

VT HALO GLOBAL ASIAN CONSUMER FUND

April 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th April 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

The Fund rose 1.3% in April as stocks rallied on better than expected Chinese data. China manufacturing PMI rebounded above 50 in March, reversing most of the decline seen in Q1. Overall GDP growth also came in above expectations at 6.4%, with retail sales showing their first small but positive improvement in months. Whilst the US-China trade war related fears have been driving share prices in the short term, we believe that monitoring the underlying macro data and company commentary are more relevant factors for investors to focus on and we continue to monitor this closely.

Earnings season is once again upon us and we had an inline set of Q1 results from Health & Happiness, the Chinese infant milk and adult nutrition specialist. Sales grew 2.4% YoY in what was an expected weak quarter due to disruption from China's new e-commerce laws. We believe that the growth driver going forwards will be the company's adult nutrition business, where we see continued strong demand, and after meeting with the new CEO in April we remain convinced of the investment case.

Estee Lauder reported a strong set of numbers beating sell-side estimates and raising guidance. Sales were strong, growing 12% in local currency terms and the company saw growth in Asia accelerating across all categories. Reaction to the result was somewhat muted however, as a rich valuation coupled with a weak North American business acted as counterweights. Estee Lauder has been focussing its resources in the world's fastest growing markets, and this has led to some investors questioning an over reliance on China. However, we do not agree, as we feel that had the company not ridden the wave of Chinese growth, then an equal if not greater amount of criticism would also be levelled at it if it had missed the opportunity.

The Vietnamese jewellery designer and manufacturer, PNJ, reported a very strong set of Q1 earnings with net profit growing 35% yoy. We continue to believe that this is one of the best ways to capitalise on Vietnam's fast growing affluent middle class. Vietnamese retail sales growth has remained robust and the macro strong, supported by both current and fiscal account surpluses. We continue to add to our positions in Vietnam where possible however, there is lack of availability of stock as a number of the names are already at their foreign ownership limits. The stock trades on a fwd P/E of 12x when compared to India's Titan on a P/E of 52x for similar growth rates, leaving PNJ looking considerably good value.

Nagacorp released their Q1 revenue and gaming numbers which were up 30% YoY, slightly ahead of expectations. Nagacorp's business is capacity constrained and they simultaneously announced plans to build their third casino with an expected capex budget of \$3.5bn. This is at least double what the market had been expecting due to the size of the third casino being 3x what was anticipated. Financing has been put in place, half funded by internal free cash flow generation and the other half being funded by the majority shareholder, Dr. Chen who will receive additional shares on the day the casino is handed over to the company in 2024. Dr. Chen has agreed to bear all the capex risk in terms of cost overruns and delays, which reduces the risk of the build to us as shareholders and so we remain happy with our current holding.

NAV 156.5p

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 \$67.6m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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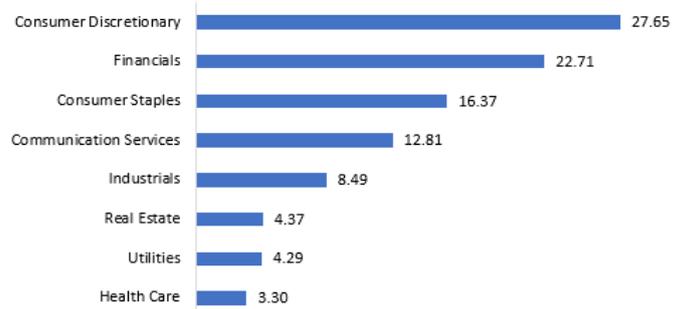


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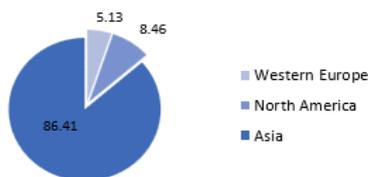
Top 10 Holdings (% of NAV)



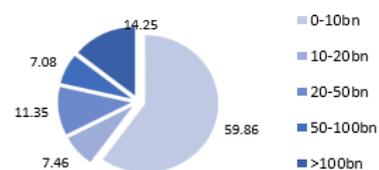
Sector Allocation (% of NAV)



Geographical Allocation %

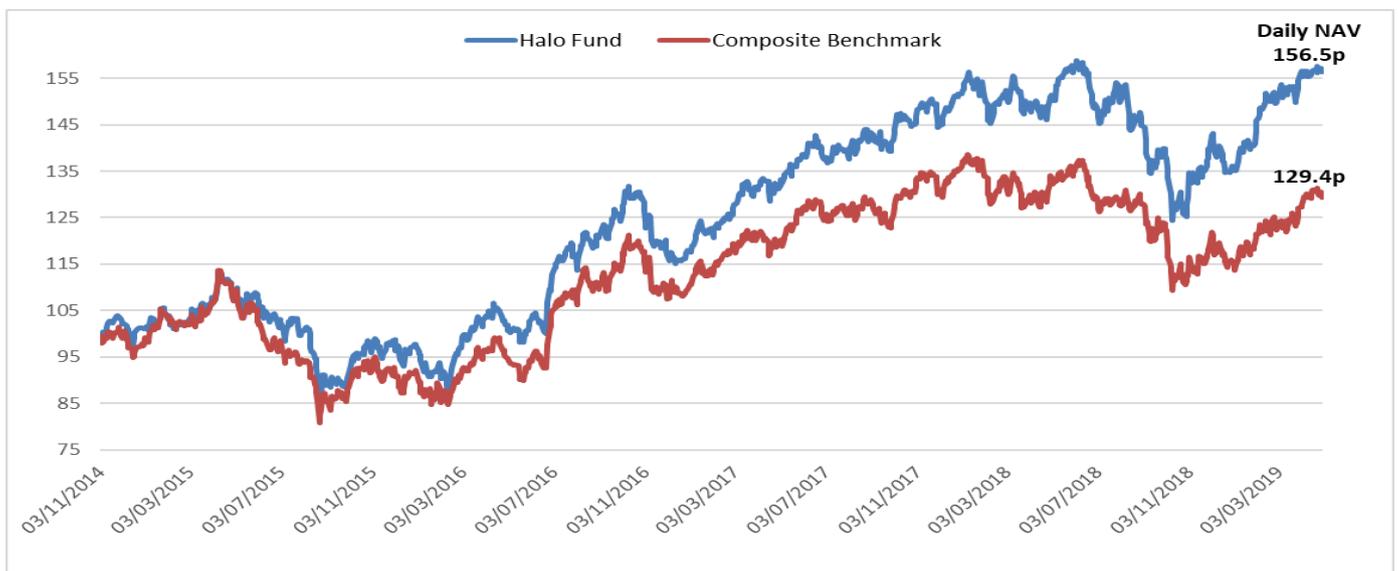


Market Cap Allocation % (USD)



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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