

# VT HALO GLOBAL ASIAN CONSUMER FUND

## February 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 28 Feb 2017

### 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 increased over 2.4% this month principally due to better investor sentiment globally, with PMIs across the globe improving, indicating better manufacturing sentiment as well as producer prices starting to pick up. This is key for us as we will only invest in companies that can pass on any cost inflation to the end consumers so protecting their margins. What has surprised us this month is that bond yields have remained broadly flat and the US Dollar has not strengthened further, both helping equity markets.

February has been a busy month for us with respect to company results, which have been broadly positive and so we have done very little trading on the fund. The key results I wish to highlight are; Bank Tabungan Negara, the Indonesian mortgage bank, which delivered earnings growth of over 40% and some 13% ahead of market estimates. This was driven by strong lending growth, a fall in bad debt charges and they announced that they expect to grow in the high teens for 2017. The valuation remains cheap, on a PE of 7x, a price to book of 1x for a return on equity of 16%. This remains one of our top ten holdings. Another top ten holding in the financial arena is HDFC Bank, the Indian retail bank which has delivered another strong year in line with expectations and continues to compound earnings growth in the high teens. Its track record is unblemished and long may it continue that way. In a similar vein CP All, the Thai convenience retailer delivered growth in earnings just ahead of expectations and outlined future plans for expansion over the next 5 years. Again, this is a company that will deliver over 10% revenue growth per annum, with rising margins leading to profit growth in the high teens.

In China, we had Noah, the wealth manager, continuing to deliver high teens earnings growth and they reiterated they expect this growth rate to sustain into 2017. Given half their revenue is recurring fees, we believe the stock is undervalued trading on a PE of 9x, having stripped out its cash on the balance sheet, which today accounts for 25% of its market capitalisation. China Everbright International, a waste to energy company, also a top ten stock, had strong results. There are upgrades to 2017 profit numbers as it continues to monetise successfully the government's aim to clean up the environment and deal with the rising waste from the growing wealth of the urban population.

Lastly we saw some corporate activity with Reckitt Benckiser bidding for Mead Johnson the baby milk formula manufacturer which is a large player in the Asian markets. The jury is out as to whether this is a good strategic deal given Mead's recent struggles with generating revenue growth. It is funded from debt so it will enhance Reckitt's earnings over the next few years but the shares are broadly unchanged on the announcement.

**NAV/Share: 125.54**

<b>Investment Manager:</b>	Halo Investment Management
<b>Fund Manager:</b>	Andrew Williamson-Jones
<b>ACD:</b>	Valu-Trac Investment Management Ltd.
<b>Fund Type:</b>	UK UCITS IV OEIC
<b>Launch Date:</b>	3 Nov 2014
<b>Classes:</b>	A, B, C
<b>Base Currency:</b>	Sterling
<b>Dealing &amp; Valuation:</b>	Daily 12.00pm GMT
<b>Year End:</b>	30 June
<b>Management Fees:</b>	A: 0.95% p.a. B: 0.65% p.a. C: 0.45% p.a.
<b>ISIN:</b>	
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
<b>Depository:</b>	National Westminster Bank PLC
<b>Dealing Frequency:</b>	Daily
<b>Daily NAV available:</b>	Bloomberg, Morningstar & Valu-Trac

*Issued and approved by Halo Investment Management LLP. Authorised and regulated by the Financial Conduct Authority.*

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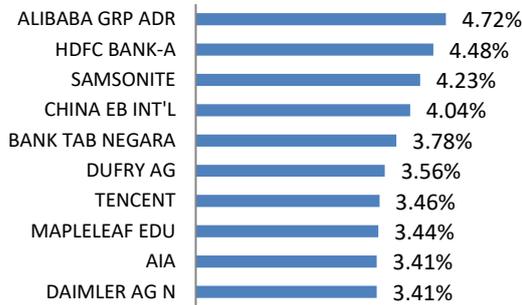
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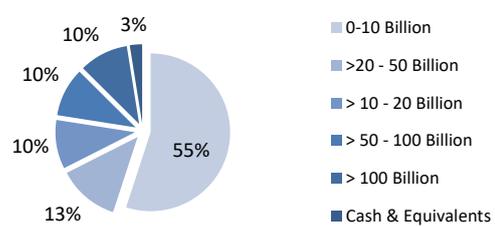
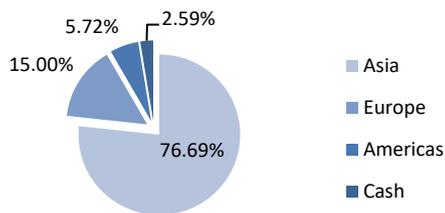
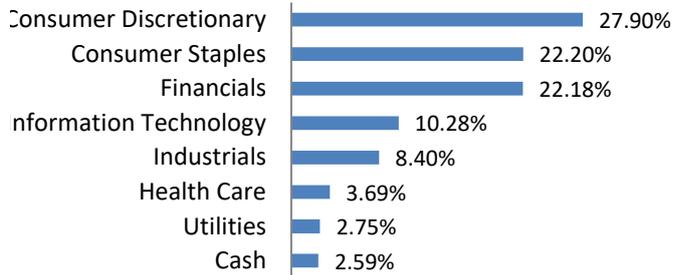
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### Fund Profile

#### Top 10 Holdings (% of NAV)

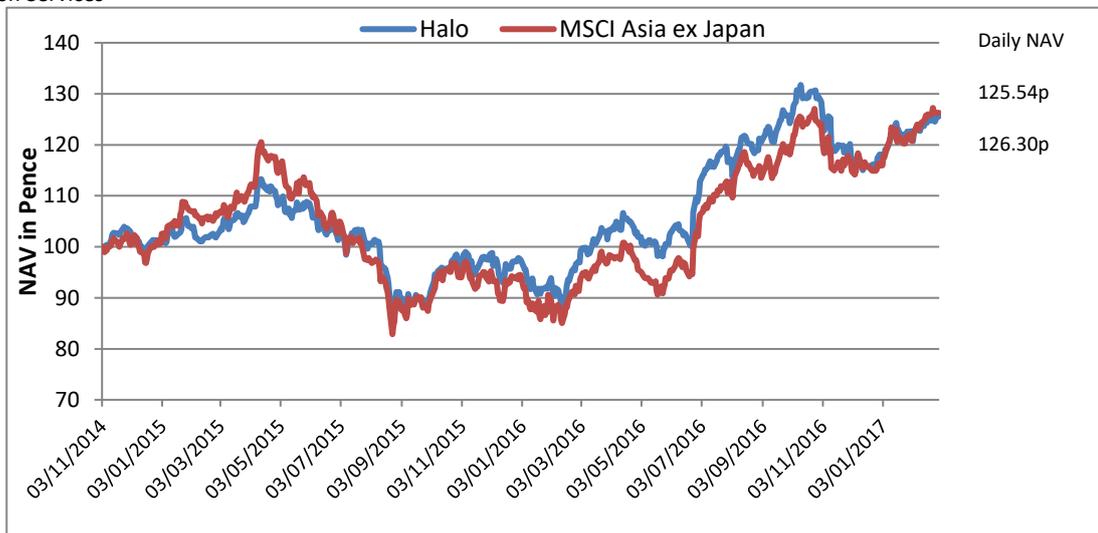


#### Sector Allocation (% of NAV)



### 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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