

VT HALO GLOBAL ASIAN CONSUMER FUND

June 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 Jun. 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 in their consumption.

Fund Manager's Comments

The Fund value went up by 8.3% in June, brought the performance of the first half of 2016 to 13.3%, comparing favourably to MSCI Asia ex Japan, which is up 9.6%. The surge in Fund value was mainly due to the Sterling depreciation, after the UK voted for Brexit. GBP is down 9.5% against USD year to date.

From the perspective of a long term equity investor, little will change to the fundamentals for the growth of the Asian middle-class. As investors, we endeavour to identify opportunities when a share price has fallen further than what the fundamentals justify. In this instance, we added to **Dufry**, after its 10% fall post 'leave' winning the result.

In June, we have initiated a position in **New Oriental Education**, the largest private educational-services provider in China. The company is set to enjoy the structural growth and industry consolidation. China's after-school tutoring market is expected to grow by 20% in 2016 and gradually normalising to 15% in 2019. New Oriental is likely to outgrow the market, with middle-class consumers upgrading to branded service providers. We expect New Oriental's earnings growth to be 20-25% in the next few years, supported by higher utilisation of the existing schools, average selling price hikes and network expansion.

Alibaba held its first investor day since its IPO. We see the improved communication as a positive, as Alibaba disclosed a framework for better financial disclosure around core vs. nascent businesses. In addition, an initial 2017 revenue guidance, of greater than 48% YoY was 10% above market expectations. Alibaba also provided insights into key strategic growth initiatives, and showed confidence in maintaining solid growth beyond 2017. On the other hand, **Baidu** lowered its Q2 2016 revenue guidance by 10-12%, due to measures requested by Chinese regulatory authorities since May 2016, which is what we had expected on the back of the investigation into a health care scandal. We had reduced our holding in Baidu in May to 2%, expecting the company to lower its revenue guidance, which it has subsequently done. We believe this to be a one-off issue.

Meanwhile, the much anticipated Indonesia tax amnesty law finally was passed in parliament. This is a positive catalyst for the local property and car markets, because we anticipate billions of dollars sitting offshore to come back to Indonesia. We have close to 10% of the portfolio in Indonesia, including **Bank BTN** – a provider of mortgages to lower and middle income individuals, and **Bank Rakyat** – a microfinance bank. We believe the improved liquidity as a result of this will benefit these holdings.

NAV/Share: 110.40sp

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 GB00BRGCDS71
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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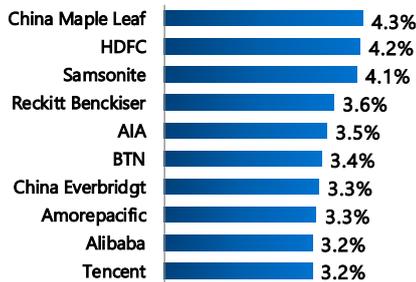
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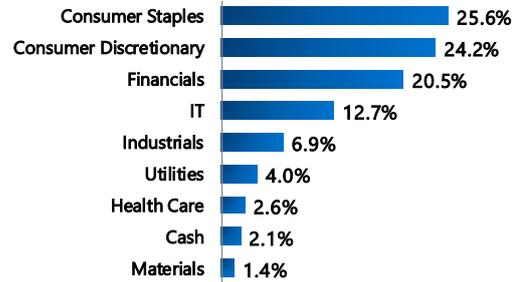
All Data at 12.00 GMT 30 Jun. 2016

Fund Profile.

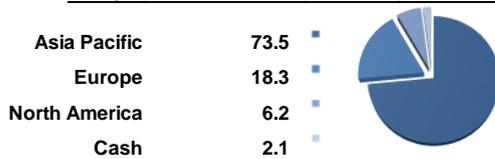
Top 10 Holdings (% of NAV)



Sector Allocation (% of NAV)



Geographical Allocation (% of NAV)

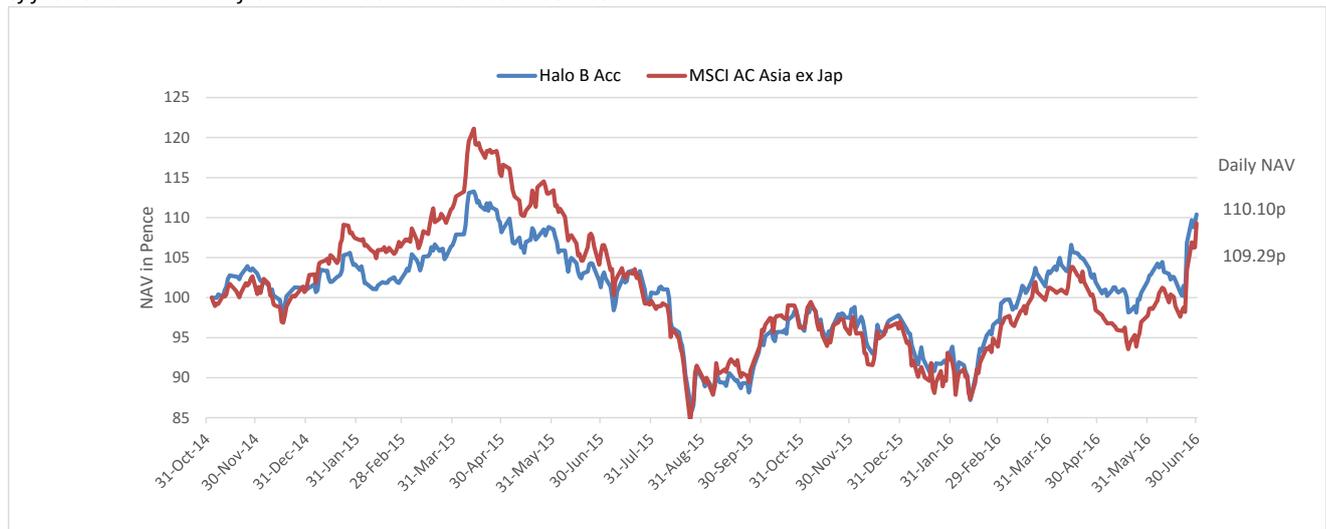


Market Cap Allocation in USD (%)



Fund Performance since Inception

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



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