

VT Downing Global Investors Fund



February 2024 Commentary

February was another reasonable month for investors, although markets were notably volatile under the covers. In our portfolio, we had several holdings that rose in value by around 20% in the month, several that fell by a similar amount, and several that did both. That is they rose by around 20% and then fell by around the same, or fell by around 20% and then rose similarly. Some of those that rose then fell, and then rose! Not that we are dizzy or anything, but we have noticed considerably more "Son et Lumière" than net change.

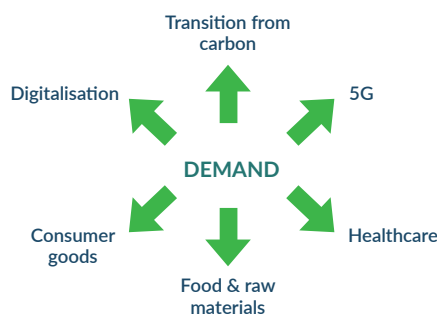
Interestingly, these are multi-billion dollar cap stocks, not Micky Mouse memes and, for us at least, the most volatile sector was Tech (although Reckitt's, that theoretically predictable peddler of cold and flu pills fell from around £58 to £49 right at the end of February). The implication is that Tech is getting a bit crowded. We haven't been a net seller of this sector yet, and it remains net up on the recent past, but there are signs of rotation. And on the rotation theme, one of the most over-hyped and sold-off sectors of 2023, new energy, is suddenly making a reappearance. We have re-engaged with solar energy specifically over the month.

What is striking is that despite startling strength in the US economy in particular, input costs remain modest. Prices for many energies, foods and raw materials are drifting around. The same applies to longer-term interest rates. That implies inflation pressures are moderating and that is very good news. Market multiples are not extreme, (profits have risen much faster than share prices over the past few years) and supporting dividend distributions have risen. To that extent, markets are normalising and we have noticed that market breadth has expanded. That is to say, market-leading performances are coming from many areas of economic activity. Pundits remain focused on Tech, but capital is actually flowing to many different business activities and geographies. For example, our strongest returns over the month came from the tech-ish healthcare sector.

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	3.54	11.44	10.17	7.38	7.88	58.60
IA Global TR Index	3.95	9.77	10.05	4.38	12.82	74.48
Quartile Ranking	3	2	3	1	4	4

Discrete performance (%)			
	29/02/2023 - 28/02/2024	28/02/2022 - 28/02/2023	28/02/2021 - 28/02/2022
VT Downing Global Investors F Acc	7.88	-3.78	-0.09
IA Global TR Index	12.82	1.83	6.83
Quartile Ranking	4	3	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.

** 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.

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

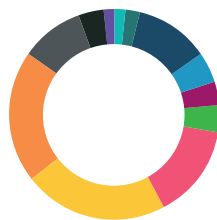
As at 29 February 2024

Top 10 holdings

	% of fund
Novo Nordisk A/S	1.83
Vertiv Holdings Co	1.45
Microsoft Corp	1.33
Ivanhoe Mines Ltd	1.23
Eli Lilly and Co	1.22
Sherwin-Williams Co	1.04
Vivendi SE	1.02
Vinci SA	0.96
Pandora A/S	0.95
Lupin Ltd	0.94

Source: Valu-Trac Investment Management Limited.

Portfolio by sector



1.74%	Cash	14.52%	Health Care
2.28%	Communications	22.31%	Industrials
11.43%	Consumer Discretionary	20.18%	Information Technology
4.78%	Consumer Staples	9.72%	Materials
3.40%	Energy	3.78%	Real Estate
4.22%	Financials	1.64%	Utilities

Key facts As at 29 February 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

£32.87m (A & F share classes combined)

Share price

Class A 106.8994p (Acc)

Class A 100.0000p (Inc)

Class F 158.5971p (Acc)

Class F 132.2955p (Inc)

Number of company holdings

169

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: 1.00%

Class F: 0.91%

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 16 February 2024. 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.

This document has been prepared for existing investors and their advisers and has been approved as a financial promotion in line with Section 21 of the FSMA by Downing LLP ("Downing"). Downing does not offer investment or tax advice or make recommendations regarding investments. This document contains information and analysis that is believed to be accurate at the time of publication but is subject to change without notice. Whilst care has been taken in compiling the content of this document, no representation or warranty, express or implied, is made by Downing LLP as to its accuracy or completeness, including for external sources (which may have been used) which have not been verified. Downing is authorised and regulated by the Financial Conduct Authority (Firm Reference No. 545025). Registered in England No. OC341575. Registered Office: St Magnus House, 3 Lower Thames Street, London EC3R 6HD.

DGI0067_Mar (Feb) 2024