

VT HALO GLOBAL ASIAN CONSUMER FUND

June 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th June 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 was broadly flat in June, with our custom index, which is only used for illustrative purposes, being down a little over 1%. We finished the first half of 2017 with NAV of the fund rising by 17%.

We continue to see robust economic numbers from the Asian region and a softer US Dollar and slow monetary tightening means we are witnessing a more benign environment for Asian equity markets.

News flow from companies we own was very quiet in June. Although one to note was during the investor day from Alibaba, who announced forecast revenue growth over the 12 months to March 2018, to be 45-49%, some 12% ahead of the market's expectations. As a result, the shares, although having a strong run into the day itself have subsequently moved up another 10%. Alibaba is now the largest holding in the fund, purely down to its strong run.

We have done a few trades in the fund in June. We initiated a 1.5% position in Malaysia Airports. The company struggled for a couple of years post the Malaysian airlines disaster of 2014, but now the airline is expanding again, which will benefit the airport operator. ASEAN GDP growth remains strong and Malaysia aims to capture this through being a hub airport for the region. We are seeing a number of ASEAN and Chinese airlines expand their operations in Malaysia and it is seeing international passenger growth in the mid-teens today and we expect this growth rate to remain stronger than its peers for a while. Currently its valuation is on a 50% discount against Asian peers and we believe the gap will narrow as Malaysia Airports delivers stable passenger growth over the next few years.

We also initiated a 1% position in Ctrip, a leading online travel agency in China. We like the fast-growing travel market in China, driven by the growing middle class, in their pursuit of a better lifestyle. The total travel market is growing by 10-15% pa, roughly twice as fast as GDP growth. Online travel is growing much faster at over 30%, however it still only accounts for 13% of total travel market. Ctrip is growing revenue by over 40% now, which we think will slow down to 20-30% in several years, but its margins will continue to rise as it benefits from more operational leverage as it expands into 3rd and 4th tier cities, as well as overseas. Under our assumption, it trades on a PE of 20x 2019, which considering their growth profile and pricing power, is not demanding.

We sold the small holding of IMAX China, on concerns that it is losing audience and pricing power in an increasingly competitive market. Hence with falling margins and negative operating leverage it does not fit the profile of stocks we wish to hold for the long term.

NAV 137.65p

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
Asset Under Mgt	\$27.9m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

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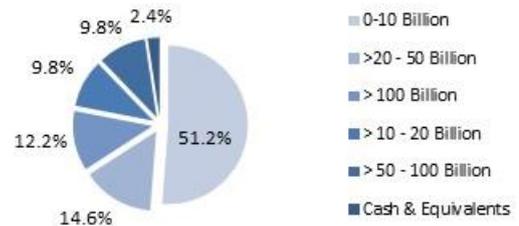
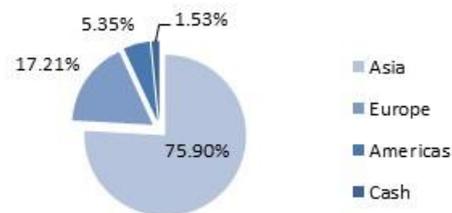


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Sector Allocation (% of NAV)

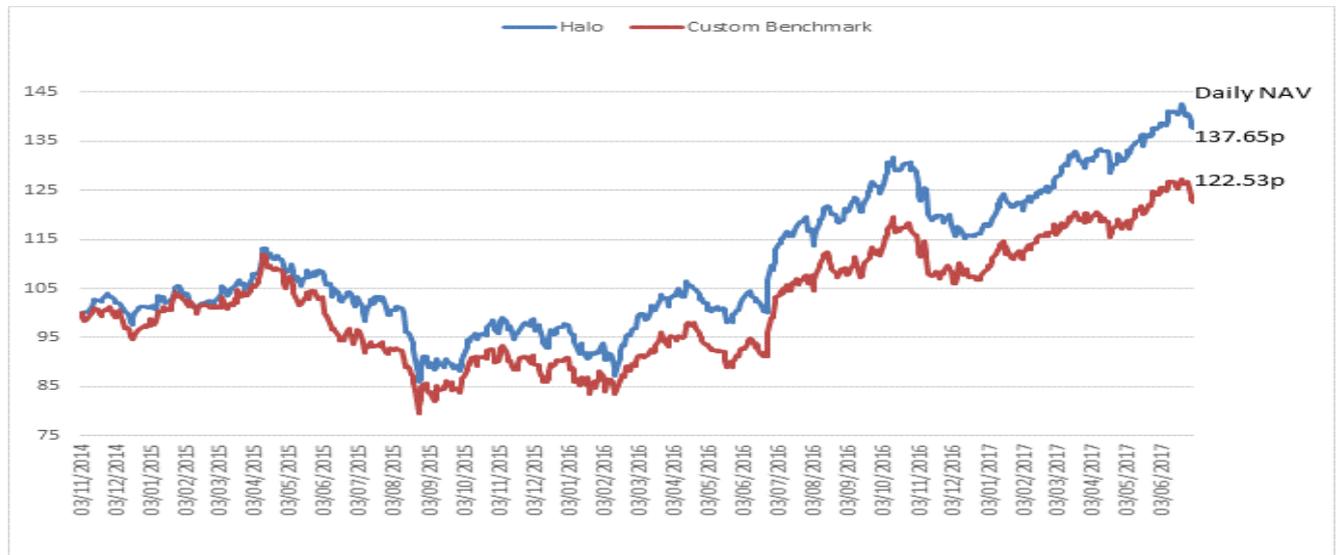


Top 10 Holdings (% of NAV)



Fund Performance since Inception

Performance data shown is of the B £ 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 and Reuters. This is for illustrative purposes only and in accordance with our Prospectus Halo does not benchmark against any index.



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