

VT HALO GLOBAL ASIAN CONSUMER FUND

August 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th August 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

Risk assets retreated globally in August and the Fund was not immune, falling 4.7% in August. The US 10Y-2Y yield curve inverted, leading to recession fears further exasperating the sell-off. President Trump continued to drive day to day price action with a ratcheting up of tariffs from 25% to 30% on US\$250bn worth of Chinese imports as well as a 15% tariff on the remaining US\$300bn of imports.

At the Fund level, August saw the tail end of reporting season and we will start with Alibaba, which saw yet another estimate beating quarter with non-GAAP EPS growing RMB 56% yoy. Alibaba cited positive demographics and the rapid pace of digitisation as two trends that are helping them continue to show strong growth in their core-commerce business. In particular, the emergence of an affluent middle-class population, almost as large as the entire population of the US, as well as the rise of urbanisation in Tier 3 and 4 cities, is driving increasing demand to their platform. We believe that Alibaba is at the centre of a consumption upgrade in China and we will continue hold it as a major position in our portfolio.

Health and Happiness, the Chinese baby formula and adult nutrition manufacturer had an expected weak 1H. Whilst growth in its baby formula business rebounded with the company increasing market share, channel disruption from tighter regulation continued to weigh on sales for its Swisse adult nutrition business. We believe the channel disruption to be short-term and do not see an issue with end-demand, as positive demographics, increasing health awareness and low penetration of healthcare supplements remain strong tailwinds for the sector. We additionally support the company's decision to keep up investment in its brand and marketing spend, whilst continuing to expand its categories and product portfolio. We continue to hold the stock for an eventual recovery in margins over the next 1-2 years.

After delivering a positive profit alert in June Li-Ning, the Chinese sportswear player, still managed to beat sell-side estimates with its 1H19 earnings growing RMB 109% yoy. Li-Ning's efforts to improve its products, channel efficiency and supply chain are finally starting to pay off and we believe it should continue to support margin expansion in the next 3 years. We recently trimmed our position due to strong share price performance however it remains a top ten holding in the Fund.

We had results from GT Capital where they continued to show a robust improvement in their auto division. We are positive on the Philippines where the feedback from corporates we have recently met continues to indicate a strong consumer. We recently added to the retail property developer Robinsons Land as we believe the sell-off, due to fears about the government restricting online gaming by Chinese nationals (POGO) to be not relevant with only 1% of its income related to office leases to POGO's.

Finally, Estee Lauder delivered yet another robust set of quarterly results as demand for high quality skin care products remains strong especially in Asia. Estee Lauder sees demand for skin care products as a 10 year theme and we agree. The results are particularly impressive given the challenging macro back-drop of rising US-China trade tensions, protests in Hong Kong and soft demand in the US. The shares reacted positively to the results rising over 12% on the day.

NAV 155.8p

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	\$ 65.7m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac

Issued and approved by Halo Global Asset Management Ltd Authorised and regulated by the Financial Conduct Authority.

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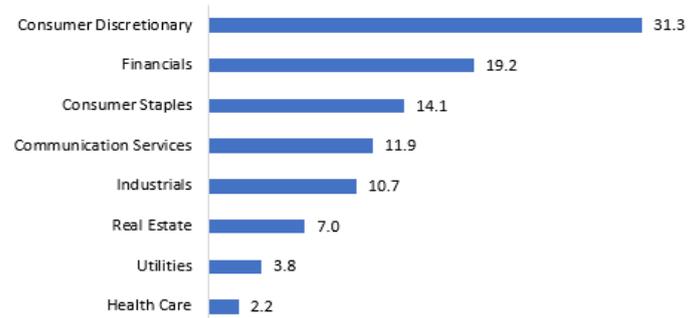


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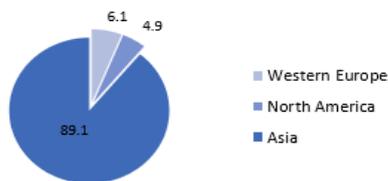
Top 10 Holdings (% of NAV)



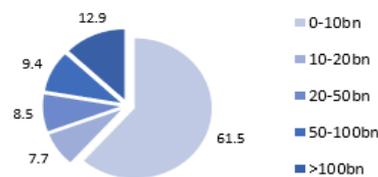
Sector Allocation (% of NAV)



Geographical Allocation %

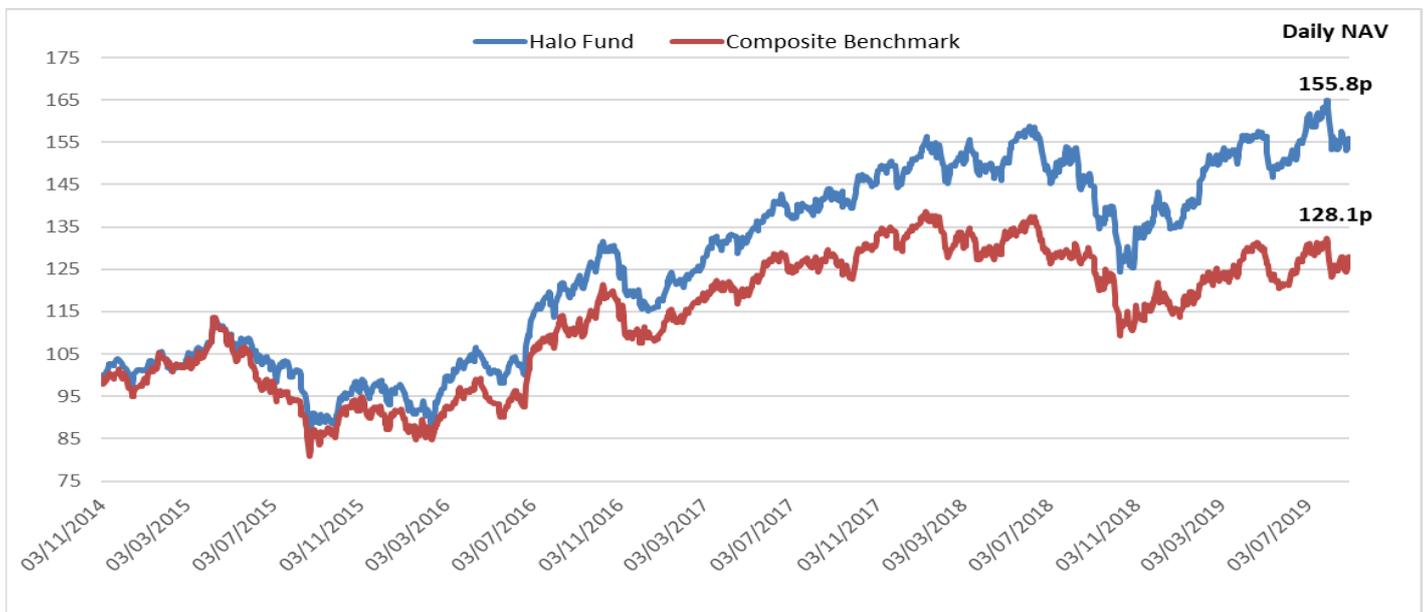


Market Cap Allocation % (USD)



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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