

# VT HALO GLOBAL ASIAN CONSUMER FUND

April 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 Apr. 2016

## Portfolio Description

The VT Halo Global Asian Consumer Fund aims to achieve an annualised total return before fees of 8-12% over the long term. Primarily from investing in companies globally, which are exposed to the growth of the Asian middle class and the corresponding rise of consumption.

## Fund Manager's Comments

The month has been characterised by the falling US Dollar and its effect on markets. The concerns over the Chinese currency depreciation against the USD have faded and we have seen a rally in emerging market currencies, Sterling and the Euro. The rise of Sterling, which has principally been due to a view that Brexit is less likely to happen, with the Remain campaign gaining the higher ground, has resulted in the NAV of the fund falling, as markets themselves are broadly flat to up in the month.

Chinese Q1 GDP growth surprised on the upside and the market has been revising up 2016 estimates to bring them more into line with the government's target of 6.5-7% GDP growth. It appears the mini stimulus is working, but it has entailed a further increase in debt, which remains a worry. We are now likely to see new lending being pulled back, especially in the property sector, which is over-heating in a number of cities. Hence the commodity rally we have witnessed over the last few months is likely to roll over.

In April we have seen a number of companies report Q1 earnings. The majority of our US and European holdings have reported and we have seen some small changes to earnings estimates for the year in the region of +2 to -2%, with the only standout on the downside being Apple. Their Chinese sales were lapping tough comparatives and were down 26% this quarter, having been up over 75% last year. We still view the stock as too cheap, as the iPhone is a great annuity product. In addition Chinese sales are likely to show positive growth towards the end of this year and at some point, overtake the US to become Apple's largest market.

Other earnings of note, were China Maple Leaf, with over 70% earnings growth and consensus having to upgrade their numbers for the year by 20%. Due to the strong run in the shares, it has become the largest holding in the fund. We also had strong results from Gudang Garam, the Indonesia tobacco company and the shares are up over 10%. HDFC Bank of India produced in line results and ICICI our other Indian bank has disappointed due to falling margins and rising bad debts. We have as a result trimmed ICICI and added to HDFC.

We initiated two new holdings this month, being Phoenix Healthcare Group, a Chinese hospital management company and Sinopharm, a Chinese pharmaceutical distributor, funded by the sale of Autohome, the online motor vehicle advertising portal, as its business model is changing and has clouded the visibility of its earnings progress over the next couple of years.

**NAV/Share: 101.96p**

**Investment Manager:** Halo Investment Management

**Fund Manager:** Andrew Williamson-Jones

**ACD:** Valu-Trac Investment Management Ltd.

**Fund Type:** UK UCITS IV OEIC

**Launch Date:** 3 Nov 2014

**Classes:** A, B, C

**Base Currency:** Sterling

**Dealing & Valuation:** Daily 12.00pm GMT

**Year End:** 30 June

**Management Fees:** A: 0.95% p.a.  
B: 0.65% p.a.  
C: 0.45% p.a.

### ISIN:

A \$ Acc GB00BRJTG644  
A £ Acc GB00BRGCDR64  
B \$ Acc GB00BRWQWY25  
B \$ Inc GB00BRJTG867  
B £ Acc GB00BRWQWX18  
B £ Inc GB00BRGCD571  
C \$ Acc GB00BRWQX051  
C \$ Inc GB00BRJTG974  
C £ Acc GB00BRWQWZ32  
C £ Inc GB00BRGCDT88

**Depository:** National Westminster Bank PLC

**Dealing Frequency:** Daily

**Daily NAV available:** Bloomberg, Morningstar & Valu-Trac

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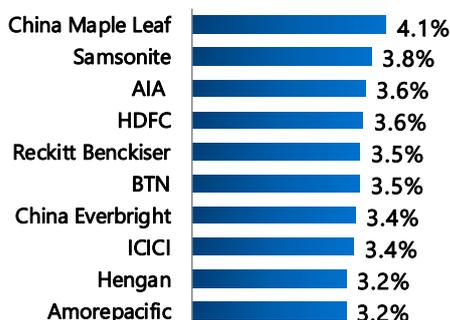
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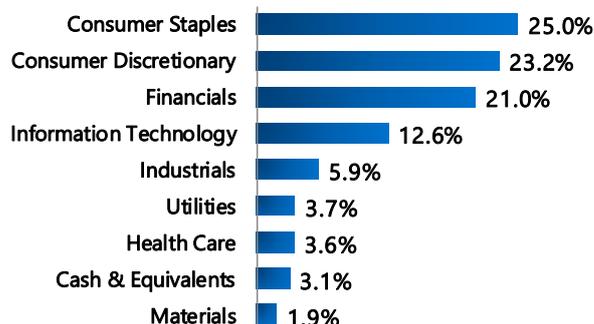
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## Fund Profile.

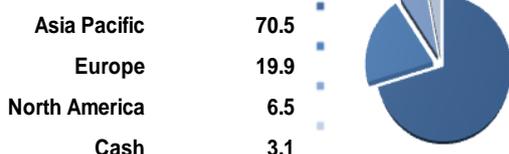
### Top 10 Holdings (% of NAV)



### Sector Allocation (% of NAV)



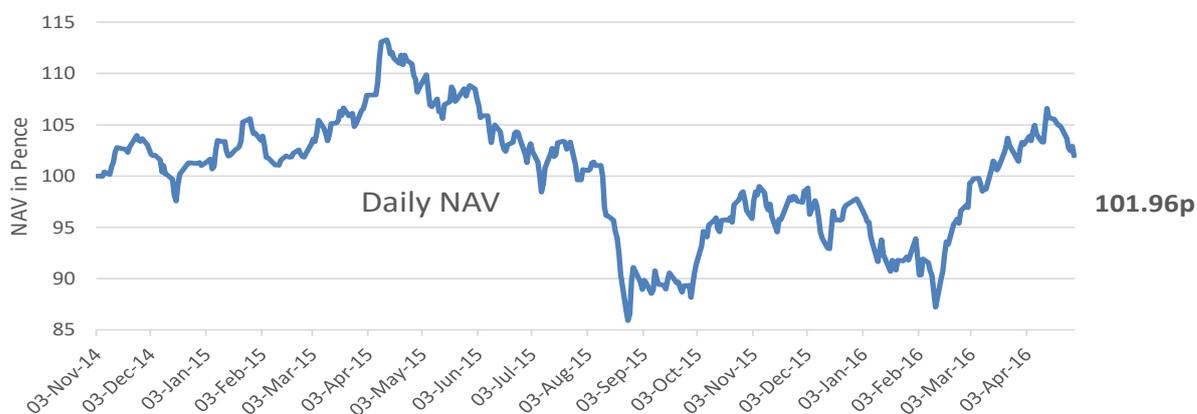
### Geographical Allocation (% of NAV)



### Market Cap Allocation in USD (%)



## Fund Performance since Inception



Performance data shown is of the B E Net Acc. share class. Past performance is not a guarantee of future returns. Data from Valu-Trac Administration Services

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