

VT HALO GLOBAL ASIAN CONSUMER FUND

June 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th June 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 3.7% in June as markets were buoyed by the prospects of more aggressive easing by the FED. There was also renewed hope that President Trump might delay the additional tariffs on China after meeting with Chinese President Xi at the G20. The Chinese market was strong, with the MSCI China rising 8.1% in USD during the month whilst the Indian markets took a breather following the strong victory from Modi's ruling BJP party last month, as investors awaited the upcoming budget in July. Once again market direction was dictated by US-China trade negotiations and market performance has mainly been driven by PE re-rating. However, as we move into reporting season in July, we expect the attention will rightly focus on earnings.

As global growth continues to slow, earnings' growth expectations are looking vulnerable with forecast trends negative across the region. However, within markets and sectors there is disparity. The domestic demand driven markets like India, the Philippines, China and Indonesia are expected to exhibit the highest earnings growth whilst the tech and export driven markets, like Korea and Taiwan are expected to witness a material contraction. This should benefit the Fund as our top 4 country weights are China, India, Indonesia and the Philippines respectively, whilst we have zero weight in Taiwan and Korea.

One of the Fund's top 10 holdings, Li Ning, delivered a positive profit alert during the month. We have discussed the Chinese sportswear brand's turnaround in previous factsheets and the transformation is very much continuing. Li Ning is seeing accelerated sales as a result of its new store roll out and this along with narrowing retail discounts has been under-appreciated by the market. The increasingly sophisticated brand conscious Chinese consumer no-longer perceives all foreign brands as premium and Li Ning has been doing a tremendous job of re-positioning its 30 year old heritage brand.

Trying to predict the outcome of the trade war is as much a guess as anyone's due to the increasingly unpredictable nature of President Trump. Regardless, we have been trying to take advantage of the volatility by adding to names where we viewed the sell off overdone and valuations attractive. We increased our weight in China during June by adding to Alibaba, Tencent, the wealth manager Noah and Macau Casino operator Sands China. Baba was trading at 18x forward PE in June, for an expected earnings growth of +30% FY2020. Noah traded at 12x for an expected earnings growth of 17% FY2020. Alibaba has consistently delivered strong quarterly results and stated that they continue to see significant growth in Chinese retail. Despite this and partly due to its listing on the New York Stock Exchange, Alibaba often trades as a proxy to US risk aversion on China in the short-term. Meanwhile, Noah had corrected due to weak earnings guidance in March as well as increased risk aversion on China. However, Noah has an increasingly diversified range of products to offer its clients when risk aversion to its traditional suite of Private Equity products is low. We believe the diversified wealth manager is well positioned to capture China's rising household wealth, a trend we believe is structural and hence looking through the current weakness we added to our position.

NAV 156.6p

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	GB00BRGCDS71
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDDT88
Asset Under Mgt	\$68.9m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

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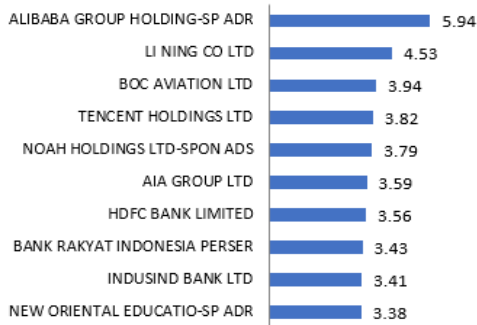
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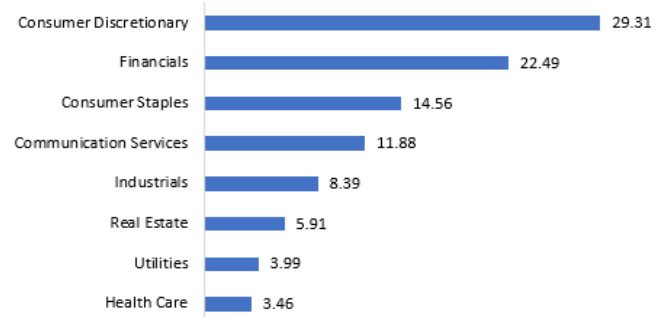


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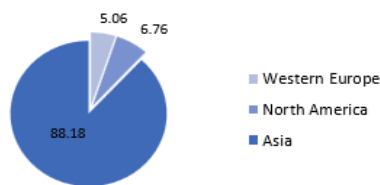
Top 10 Holdings (% of NAV)



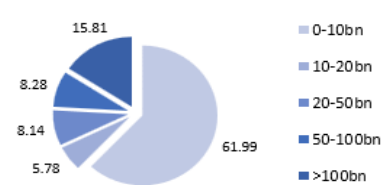
Sector Allocation (% of NAV)



Geographical Allocation %

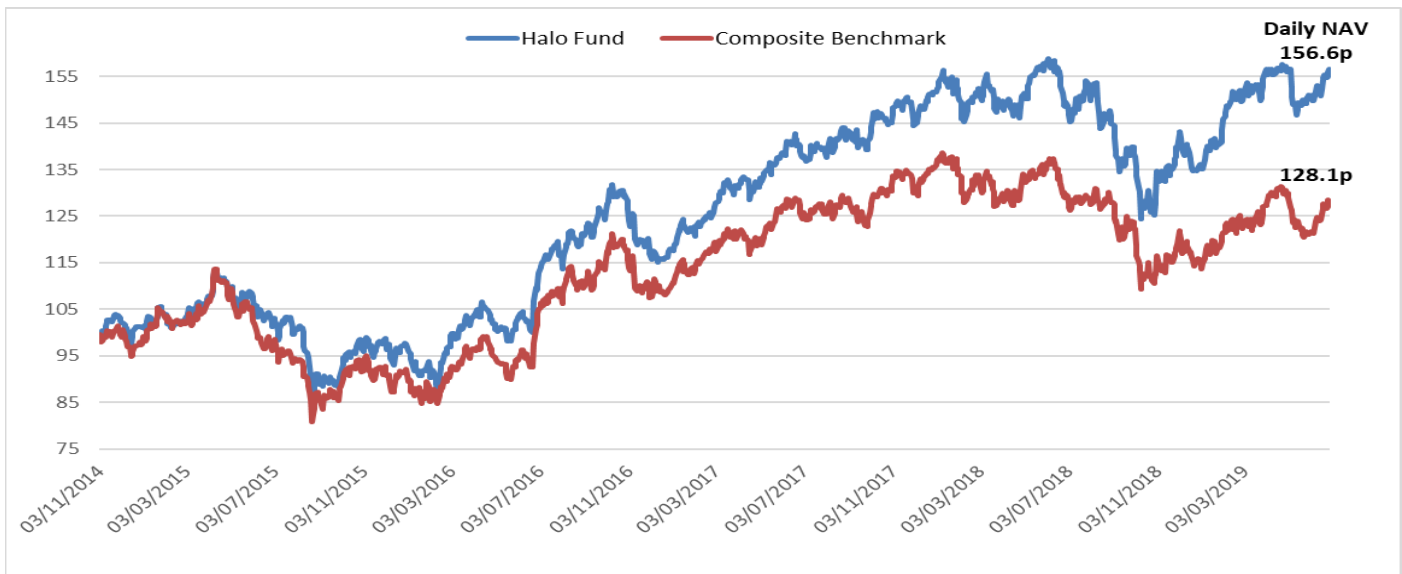


Market Cap Allocation % (USD)



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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