
Microsoft Corp	1.53
Vertiv Holdings Co	1.27
Cameco Corp (CAD)	1.26
Odfjell SE	1.16
Super Micro Computer Inc	1.12
LOreal SA	1.11
Fortescue Ltd	1.07
Eli Lilly and Co	1.07

Source: Valu-Trac Investment Management Limited.

Portfolio by sector



Key facts As at 31 January 2024

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

£32.01m (A & F share classes combined)

Share price

Class A 103.2442p (Acc)

Class A 100.0000p (Inc)

Class F 153.1704p (Acc)

Class F 127.7688p (Inc)

Number of company holdings

160

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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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: 0.98%

Class F: 0.83%

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

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 29 December 2023. 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

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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DGI0066_Feb (Jan) 2024