

VT HALO GLOBAL ASIAN CONSUMER FUND

May 2018 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st May 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

The fund rose 4.6% in May, once again helped by Sterling which depreciated 3.4% against the US dollar. Stock selection in China was another positive, with strong performance from education play China Maple Leaf, which rose 30% and waste to energy stock China Everbright Greentech, which was up 19% in the month. China Maple Leaf's performance was in part due to a favourable initiation report by Citibank. Whilst the environmental names were supported by positive messages coming out of China's National Ecological Environment Protection Conference attended by President Xi Jinping and another 5 Politburo members.

In macro news May proved a busy month with China's imports in US\$ terms growing 26% yoy, faster than market expectations and reinforcing our view of solid domestic demand. Economic strength was also confirmed by a number of other indicators including PMI's of 51.9 however, markets were rattled by the US announcement of a 25% tariff on \$50bn of goods imported from China and fears of a trade war, along with rising US rates and a strengthening US\$ gave further reason for investors to sell Emerging Markets in May. Concerns over EM Dollar denominated debt, led to a subsequent sell off in currencies and we saw Bank of Indonesia raise rates twice in efforts to stabilise the Rupiah. We continue to believe in the robustness of Asian consumption growth and we would like to remind investors not to bucket all EM as one. As stated by current FED governor Powell, Emerging Markets have reduced their vulnerability to rising US rates and whilst US\$ debt has risen at the nominal level for EM, corporate debt at risk as a % of GDP has in fact begun to reverse its earlier rise with China peaking at 69% in 3Q16, falling to 52% in 3Q17. Trade wars, whilst bad news for markets should have limited impact on the Chinese economy and against this backdrop consumption remains resilient, with demand for travel and services like education, continuing to remain firm.

Moving onto stocks, Estee Lauder suffered an 8% fall on the day it announced Q2 earnings, due to a management disclosure revealing they had learned that some of their advertising claims did not live up to testing results. Having trimmed this position post Q1 results in February, we opportunistically added to the position as we felt the sell-off was overdone and management guidance for the year remains conservative.

Samsonite fell victim to a short seller report resulting in the stock falling over 20% in two days and a management suspension of stock trading for 4 days. We were proactively in touch with investor relations over this period and felt their published response was thorough and detailed. We were satisfied with their responses to the allegations and believe the board acted correctly in removing the CEO from office thus removing any perceived conflicts of interests and addressing allegations over misstatements regarding his credentials. We take a long-term view with our investments and the investment case remains in place.

Fund positioning has been broadly stable over the past month and Andrew has just returned from a trip to Asia, which we will be updating you on next month.

NAV 157.64

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
Year End:	30 June
Management Fees:	A: 1.15% p.a. B: 0.85% p.a. C: 0.65% p.a.
ISIN:	
A \$ Acc	GB00BRJTG644
A £ Acc	GB00BRGC DR64
B \$ Acc	GB00BRWQWY25
B \$ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCDS71
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGC DT88
Asset Under Mgt	\$54.9m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

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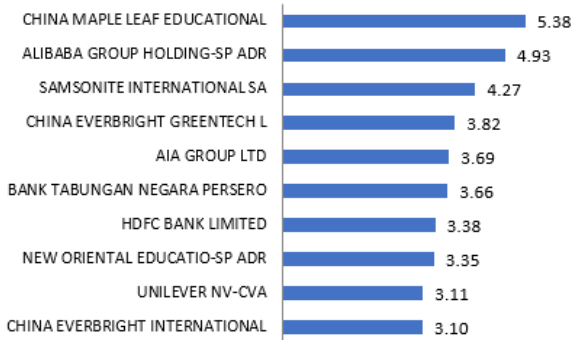
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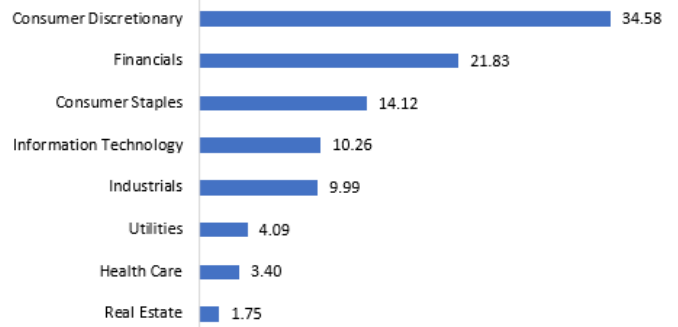


All Data at 12.00 GMT 30th May 2018

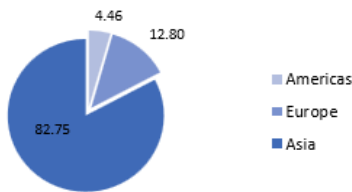
Top 10 Holdings (% of NAV)



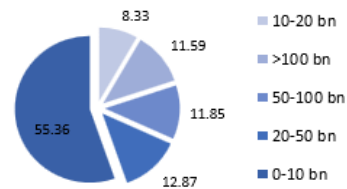
Sector Allocation (% of NAV)



Geographical Allocation %

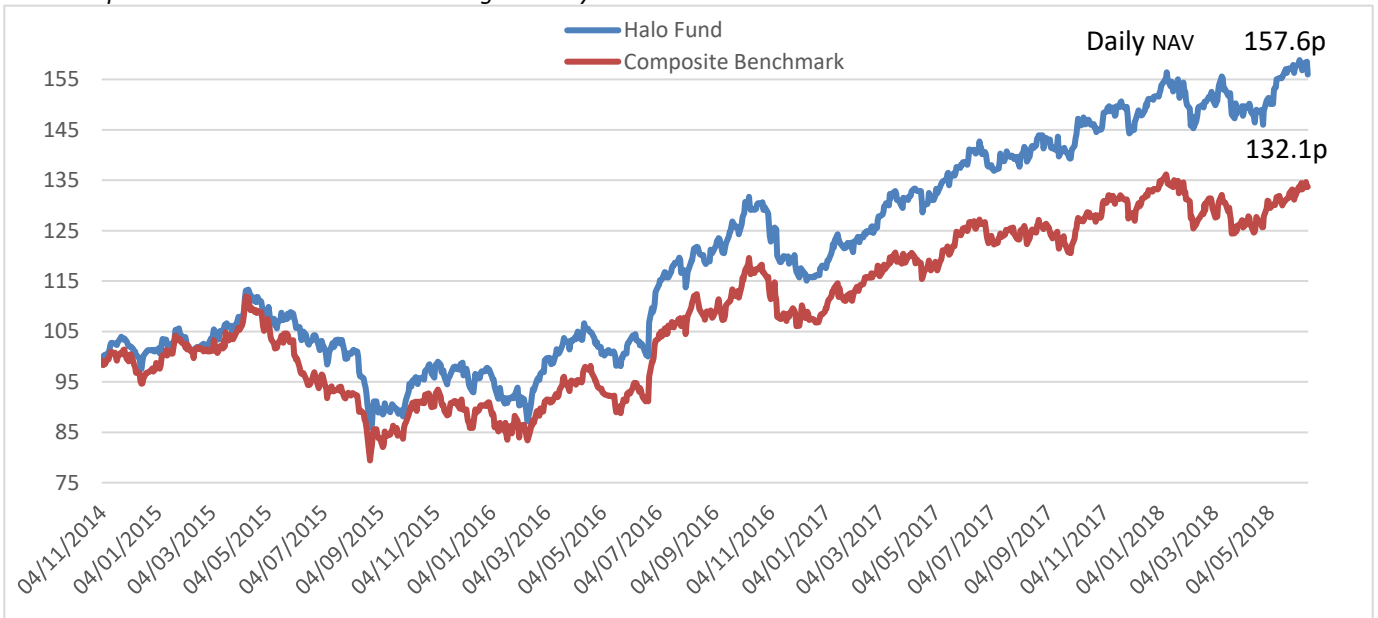


Market Cap Allocation % (USD)



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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