

# VT HALO GLOBAL ASIAN CONSUMER FUND

## July 2018 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> July 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 1% in July in a month that saw Sterling depreciate another 0.6% versus the USD. MSCI China fell another 2.4% in July as President Trump continued to ratchet up the trade rhetoric, and the Chinese Renminbi depreciated by 3%, weighed down by soft macro data. This was countered by strong performance in the ASEAN and Indian markets with Philippines rising 7.6% and India rising 6.4% in US\$.

We saw a continued moderation in growth numbers coming from China with manufacturing PMI easing to 50.8 compared to 51 in June. However, China announced a stimulus package and relaxed their guidance on lending via wealth management products, which should help stabilise domestic demand in the second half of the year. The Indian market was helped by more favourable crude prices and strong loan growth numbers reported by the banks.

Earnings season kicked off with Indonesian micro lender Bank Rakyat reporting net profit growth of +10% yoy and raising its full year loan growth target to +14% from 11%-12% previously. Bank Rakyat is one of our top ten holdings and we see room for earnings surprise going forwards driven by stronger cost control and better efficiency.

New Oriental Education, the operator of one of China's largest K-12 after school tutorial services, reported sales growth of more than 40% y/y in 2H18. The stock had been weak recently due to investor concern over the initial losses from an accelerating number of new learning centres however, demand for their services remains buoyant and the outlook for the year remains positive.

The Indian multiplex operator Inox Leisure reported strong results with net income growing +16% however, results were overshadowed by an announcement from the government of Maharashtra that outside food should be allowed into multiplexes. The Indian Multiplex Association challenged the announcement in the High Court and as we write, the government has since softened its position and does not deem it necessary to regulate and interfere with private business models. We also believe the stock price correction was overdone and we added to the position in July.

Philip Morris continues to test investor resolve with another reset of its heat not burn IQOS volume expectations. Heat not burn is a nascent market and subject to volatility, yet penetration is still low globally. We believe we will have to wait until 2019 to see the results of their IQOS initiatives and maintain our position as the market is currently assigning zero value to IQOS and the outlook for the core business remains strong.

Nagacorp, the Cambodian casino operator, reported strong first half results and we have seen upgrades to full year numbers and a positive share price reaction, with the shares reaching a new all time high.

Volumes remain light in the summer holiday season resulting in increased volatility and we will continue to add opportunistically to positions where we feel market moves are overdone.

**NAV 150.99**

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	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 \$53.4m

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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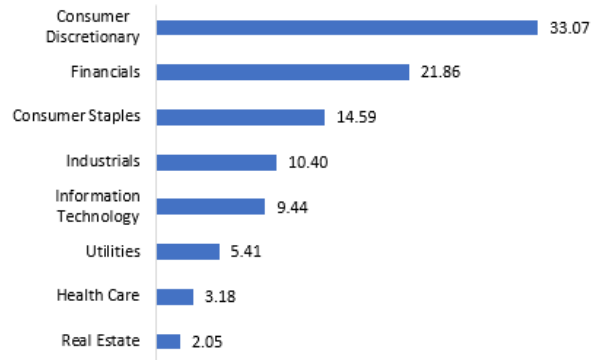


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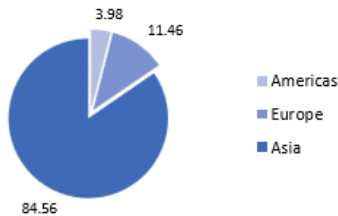
### Top 10 Holdings (% of NAV)



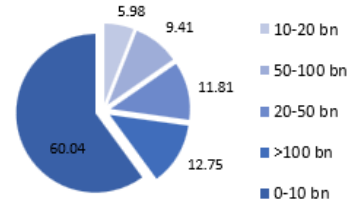
### Sector Allocation (% of NAV)



### Market Cap Allocation % (USD)

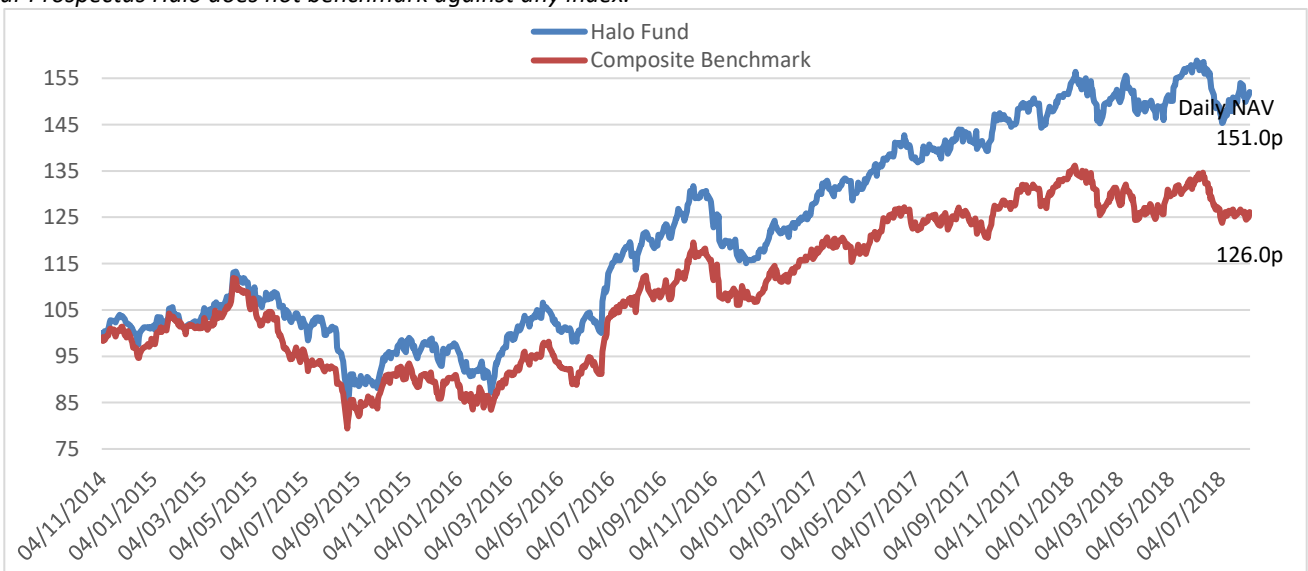


### Market Cap Allocation % (USD)



### 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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