

VT HALO GLOBAL ASIAN CONSUMER FUND

January 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st January 2019

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

To quote Alibaba's Vice Chairman Joseph Tsai, "The size of the Chinese economy is \$13 trillion. In the future, obsessing on the rate of growth is not meaningful, because of the law of large numbers. The reality is, the absolute dollar amount of new wealth creation in the Chinese economy will be well over \$800 billion each year". Alibaba has conviction that digitisation of retail will continue to grow at a faster rate than the overall economy and so do we. Whilst the overall economy grew in single digits last year, the e-commerce sector GMV grew over 20%. Technology innovation and improved productivity are driving sustained growth over a longer period of time. Alibaba continues to remain one of our top positions in the fund and we recently added to the position following strong results this quarter.

The Fund rose 5.5% in January as the Fed Chairman Jerome Powell reassured markets that they were ready to adjust policy "quickly and flexibly" if the data required it. Trade talks between US and China resumed and our message to clients throughout 2018 was that whilst the trade war impacted sentiment, the tangible effects on companies within our portfolio were small. To quote Alibaba again, "the businesses we invest in are engaged in e-commerce, consumer services, entertainment, education and cloud computing, and for these businesses the primary growth driver is domestic consumption". As a result, we changed our portfolio very little in 2018 and that same portfolio is driving our strong performance today.

Indonesian banks have continued their strong run into 2019 and Bank Rakyat reported another consistent set of results, with earnings growing 12% yoy in 2018. The Indonesian market and its currency was one of the weakest in 2018 as its large current account deficit and significant foreign holding of its bond markets left it vulnerable to bouts of risk aversion to Emerging Markets. However, as we enter 2019 we are more positive on Indonesia as the stabilising exchange rate and low inflation are helping to improve consumer demand, which matters more to our companies. Indonesia remains a domestic driven economy and our two Indonesian banks remain in our top 10 holdings.

Elsewhere in the portfolio the Chinese tutorial operator New Oriental Education delivered a strong set of results with revenue and margin growth above expectations. Revenue and profit guidance for 2019 was increased, as management expressed confidence that operating leverage in the offline business can offset the regulatory impact and pressure from investment in online. The Education sector in China was hit with a wave of new regulations in 2018 and we believe the share prices overly discounted the impact to earnings. Regulation has, in fact, brought forward industry consolidation, which should benefit our companies New Oriental Education and the University operator, China Education which are respective market leaders in their fields. We also as expected, had strong results from PNJ the Vietnamese jewellery retailer, who continues to see same store sales growth of over 20% and profits up over 30%. We continue to remain bullish on the Vietnamese consumer outlook.

NAV 143.5p

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	\$52.2m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

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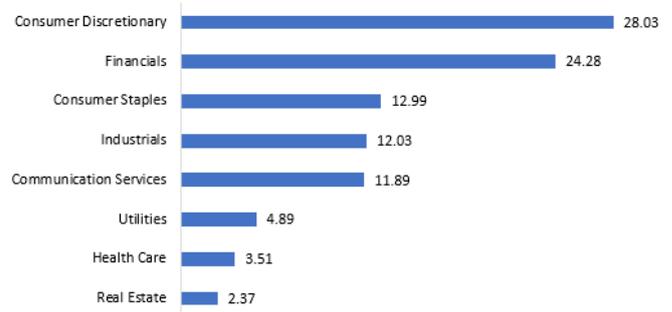


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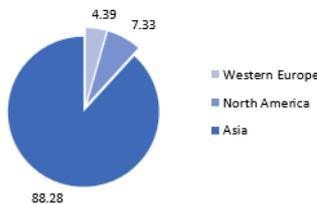
Top 10 Holdings (% of NAV)



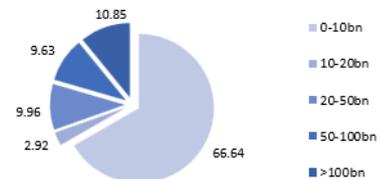
Sector Allocation (% of NAV)



Geographical Allocation % (USD)

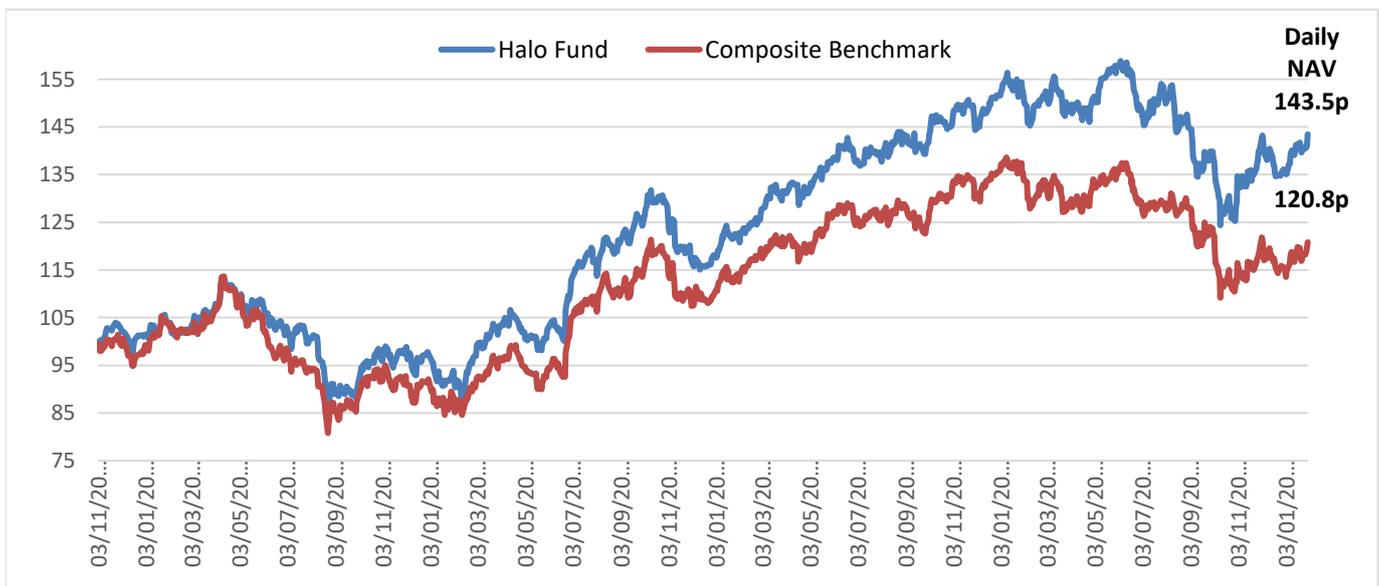


Market Cap Allocation % (USD)



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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