

VT HALO GLOBAL ASIAN CONSUMER FUND

April 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30 April 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 fund's unit price has remained static over the last month, which masks some strong individual stock performances due to their strong results. This is the result of Sterling's strength on the back of the surprise announcement by Prime Minister Teresa May to call an election. This pushed sterling higher by 3.2% against the US Dollar and by a similar amount against other Asian currencies. This is based on the prospect of a soft Brexit scenario, which is perceived as more economic and market friendly.

This month the key results I wish to highlight are: China Maple Leaf Education who reported their first half 2017 results. They produced over 50% profit growth against market consensus expectations of 15%. The company continues to deliver robust revenue growth at 25% pa and with their pipeline for new schools and expansion of existing schools for 2017/18 academic year, we have good visibility on their continued expansion. The shares currently trade on a high-teens PE ratio, which we believe is fully justifiable and still attractive compared with its listed peers, most of which lack the scale and track record of Maple Leaf. Bank Tabungan Negara, the Indonesian mortgage bank who specialise in subsidised mortgages, continues to leverage its exposure to unmet demand for low-end housing and delivered over 20% earnings growth in the first quarter. Fundamentals are improving for Indonesia and the percentage of non-performing loans continue to fall. The shares are up some 40% this year and upgrades continue to filter through. HDFC Bank the Indian retail bank, reported robust full year numbers, helped by strong retail loan growth and customer fees, as it continues to take share from the state-owned banks. With digitalisation continuing to help reduce their branch costs we expect earnings to continue to compound at 20% a year, despite a slightly weak macroeconomic outlook in India.

New Oriental Education, a Chinese nationwide after-school courses provider, reported another very strong quarter. Revenue growth of 26% and profit growth of 43% in the third quarter were driven by better enrolment, improving utilisation of the classrooms and higher tuition fees. They are accelerating their expansion plans and the shares are trading at all-time high.

We also had several consumer staples companies reporting in April, which have been broadly in line or slightly positive and we have made no changes to our holdings. The only disappointment was Amorepacific, the Korean cosmetic company, which has been impacted by the ban on travel tours to South Korea by the Chinese government, as retaliation for allowing the THAAD missile defence system to be deployed in South Korea. Its sales and profits were short of consensus, due to the weakness from its home market and duty free sales. We have trimmed our holding, given the lack of near term visibility and still

NAV 131.10

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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2017

believe its cosmetic brands remain strong and so continue to hold it, albeit smaller than it was.

We have added to Unilever, which commented it is seeing an Asian driven recovery in volumes, together with price increases. With expectation of like-for-like sales growth of 3-5% pa, increased margin guidance driven by the strategic initiatives and also a €5bn share buyback, we expect a total return of over 10% per annum for the next few years. We own the European parent company rather than its Asian listed subsidiaries as its valuation is nearer half that of its Asian subsidiaries and the expected returns are not materially different over the next few years.

We initiated a small position in Megawide, after we had met with management while travelling in Asia earlier this year, and further subsequent conversations with them since then. Megawide started out as a civil engineering company in the Philippines, but in 2014 won the Cebu Airport operating rights for 25 years and this is now regarded as the key profit generator for the company over the coming years. Its growth is expected to be boosted by Cebu Airport becoming a gateway for tourists to explore the country, acting as a second hub to Manila, which is full to capacity and current tourist arrivals to Cebu are tracking significantly ahead of the company's expectations.

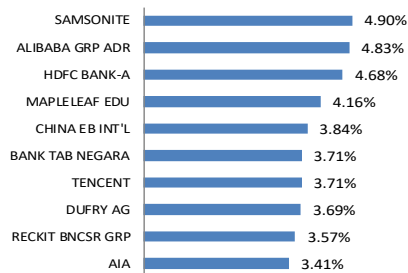
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February 2017 Monthly Fund Fact Sheet

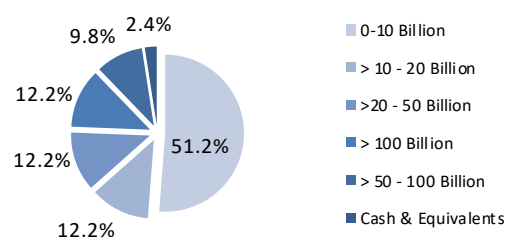
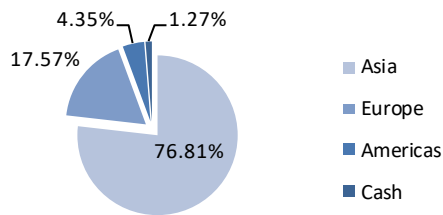
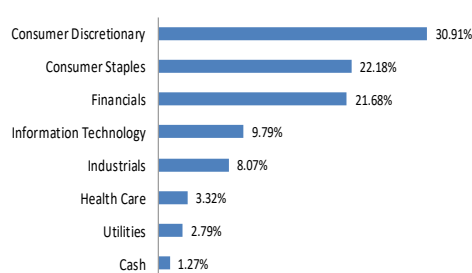


All Data at 12.00 GMT 28 Feb 2017

Top 10 Holdings (% of NAV)

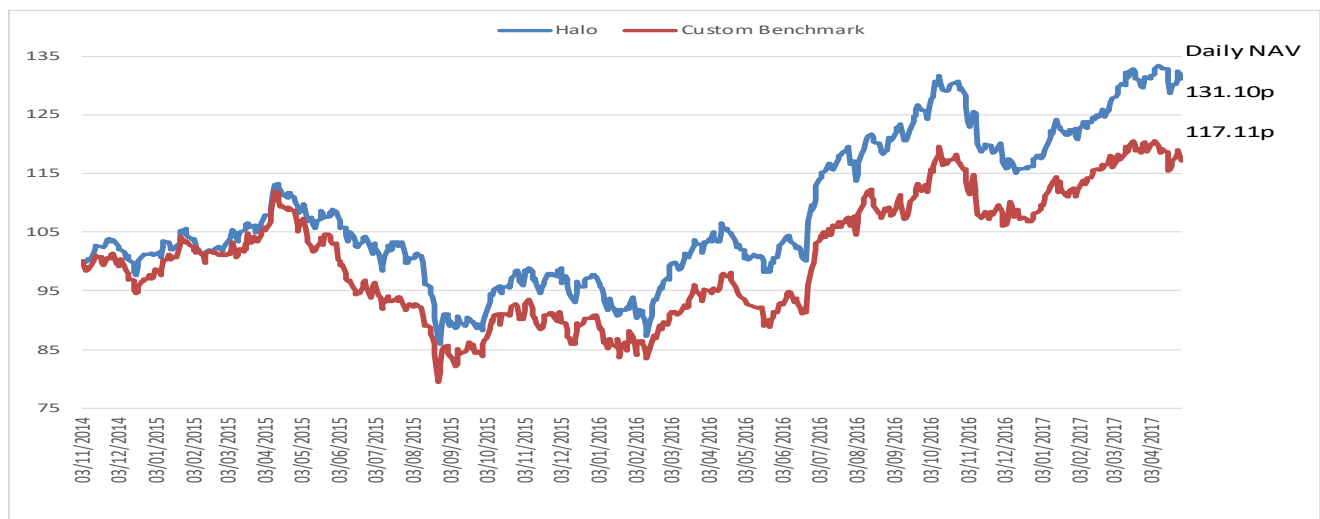


Sector Allocation (% of NAV)



Fund Performance since Inception

Performance data shown is of the B E Net Acc. share class. Custom Benchmark, 30% MSCI AC Asia ex Jap Consumer Staples, 40% MSCI AC Asia ex Jap Consumer Discretionary and 30% MSCI AC Asia ex Japan Index. Past performance is not a guarantee of future returns. Data from Valu-Trac Administration Services. This is for illustrative purposes only and in accordance with our Prospectus Halo does not benchmark against any index.



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