

# VT HALO GLOBAL ASIAN CONSUMER FUND

November 2017 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> November 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 remained flat in November weighed by Sterling's appreciation of 1.4% versus the USD. We continue to remain cautious on Sterling and so have not hedged against the appreciation of Sterling within the Fund.

Earnings season wrapped up on a positive note with a big beat from two of our largest holdings, Alibaba and Tencent. Tencent reported its highest ever quarterly revenue growth since 2010 and whilst we remain long term holders of both, we took the decision to reduce our positions in November, as we felt investor expectations and valuations had become stretched. Post the subsequent market rotation away from technology stocks, we have added back to Alibaba, as we felt that the stock price represented good value at 26x forward P/E for an expected 35% earnings growth in 2018. We continue to believe that the Chinese internet space is a winner takes all market and the market value of Alibaba does not yet fully reflect the value of its cloud business, which we feel will be a big driver of future profits.

In addition we had results from Noah, CP All, which were in line and China Maple Leaf and Malaysia Airports, which were both ahead of expectations. All 4 stocks have seen their share prices move higher post their results.

On the macro front, manufacturing indices showed an upwards trend in November with PMI indices increasing in the Philippines, Thailand, India and Malaysia. However, despite this we saw a sell off across major global indices as investors began rotating out of this year's winners, namely in tech and high quality structural growth stocks and locking in some profits. This was partly on the back of the US Republican tax plan being passed, which witnessed a rotation out of tech and into domestic cyclicals in the US and was mirrored in Asia. However, we believe the earnings outlook remains unchanged for the Fund's core positions and we'll continue to trade at the margin where we see dislocation of the market's expectations relative to company fundamentals.

We have added one new position over the month, Inox, an Indian multiplex cinema operator. Inox is the number two organised player and due to a change in management focus, it is fast catching up with the number one player PVR, on operational metrics, yet it trades at a 22% discount to PVR on P/E, which we believe is unwarranted. The Indian movie industry has some of the highest occupancy rates globally and there is a genuine lack of an alternative form of outdoor family entertainment. The industry still remains highly fragmented and hence we expect growth of the organised payers to be a structural theme for many years to come.

**NAV 145.7p**

<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	GB00BRGCD571
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
<b>Asset Under Mgt</b>	<b>\$33.9m</b>
<b>Depository:</b>	National Westminster Bank PLC
<b>Dealing Frequency:</b>	Daily
<b>Daily NAV available:</b>	Bloomberg, Morningstar & Valu-Trac

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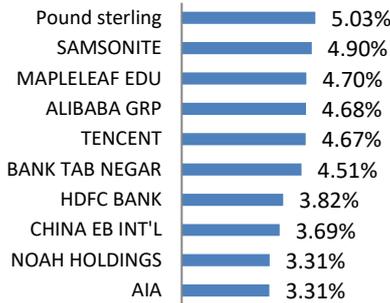
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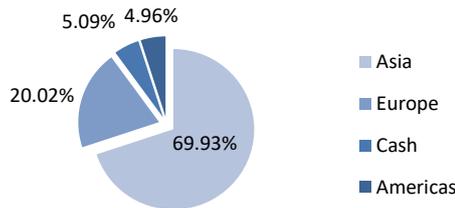
## Top 10 Holdings (% of NAV)



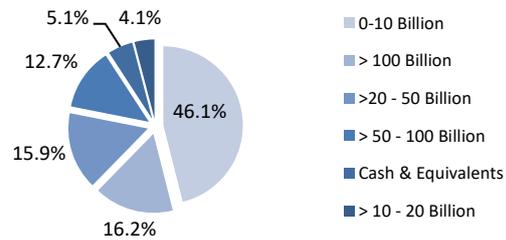
## Sector Allocation (% of NAV)



## Geographic Allocation

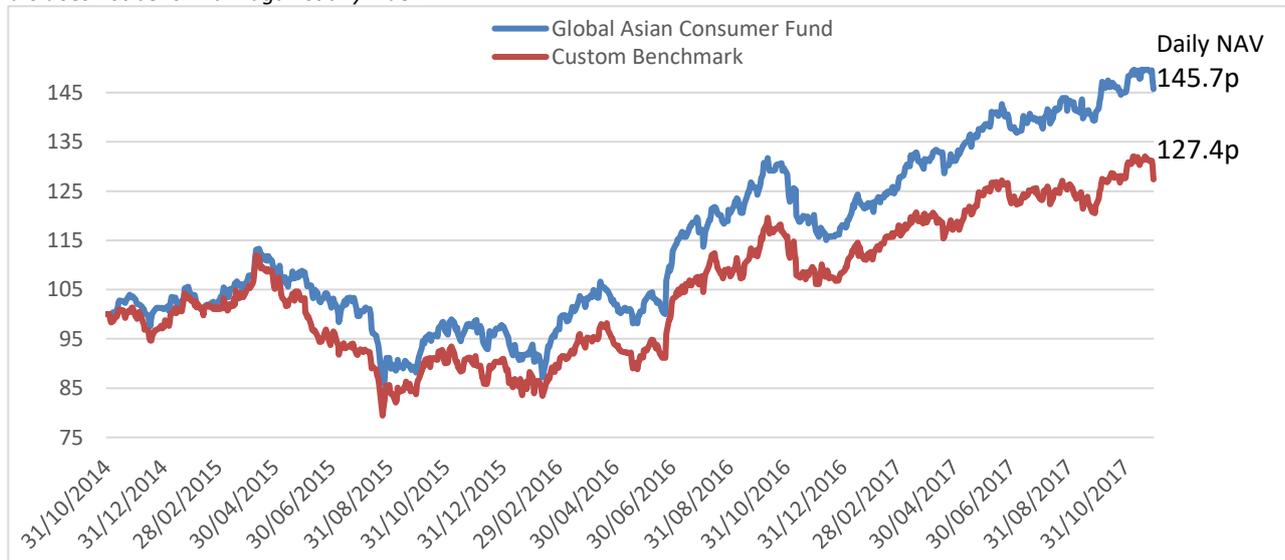


## Market Capitalisation



## 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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