

# VT HALO GLOBAL ASIAN CONSUMER FUND

March 2018 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29<sup>th</sup> March 2018

## 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

This has been another volatile month for markets and again the Fund has held up reasonably well declining 1.8% over the month against both the bespoke benchmark down 4.2% and MSCI Asia ex Japan, down 4.3%. The volatility has been driven by fears over the trade dispute escalation between the US and China and a rotation away from technology stocks.

Since we only invest in domestic Asian consumption stories, the trade dispute has no direct impact on our holdings, but negative sentiment is impacting Asian markets and in particular North Asia, which are more reliant on exports. We, as mentioned in prior fact sheets have less exposure to this region and a greater percentage invested in the ASEAN region, whose economies have less leverage to exports to the West and are more driven by domestic consumption. In addition, we have been trimming our technology exposure over the last few months as valuations have moved closer to our fair value targets, which has helped mitigate the fall in value of the Fund.

This month has also seen more year end results from our Chinese and Hong Kong holdings, with top ten holdings Noah, the wealth manager and Samsonite reporting results at the top end of expectations and both are signalling 2018 to have started well. Noah continues to forecast for 15-20% profit growth for 2018, having delivered similar rates of growth over the previous two years. Samsonite is seeing the benefit of the Tumi acquisition in 2018, and we will see high single digit revenue growth combined with margin expansion, delivering high teens EPS growth.

Li Ning, the mid-market sportswear company also produced in line results and guided to a strong start to 2018 and the shares are at a 5 year high. Tencent's results were again broadly in line, but they have guided margins are likely to fall in 2018 as they invest in new businesses, expanding into other profit pools that benefit from the WeChat ecosystem and their online expertise. We trimmed Tencent a few months ago on valuation concerns, but if it continues to fall further we may look to add back to it.

Outside China, Gudang Garam, the Indonesian tobacco company reported results slightly ahead of market expectations. Dufry, the duty-free operator results were in line, with trading again looking robust in the first two months of 2018.

Our only activity this month has been to reduce the size of our holding in Estee Lauder, which has seen the shares reach new highs on the back of strong results in February, but we feel at 30x PE, the valuation is looking stretched.

We continue to remain positive this year on the outlook for the consumption story given the strong projected earnings growth of our companies, with no impact from the tariff war.

**NAV 148.8**

|                                 |   |
|---------------------------------|---|
| <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                                   |
| <b>Year End:</b>                | 30 June   |
| <b>Management Fees:</b>         | A: 1.15% p.a.<br>B: 0.85% p.a.<br>C: 0.65% 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>          | \$44.2m   |
| <b>Depository:</b>              | National Westminster Bank PLC                   |
| <b>Dealing Frequency:</b>       | Daily   |
| <b>Daily NAV available:</b>     | Bloomberg, Morningstar & Valu-Trac              |

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

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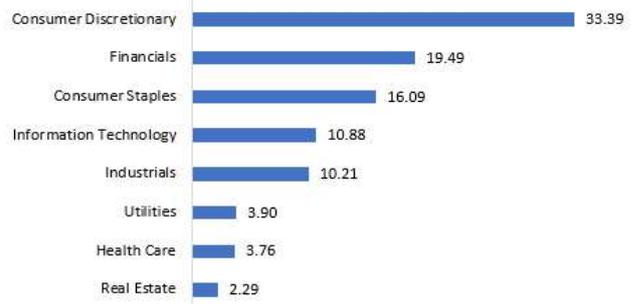


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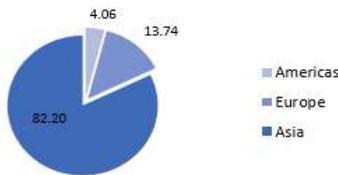
### Top 10 Holdings (% of NAV)



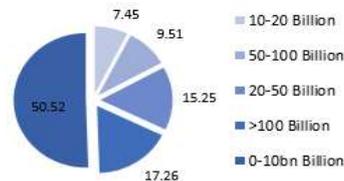
### Sector Allocation (% of NAV)



### Geographical Allocation %

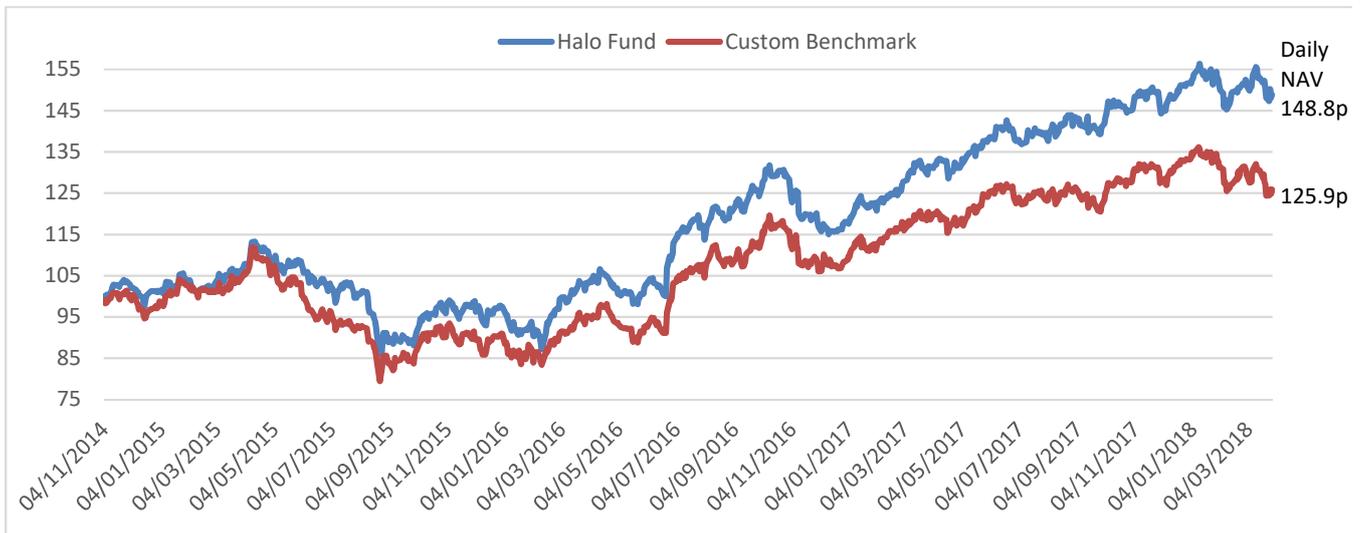


### Market Cap Allocation % (USD)



## 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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