

VT HALO GLOBAL ASIAN CONSUMER FUND

December 2016 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 Dec. 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 Net Asset Value has fallen 1.7% over the month principally due to further rotation away from emerging markets by global investors. This is due to the markets' rising expectations of a rebound in growth in the US due to expansionary fiscal policy, to be implemented when Donald Trump's administration takes the reins in January 2017. This would, in turn, lead to rising US Treasury yields and raise the cost of finance in emerging markets, whilst making the US market more attractive for investors. The expected fiscal expansion has also benefitted oil and mining stocks, banks in developed Asia, as well as Asian exporters to the West that will benefit from this expenditure. These are areas of the market that the fund does not invest in as pricing power in the past has proved to be fleeting.

Stock specific news has been thin on the ground in December which has allowed the macro events to take centre stage. So consumer branded goods companies as well as high quality GARP were used as a source of funds by investors and we saw declines in the share prices even though the fundamentals have not deteriorated and in most cases the outlook has improved. This has resulted in the price earnings ratio of the fund falling close to its low at 14.2x, it has reached twice before and then bounced.

We have done very little in the portfolio this month with only 2 trades. One was to reduce our exposure to New Oriental Education, after a Reuters report accused it of helping students write essays and complete application forms on their behalf for US universities. The company has denied it and has pointed the finger at third party consultants who they work with rather than themselves. We do not think it will have a significant impact on the business as the key growth driver for New Oriental Education is the K-12 after-school tutoring business.

The only other activity has been the sale of a small position in Apple, as the Chinese love affair with all things Apple seems to be fading as local competitors have upped their game and are providing equivalent phones for a fraction of the price. Apple is losing share in China and with US-China relations souring, Apple is becoming a Chinese political football. As a result of falling Chinese demand, Apple's share price is now driven by US and European consumers. Asian growth will not be a large determinate factor of the share price and so it was sold.

NAV/Share: 118.07

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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Fund Profile.

Top 10 Holdings

Alibaba Group Holding Ltd	4.34%
Samsonite International SA	4.28%
HDFC Bank Ltd	4.08%
Retrieving...	3.81%
Daimler AG	3.77%
China Maple Leaf Educational Systems Ltd	3.72%
Tencent Holdings Ltd	3.43%
Dufry AG	3.33%
AIA Group Ltd	3.29%
Bank Tabungan Negara (Persero) Tbk PT	3.29%

Sector Allocation % of NAV

Consumer Discretionary	28.44%
Consumer Staples	21.30%
Financials	21.14%
Information Technology	11.94%
Industrials	8.11%
Health Care	3.77%
Utilities	2.82%
Cash	2.48%

Geographical Allocation

Asia	74.00%
Europe	19.63%
Americas	3.90%
Cash	2.48%

Market Cap Allocation in USD

0-10 Billion	54%
>20 - 50 Billion	15%
> 10 - 20 Billion	10%
> 50 - 100 Billion	10%
>100 Billion	10%
Cash & Equivalents	2%

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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