

# VT HALO GLOBAL ASIAN CONSUMER FUND

## May 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31 May 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 rose 5.3% over the last month to 138.0p, principally due to better global investor sentiment, with stock market volatility as measured by the VIX Index at lows for the year, but also helped by economic data and company results continuing to be robust.

May has also been a month for results from some of our major holdings and I wish to highlight the following: Samsonite, our second largest holding, reported first quarter results. While its core business grew revenue in line with expectations at 6%, Tumi, which it acquired last August, came in stronger than expected at 15%. Analysts continue to upgrade earnings numbers on the back of successful Tumi integration for 2017 and 2018. The shares reacted positively and now trade at an all-time high, on 18x 2018 PE, which is still at a discount to other FMCG and luxury goods names. We believe this is unwarranted given its better growth rates. We also had good results from Bloomberry, the Philippine casino operator, driven by the rising number of visitors, that resulted in 40% growth in gross gaming revenues in the first quarter. The shares are up 60% this year and upgrades continue to filter through. Alibaba full year results delivered strong revenue growth of 59%, with key business lines beating estimates, with rising monetisation through better engagement of users as big data plays an increasing role. The shares trade at 28x 2018 PE, which we believe is justified, given growth is likely to continue to be above 30% for the next year or two. Tencent delivered another solid set of numbers and the share price has maintained its 30x forward earnings multiple, as it has yet to realise the true potential of its Wechat platform.

Tarena, a leading provider of professional educational services in China, reported strong first quarter revenue growth, with enrolment growing at 20%. But the profit margin came in lower than expectations, due to the impact of opening more learning centres than expected, which are normally loss making in their first year. We believe with healthy enrolment growth, margins will rise as the new schools ramp up and reach group utilisation levels. Tarena is still on track to deliver ~25% earnings growth in the medium term. We think the current valuation of 15x 2018 PE is not demanding. Power Grid of India, Noah and Dufry also reported results in line with market expectations, accompanied by small positive share price movements.

It has been a quiet month in trading. We sold the small holding of Sinopharm, one of the largest drug distributors in China, on the back of drug demand uncertainties in the light of heavier drug pricing regulation being rolled out across China. We used the proceeds to add on to Universal Medical Financial, a leading Chinese health care equipment leasing and consulting company.

**NAV 138.04**

<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

**Asset Under Mgt** \$27.9m

**Depository:** National Westminster Bank PLC

**Dealing Frequency:** Daily

**Daily NAV available:** Bloomberg, Morningstar & Valu-Trac

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

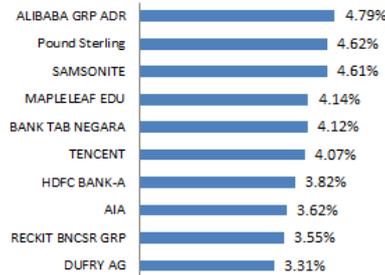
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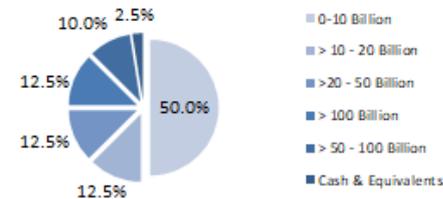
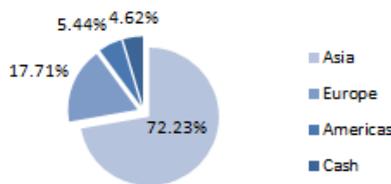
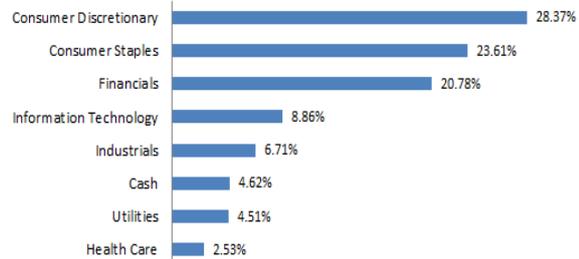


All Data at 12.00 GMT 31<sup>st</sup> May 2017

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

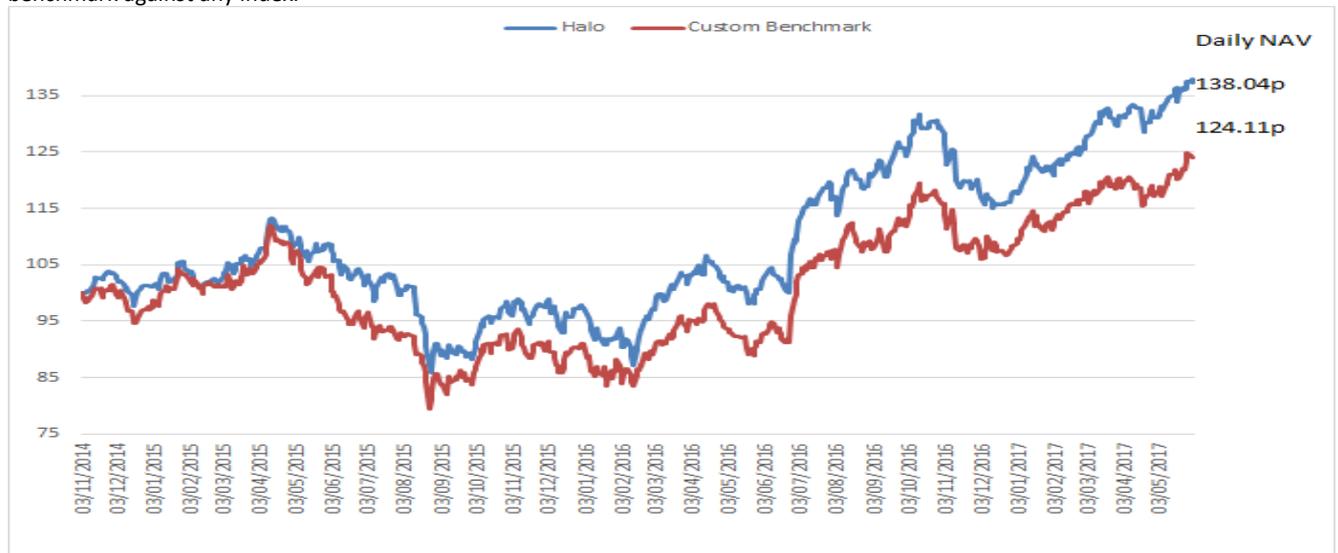


**Sector Allocation (% of NAV)**



### 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. This is for illustrative purposes only and in accordance with our Prospectus Halo does not benchmark against any index.



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