

VT HALO GLOBAL ASIAN CONSUMER FUND

October 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st October 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 continues to reach new highs as the quarterly results season starts again. There has been little of note on the macro economic front, with strengthening global GDP growth and robust Purchasing Managers Indices, which has meant markets continue higher. Interest rates are now rising in a number of countries and perhaps tighter monetary policy and higher bond yields will cap stock markets, we expect interest rates to rise at a very gradual pace, although unlikely to happen in the short term. We also witness our companies continuing their strong pace of earnings growth, with earnings for the portfolio expected to grow by 17% over the next 12 months. This will have a greater impact on their share prices than any macro event over the medium to long term.

Back to results, where we have seen, more mixed news. There have been surprises on the upside from Estee Lauder, which produced a meaningful beat on revenues and was 25% ahead of market expectations at the net profit line. This has been driven by Asia and in particular China, and analysts have revised up their numbers for the year and shares moved 10% higher on the back of this. We also had a positive profit alert from China Maple Leaf, the Chinese private school provider, after it shares had fallen back 10%. The shares have duly bounced but in our view still represent good value at 18x PE for over 20% per annum profit growth. Other companies with positive numbers compared to expectations were Gudang Guram, the Indonesian cigarette company, Daimler and Pernod.

The majority of other companies reported in line numbers such as HDFC Bank, BTN, the mortgage in Indonesia, and Nestle. We have also had some exceptions in the case of New Oriental Education, who despite reporting stronger than expected revenues, recorded some margin pressure. This was due to accelerated spend on planned after-school teaching centres. This historically had been 10% per annum but they have accelerated the expansion rate to 30% this year, due to very strong demand. Margins recovery has thus been pushed out by 6-12 months. This resulted in downgrades to profits for this current year but upgrades thereafter. The market though, focused on the impact to profits for the next six months and the shares are down 10% from their all time high. We think this expansion is a positive development and will look to add if the shares fall further.

With regards to our trading over the month we added back to China Maple Leaf just before its positive profit alert, having trimmed it higher up and have also been buying more of China Everbright International following strong new order growth, which improves the visibility of their earnings profile 2-3 years out.

NAV 145.1p

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	\$33.1m
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.

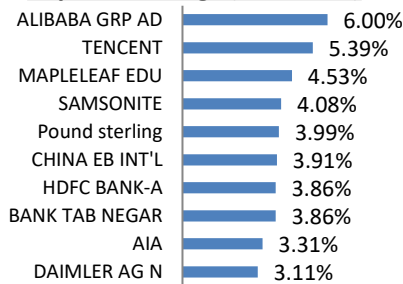
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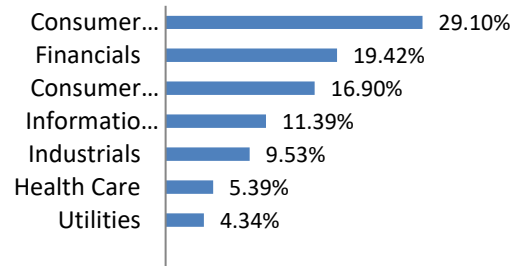


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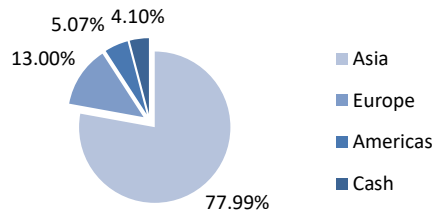
Top 10 Holdings (% of NAV)



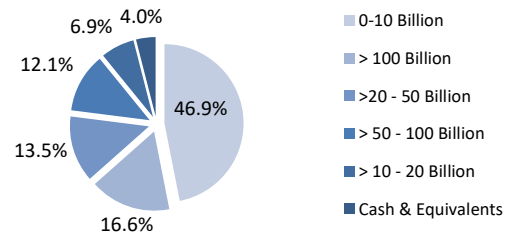
Sector Allocation (% of NAV)



Geographic Allocation

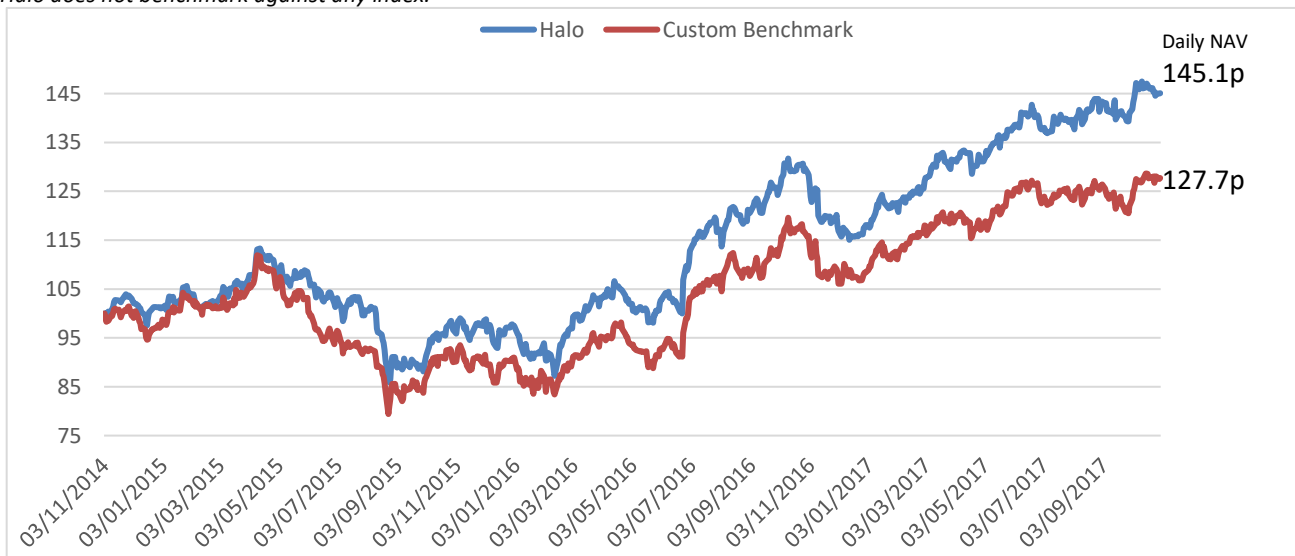


Market Capitalisation



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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