

VT HALO GLOBAL ASIAN CONSUMER FUND

July 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st July 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 4.4% in July bucking the trend of regional markets but also aided by a weak Sterling. Key market drivers this month included US-China trade talks, where initial hopes provided a temporary boost, elevated expectations for looser US Fed policy, which were subsequently pared back and most importantly for the Fund, second quarter earnings season.

We saw a good set of quarterly results from one of the Fund's top 10 holdings, the Cambodian casino operator Nagacorp, which subsequently rose 28% during the month. Nagacorp announced results that beat street estimates with revenue rising 22% YoY and EBITDA +41% YoY in USD. FDI into Cambodia has more than tripled rising from US\$697m in 2016 to US\$2,511m in 2018. Chinese business related travel to Cambodia has also been soaring registering 148% YoY growth in 2019. The vast majority of business travellers come from China as Chinese factories are relocating to lower cost Cambodia especially Phnom Penh, where Naga has a monopolistic position in its casinos. Last year Cambodia received 2m Chinese tourists a year, a number up 67% YoY and the government is targeting 5m by 2025 hence we expect this trend to continue for some time yet.

Another of the Fund's top 10 holdings, the Chinese after school tuition operator New Oriental also reported a strong set of quarterly results. 4Q19 revenues grew 25% YoY with total student enrolment growing 34% YoY. Regulation uncertainty for this market has now dissipated and the new regulations have in fact left the large organised players in a much stronger position as the Government wishes to see smaller players exit, enabling them to take further market share and consolidate the market. The company as a result expects over 30% revenue growth and with 100bps margin expansion over the next year, which we believe is conservative, should provide profit growth of something closer to 40%.

Philip Morris delivered profit ahead of street expectations with upgraded guidance. Volumes in its cigarette's division showed resilience whilst those in its heated category were better than expected. Post the hype in 2017, market expectations have been a lot more sanguine around PMI's "heat not burn" products, with sell side analysts not attributing much value to the segment. We are believers in management's strategy over the long term. However, we are cognizant that swings in "heat not burn" growth rates may be the source of future volatility in PMI's share price.

Finally the Indian Private banks IndusInd and HDFC Bank reported an inline set of quarterly numbers. This was the first quarterly set of merged financials for IndusInd having finally had its merger with the microfinance lender Bharat Financial approved and it has already resulted in higher margins. However, both HDFC Bank and IndusInd sounded cautious on the environment with management of both banks opting to take a more conservative approach to lending during the quarter. The Indian market significantly underperformed its peers in July with the MSCI India falling -5.5% in USD. Disappointment with the Union budget, a weak start to monsoons and weakening industrial activity all weighed on investor sentiment. The Indian private banks are expected to be one of the few sources of earnings growth in India this year and we retain our positions in the consumer lenders.

NAV 163.6p

Investment Manager:	Halo Global Asset 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	GB00BRGCDT88
Asset Under Mgt	\$69.0m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

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Financial Conduct Authority.

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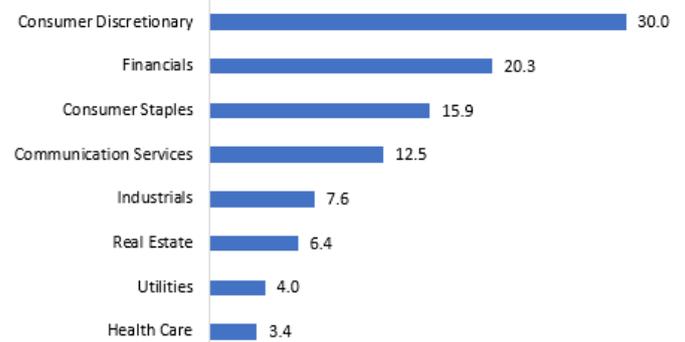


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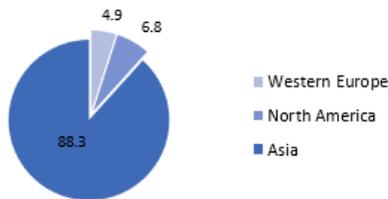
Top 10 Holdings (% of NAV)



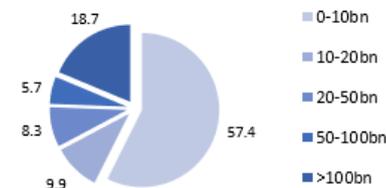
Sector Allocation (% of NAV)



Geographical Allocation %

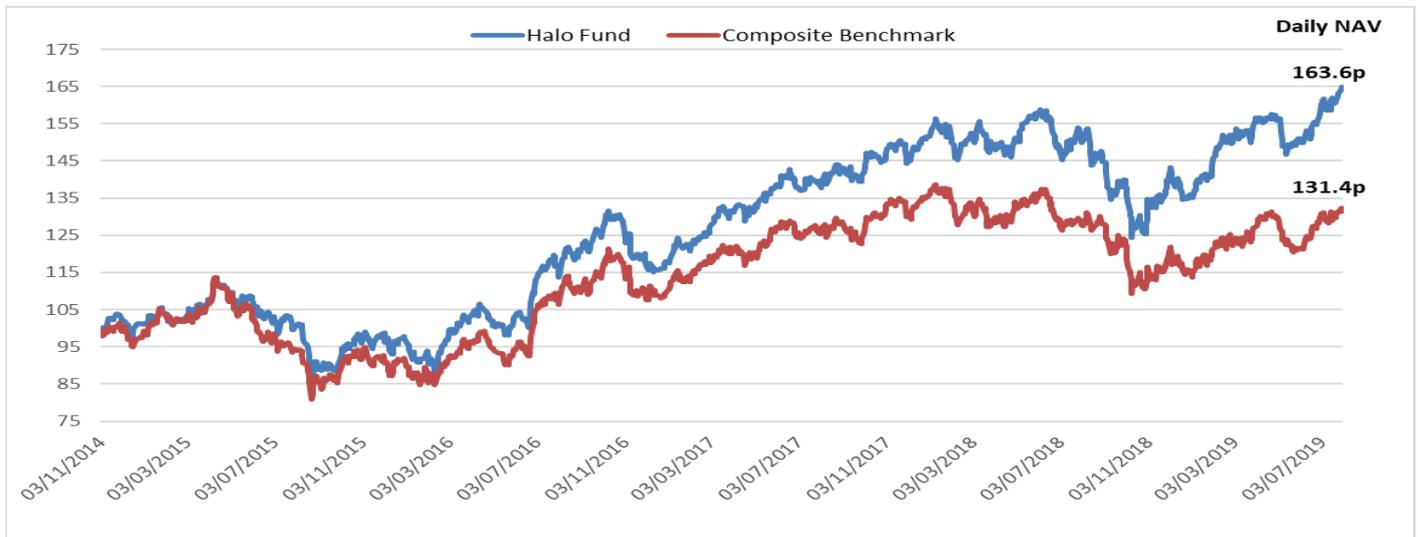


Market Cap Allocation % (USD)



Fund Performance since Inception

Performance data shown is of the B E 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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