

VT HALO GLOBAL ASIAN CONSUMER FUND

September 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th September 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

Market reversal was a strong theme in September. After a strong August, traditional safe haven assets like gold, US treasuries and the Yen all fell. Globally, value assets such as energy outperformed relative to growth, and in addition we saw a market rotation back to the tech heavy countries like Korea and away from Indonesia which was also one of the region's worst performers falling 2.9%. The Fund fell 1.9% in September as it is not an investment style we typically have exposure to. However, as an investment team we continue to stick to our belief that earnings revision and quality will be rewarded and expect September's trend to fade.

Meanwhile in India the credit stress continued to build with liquidity pressure particularly acute in the troubled Non-Banking Financial sector (NBFC). The current NBFC issues in India are a combination of the rapid growth seen in this sector over the past 5 years. Firstly, filling the vacuum left by corporate banks, which were busy repairing their own balance sheets. Secondly, fuelled by low interest rates, the companies borrowed short duration liabilities and lent long duration assets. As a result we saw rising leverage together with a duration mismatch leading eventually to a liquidity crunch, which is proving to be persistent and difficult to shift. Our position in HDFC Bank is largely immune to this due to its conservative lending practises and industry leading balance sheet. IndusInd Bank does have some exposure to the sector with 3.8% of its loan book exposed to real estate, however the bank has clarified that the exposure is highly granular and that they have no exposure to the more risky loans against the property sector. We believe that IndusInd continues to suffer from a perception issue and that the magnitude of their exposure to any troubled assets is not material. Profitability is also strong and improving and it is well capitalised with Tier 1 at 15.8%, however as yet investors are not willing to give it a premium. We will continue to be patient. The month ended on a more positive note with a meaningful and unexpected policy announcement from India. Having not previously cut corporate tax rates for 15 years the government cut the rate from 35% to 25%. The medium term impact is expected to be meaningful as it should help speed up the deleveraging already in process however, the short term impact to growth is expected to be limited.

Vietnam continues to buck the global trend as it saw quarterly GDP growth beat expectations at 7.3% against an anticipated 6.8% for the year. Strong exports and manufacturing growth underpinned the gain as well as growing foreign investment into the country as businesses shift production from China in order to bypass higher tariffs.

Finally Alibaba held its 2019 investor day where it showcased its huge digital economy which currently serves 860m buyers on Alibaba and another 900m users on its financial platform, Ant Financial. Just to put this in perspective the population of the US is 325m. The company targets 1bn buyers by 2024 by further strengthening its ecosystem, expanding small brands and helping manufacturers to digitise. Investments by the company have increasingly turned more efficiency focussed and it remains a top holding of the Fund.

During the month we topped up our positions in the Vietnamese private lender Techcombank, the Indian multiplex operator Inox and Philippines retail property developer Robinsons Land.

NAV 152.9p

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	GB00BRGCD571
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
Asset Under Mgt	\$ 65.5m
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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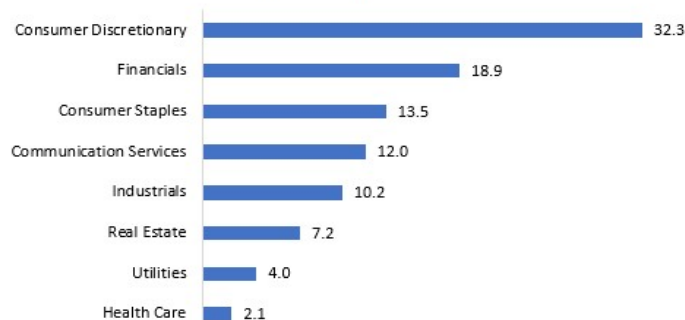


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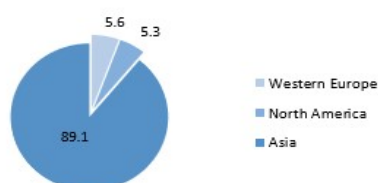
Top 10 Holdings (% of NAV)



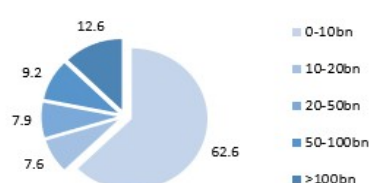
Sector Allocation (% of NAV)



Geographical Allocation %

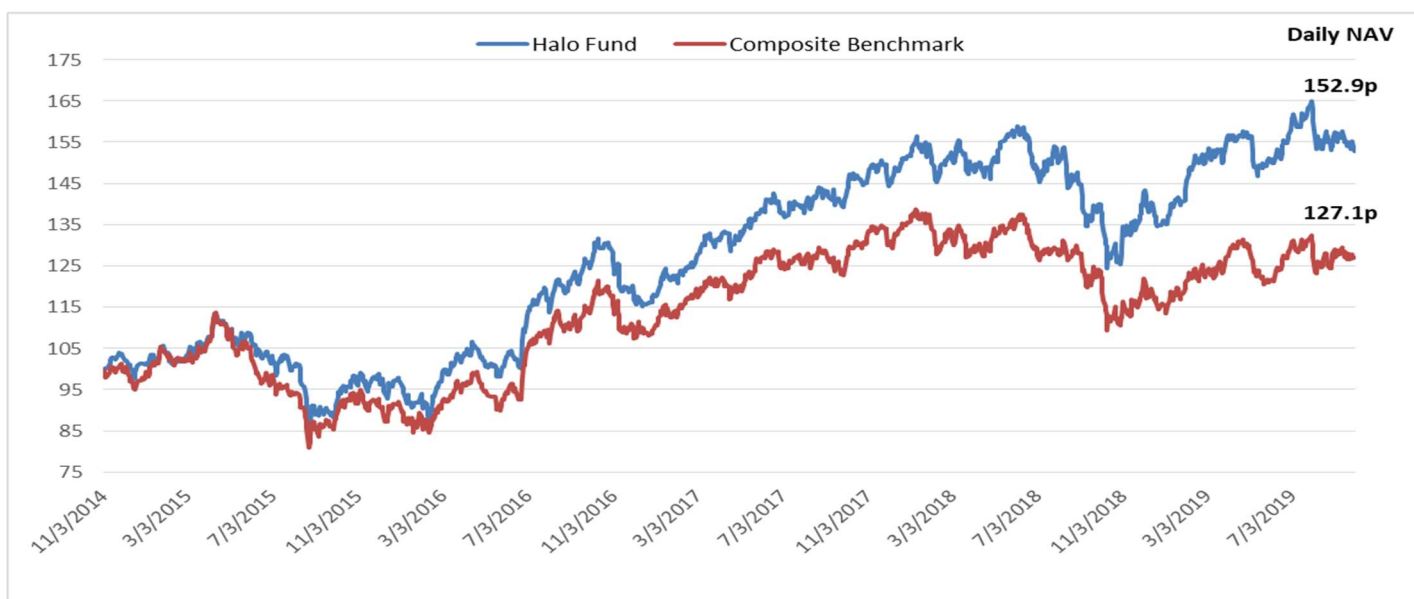


Market Cap Allocation % (USD)



Fund Performance since Inception

Performance data shown is of the B 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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