

VT HALO GLOBAL ASIAN CONSUMER FUND

October 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31 Oct. 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's net asset value rose by 3.6% in October, mainly driven by the continued weakness of Sterling, which declined another 5% against US dollar, although Asian currencies have also weakened against the US dollar over the last month as markets now expect the Federal Reserve to raise interest rates by the end of this year.

The sell-off in the bond market intensified, with better than expected economic data and more hawkish comments from central banks. With inflation expectations increasing as commodity prices increase, the "bond proxy" stocks have started to underperform.

In the second half of October some of our holdings reported third quarter earnings. There have been very few surprises, although consumer staples stocks quoted in Europe and the US have broadly come in slightly below expectations, with weakness appearing in many geographies. Unilever saw 4% revenue growth but all of it was from pricing, with no volume growth. Given over 50% of its sales are in emerging markets this was a concern for us. It is a smaller holding given our lower conviction due to its rich valuation and so we sold it and replaced it with Major Cineplex, the largest operator of movie theatres in Thailand. With their plan to increase the number of screens they own each year by close to 10% as they penetrate areas outside Bangkok, where there is limited choice of other entertainment, we expect continued robust growth from this company.

We had results from several Chinese companies, with solid results from Li Ning, Sinopharm and strong numbers from New Oriental Education, which reported both revenue and profit above expectations. This was driven by strong student enrolment, up 46% in its high growth K-12 segment (i.e. primary and middle school after-school tutoring). We expect revenue growth to continue, due to further penetration of K-12 in existing cities as well as new ones. Meanwhile, the profit margin should keep improving thanks to the rising utilisation rate.

Baidu reported a weak quarterly result as expected, due to new regulations on the verification of advertisers in all of Baidu's businesses. Management now expects this process to be completed by the end of 2016, and the core search business should rebound to over 20% profit growth in 2017.

November is likely to witness some short-term volatility with the US election, as well as further news on Brexit. But we believe this is short term noise that is unlikely to derail consumer spending in Asia and growth in the region remains robust.

NAV/Share: 128.77p

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	GB00BRGCQR64
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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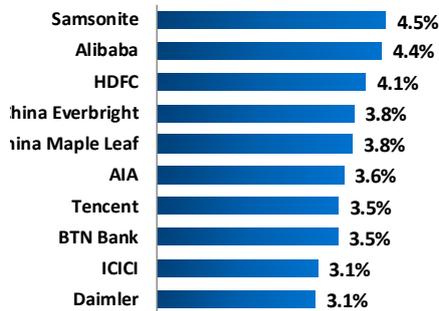
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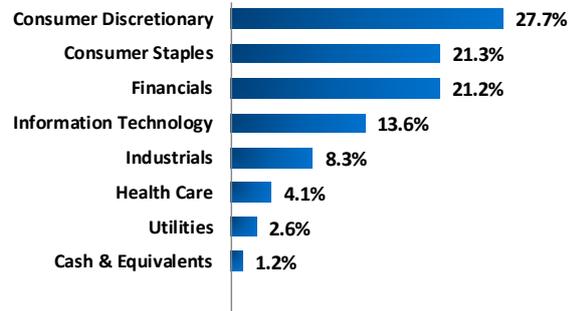
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Fund Profile.

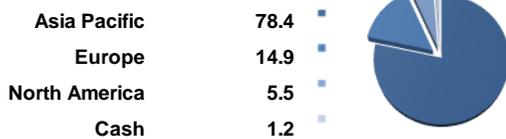
Top 10 Holdings (% of NAV)



Sector Allocation (% of NAV)



Geographical Allocation (% of NAV)

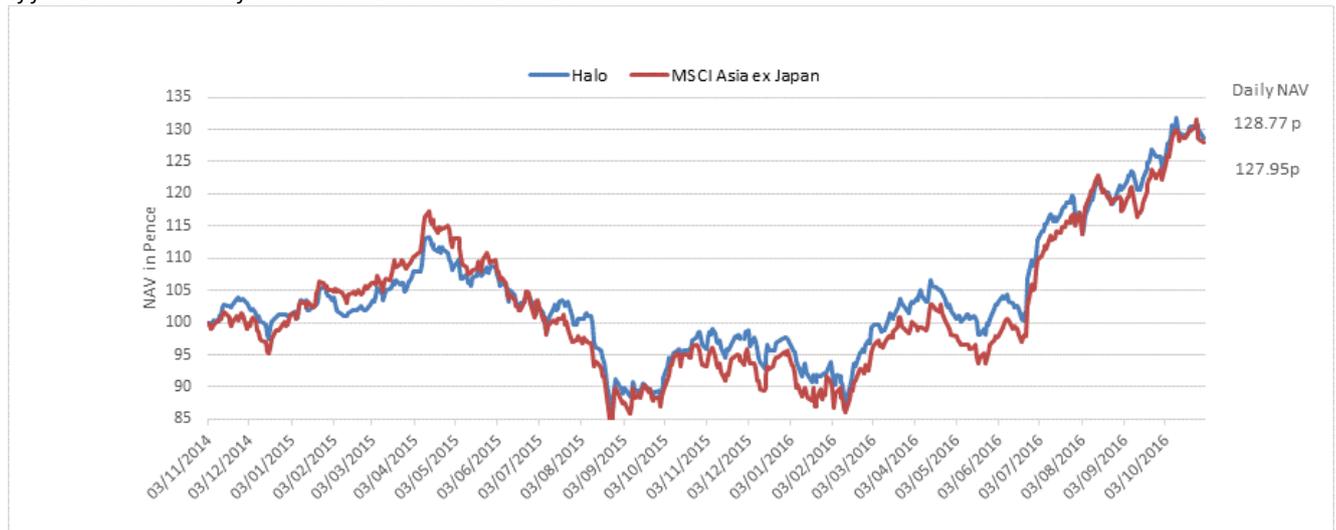


Market Cap Allocation in USD (%)



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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