

# VT HALO GLOBAL ASIAN CONSUMER FUND

## July 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29 Jul. 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. This will be achieved 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 rose by 5.6% in July, bringing the YTD performance to 19.4%, broadly in line with MSCI Asia ex Japan, which is up 19.1%. One of the reasons the index is up, we believe, is due to a more positive outlook for emerging markets. The reason behind this is it is becoming clear that interest rates post-Brexit are going to remain lower for longer and the market is now factoring in no more than one interest rate increase from the Federal Reserve this year. We are now witnessing fund inflows into Asia, which are now positive having had 3 years of outflows.

In Europe and US, we had results from **Philip Morris, Daimler, Unilever, Apple, and Reckitt**. They either met or just beat consensus, and we witnessed small upgrades to earnings for a few of these, and share prices remained robust after the results.

In Asia we had results from **HDFC Bank, IMAX China, New Oriental Education, Bank BTN, Baidu, and AIA**. They are either in line or slightly ahead of consensus. **HDFC Bank** continues to grow its earnings at a run rate of 20%, driven by its retail franchise and we expect this to continue into the medium term. **New Oriental Education**, the largest private educational services provider in China, reported better-than-expected results with strong student enrolment of 25% year on year, and better margins thanks to an improvement in utilisation of its schools. **Baidu**, the 'Google of China', had a tough 2Q as expected and gave cautious guidance for the third quarter. This is because Baidu is imposing stricter advertising regulations to all of its online advertising customers, following a health care scandal that it carried the blame for. We take the view its core search business will recover after some months, as it is the go-to search engine in China.

We sold our holdings in Monsanto and Yum, to fund a 3% position in **Estee Lauder**, a leading global prestige beauty company. About a third of Estee's revenue comes from emerging market consumers, with most of the travel retail revenue generated from sales to Asians. The company has been expanding its leading share in prestige makeup, which is benefitting from faster growth than skin care due to women opting to spend more than historically in this category, especially driven by millennials. We expect the company to continue delivering 6-8% top line growth, with margin expansion, delivering 12-14% earnings growth. We believe similar to **Dufry**, Estee Lauder is set to enjoy the growth in global tourism driven by emerging market tourists.

**NAV/Share: 116.61p**

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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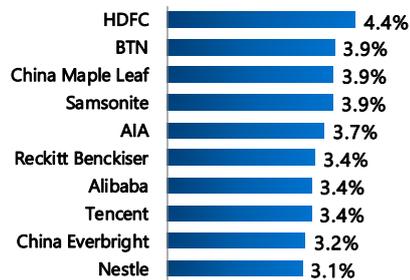
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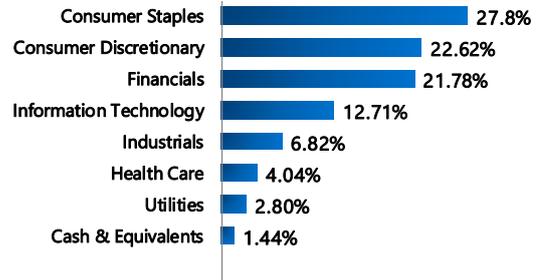
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## Fund Profile.

### Top 10 Holdings (% of NAV)



### Sector Allocation (% of NAV)



### Geographical Allocation (% of NAV)

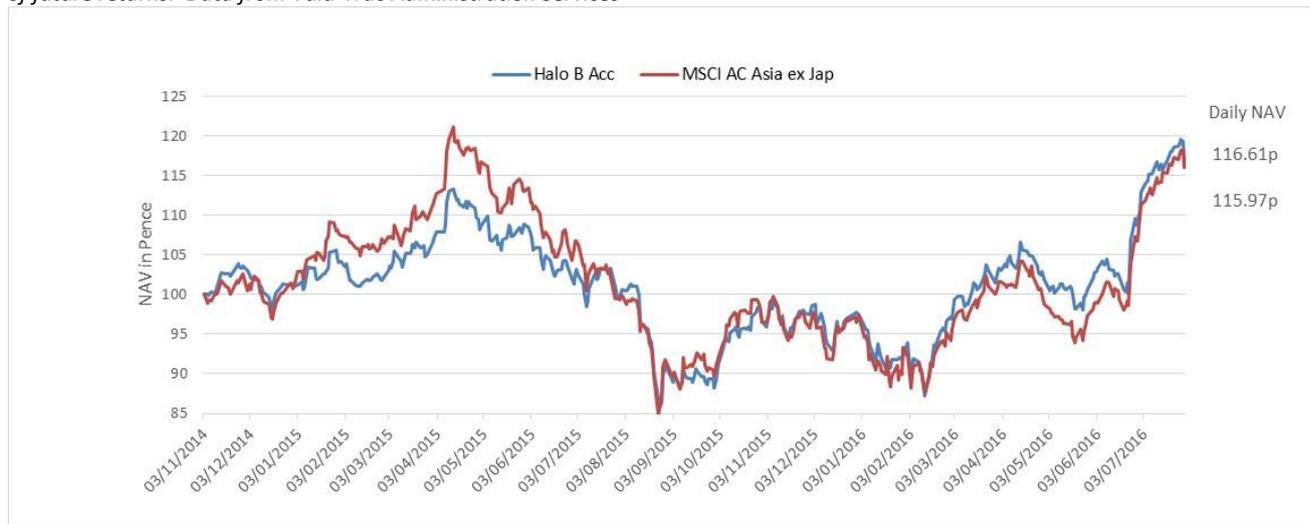


### Market Cap Allocation in USD (%)



## Fund Performance since Inception

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



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