

VT HALO GLOBAL ASIAN CONSUMER FUND

September 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 Sep. 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 2.8% in September, bringing the YTD performance to 27%, broadly in line with MSCI Asia ex Japan. Economic news in Asia was broadly positive with China's retail sales accelerating to 10.6% and we have witnessed a number of upgrades to 2016 GDP forecasts, with inflation remaining benign.

We have had a small amount of activity within the fund, with the purchase of **Tarena**, after meeting the company in China. Tarena is a leading provider of professional educational services in China, with 10% share in a fragmented market. As the number of university graduates surges and competition for jobs intensifies, Tarena is on track to deliver over 20% pa revenue growth in the next few years. Margins will also increase, driven by higher utilisation of schools. With the potential to grow earnings at around 25% pa over the medium term, the current valuation of 15x forward earnings is very reasonable in our view.

China Maple Leaf Education, a top 10 holding, suffered a sharp sell-off in its shares in August over the issue of some share options to investor relations companies, which had been disclosed previously. This has not affected the underlying business and we have seen a sharp rebound in the shares in September. They have disclosed they are ahead of their guidance in student enrolment for 2017 and price increases for school fees are running ahead of market expectations. We have also seen the shares of **New Oriental Education**, who provide after school courses for children in key subjects, perform well in September, being up over 10%.

Chinese Internet giants **Tencent** and **Alibaba** continued their strong performance in September, both up by more than 5%. Their dominance in the Internet space becoming more prominent than ever, in a 'winner takes all' market. Tencent's, smartphone app WeChat, already engages a user base of over 90% of Chinese smartphone users. The average user is now spending 43% of the daily mobile time on it. We expect more advertisers to follow the eyeballs to Tencent's WeChat and further drive monetisation.

We trimmed **China Aircraft Leasing Company** after the share price surged 25% and added to **Bank of China Aviation**, another aircraft leasing company, which has not seen a similar share price reaction after its results

We remain positive on the outlook for Asian markets, in particular due to Hong Kong–Shenzen connect, which is likely to take place in the next couple of months. We could see further money coming from mainland China to invest in the mid and small caps in Hong Kong, which could certainly benefit a number of our holdings.

NAV/Share: 124.25p

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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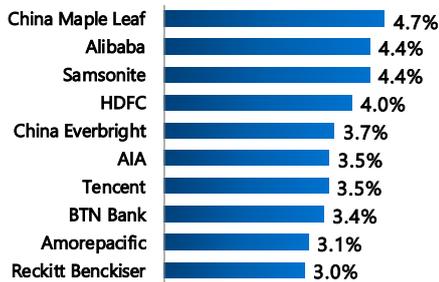
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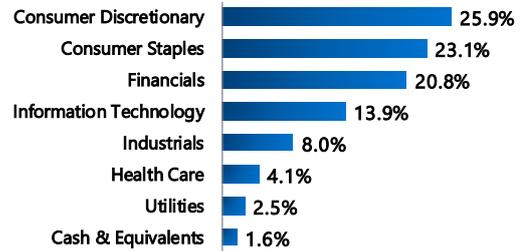
All Data at 12.00 GMT 30 Sep. 2016

Fund Profile.

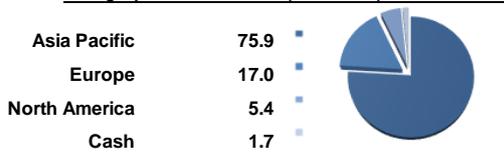
Top 10 Holdings (% of NAV)



Sector Allocation (% of NAV)



Geographical Allocation (% of NAV)

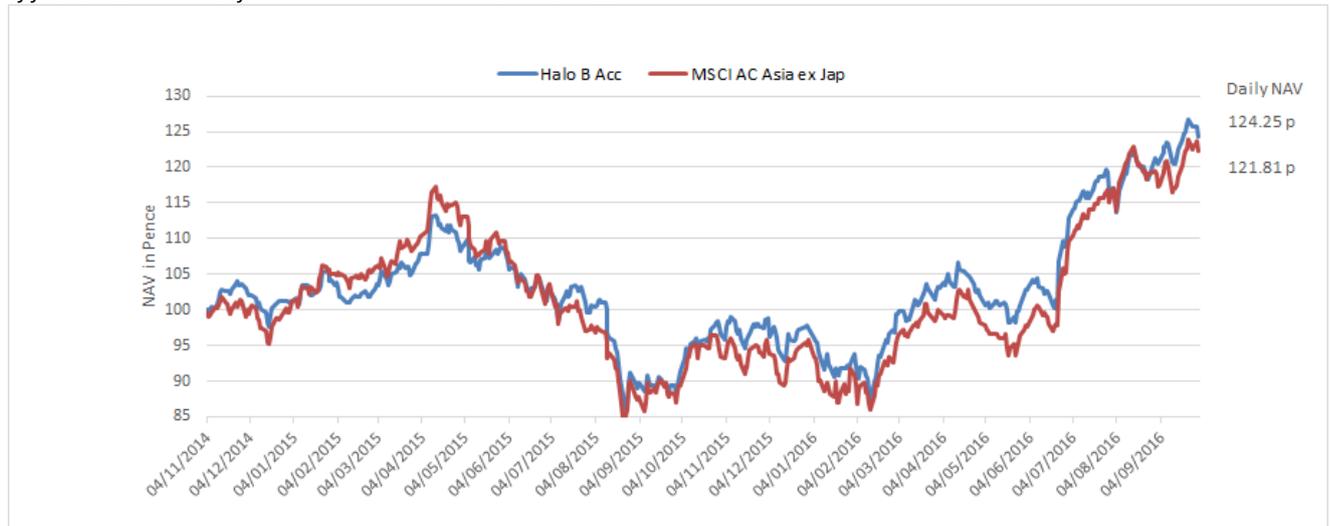


Market Cap Allocation in USD (%)



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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