

# VT HALO GLOBAL ASIAN CONSUMER FUND

## December 2018 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> December 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 fell 2.6% month on month in Sterling terms as markets failed to sustain the positive momentum in November. The Fund's holdings in China were a drag on performance this month, driven by renewed scepticism on a US-China trade deal. However, Asian markets were also rattled by the S&P suffering its worst month since February 2009 falling 9.2% in December.

However, all is not glum and we would like to remind investors that softer Chinese data is expected and being acted on by the Chinese authorities. At the conclusion of the Central Economic Work conference in December, the authorities confirmed a commitment to "proactive monetary policy, a pledge for more tax cuts and structural reforms/deregulation in order to achieve stable growth in 2019. China has increasingly signalled that it is willing to prioritise and support growth, and in particular private consumption which is positive for our holdings. We have changed our portfolio very little since the start of the year and continue to invest along the same themes of education, e-commerce, gaming and the environment where we see strong structural demand. We have seen December services PMI in China rise to 53.9, an increase on November's, which does not imply a rapidly deteriorating economy.

Chinese retail sales growth moderated from +8.6% yoy in November to 8.1% yoy in December. However, this number was heavily impacted by auto sales. It is interesting to note that the proportion of online channels continues to rise, at 18% of total retail sales. We thus remain positive on the new retail model that Alibaba is championing, which integrates online and offline shopping.

India meanwhile, shrugged off a disappointing performance from the ruling BJP party in local state elections and the exit of the RBI governor. Investors instead focused on lower oil prices and headline inflation at 2.3% yoy, making it increasingly likely that monetary policy turns supportive. We remain constructive on India but note the increasing risks, namely a weaker win for the ruling BJP party, a more populist budget in efforts to shore up votes ahead of the general election this year and increased politicisation of the Reserve Bank of India.

The Fund's holdings in the Philippines had a strong month with Bloomberg and GT Capital both rising 12%. The stocks had been heavily oversold in 2018 and gaming numbers for Bloomberg in particular, continued to remain strong with November gross gaming revenue coming in at +40% yoy. Macau gross gaming revenue also came in robust at +11-12% yoy, however this has so far failed to lift Sands China's share price as sentiment remains weak on Chinese macro.

We reduced our position in Samsonite following meeting them in November, where we concluded that the near term headwinds to revenue growth were building due to weakening macro in China and trade war related price hikes in the US. We additionally reduced our position in the Indonesian lender Bank BTN, as we are cautious on the next year's earnings as the bank shores up its capital, in order to satisfy incoming regulation on bad debt provisioning.

**NAV 136.1p**

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
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	GB00BRGCDD64
B \$ Acc	GB00BRWQWY25
B \$ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCDS71
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDDT88

Asset Under Mgt \$47.4 m

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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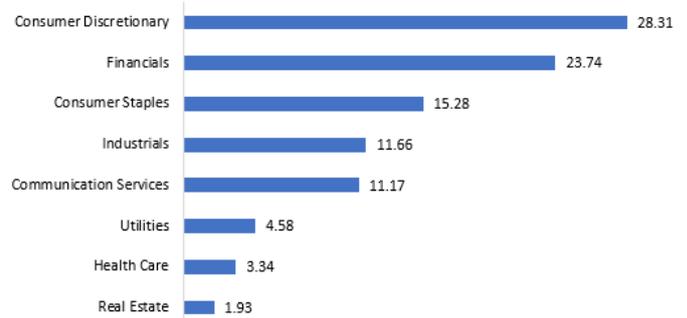


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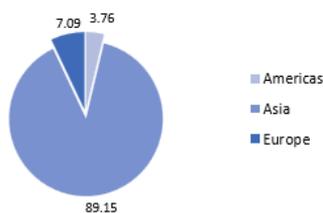
## Top 10 Holdings (% of NAV)



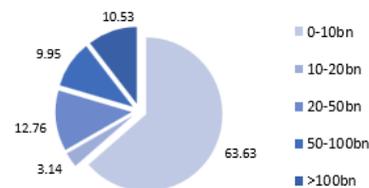
## Sector Allocation (% of NAV)



## Geographical Allocation % (USD)

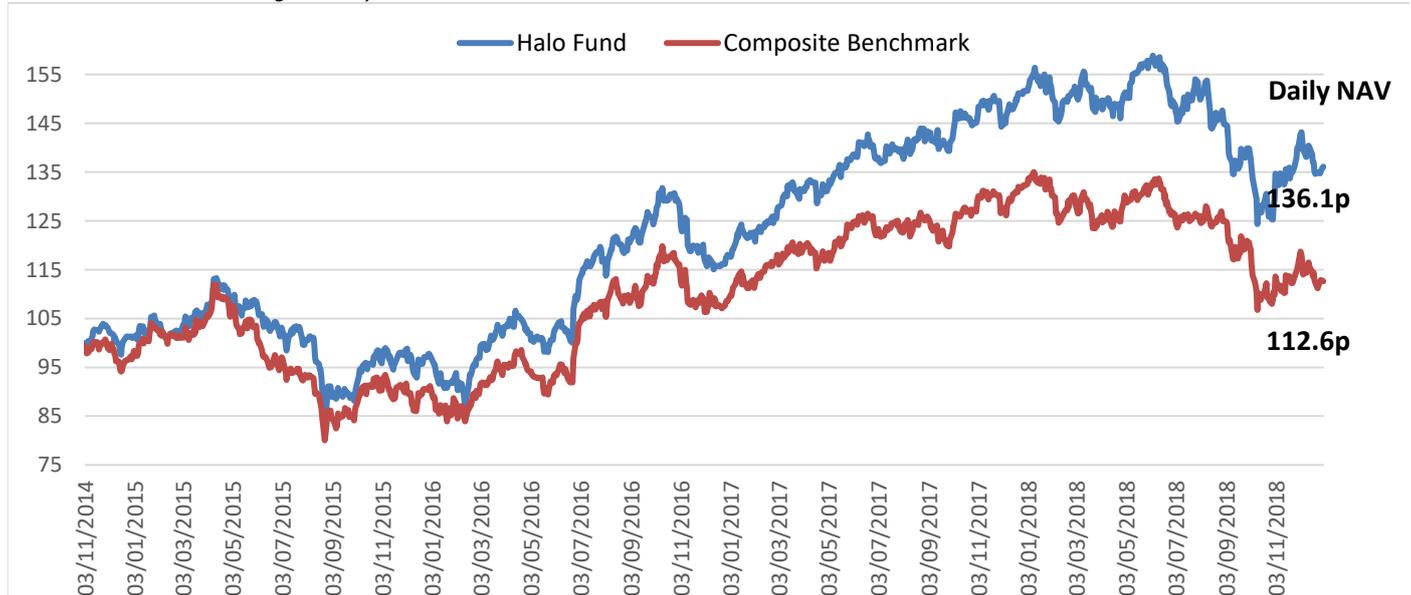


## Market Cap Allocation % (USD)



## 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. From 01/12/18 Custom Benchmark reduced Consumer Discretionary to 30% and added 10% Communication Services, due to reclassification by MSCI. 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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