

VT Downing Global Investors Fund



July 2023 Commentary

We made modest progress again this month as markets gradually endeavour to get in front of the likely interest rate curve globally. Businesses, broadly in our experience, continue to report ahead of reduced expectations and improve forward guidance relative to expectations, but the fact that markets continue to struggle at absolute levels in effect means they are de-rating. The multiple paid for a dollar of profits across many industries is falling. Once this process concludes itself, markets will have re-priced to a much lower level in terms of lower multiples for valuation and higher levels of dividend income relative to price. We are getting nearer that point but we will not arrive there until the collective mood changes.

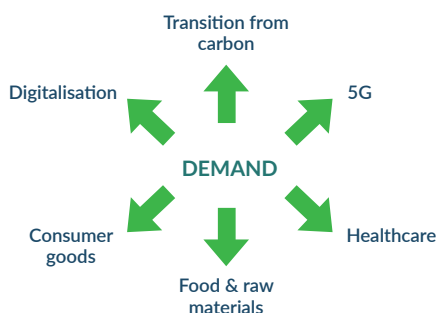
Within this fund, we don't believe we are particularly missing anything or not having the right exposures. Rather, we find that all sectors everywhere have little runs up and then fall back, the (temporary) 'goods' seem to simply offset the (temporary) 'bads', and they all rotate. 'The needle returns to the start of the song and we all sing along like before...'

This will continue until markets feel they can reasonably accurately price in the direction of interest rates and it is a global phenomenon, i.e not the actuality of rates rising or falling, but the quantum. There has been some stability over the past two months relative to the prior period, so this process might be maturing now.

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	1.1754	0.0000	1.7417	1.4797

Cumulative performance (%)						
	1m	3m	6m	YTD	1y	Since Launch***
VT Downing Global Investors F Acc	0.51	1.34	1.19	0.02	-0.22	47.58
IA Global TR Index	1.93	4.54	3.94	8.56	5.46	61.05
Quartile Ranking	4	4	4	4	4	4

Discrete performance (%)			
	31/07/2022 - 31/07/2023	31/07/2021 - 31/07/2022	
VT Downing Global Investors F Acc	-0.22	-10.95	
IA Global TR Index	5.46	-2.88	
Quartile Ranking	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.

* 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 in these will vary with circumstances.

Portfolio summary

As at 31 July 2023

Top 10 holdings

	% of fund
Quanta Services Inc	1.78
Varun Beverages Ltd	1.48
Microsoft Corp	1.39
Toyota Tsusho Corp	1.26
Itochu Corp	1.26
Novo Nordisk A/S	1.19
Marubeni Corp	1.18
Ivanhoe Mines Ltd	1.17
Restaurant Brands International Inc	1.13
Archer Daniels Midland Co	1.09

Portfolio by sector



Source: Valu-Trac Investment Management Limited.

Key facts As at 31 July 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

£32.45m (A & F share classes combined)

Share price

Class A 99.5479p (Acc)

Class A 100.0000p (Inc)

Class F 147.5845p (Acc)

Class F 123.8949p (Inc)

Number of company holdings

181

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: 0.93%

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

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

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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