

# VT HALO GLOBAL ASIAN CONSUMER FUND

## October 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> October 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 fell 1.56% in October, which was largely due to Sterling's appreciation of +5% versus the US Dollar. Sterling aside, markets were buoyed by the renewed prospects of a Phase one deal between the US and China, along with global central bank easing and a better than expected earnings season. In China monthly retail sales showed continued resilience growing 7.8% yoy and another bright spot, Vietnam saw upgrades to GDP as Q3 growth came in at +7.3% yoy.

Looking at the portfolio, the Q3 earnings season has begun and the results are largely coming in better than expected. In India underlying trends remain supportive for the private banks with HDFC seeing quarterly eps growth of +24% yoy. We believe the large tax related gain will lead to the bank reporting profit growth of over 20% yoy for the full year and to lead to upgrades to street estimates. Market share gains continue to drive revenue for the bank, whilst continued investments in technology and digitisation are driving efficiency and improvements in its cost to income ratio.

Still in India, Inox the multiplex cinema operator has been bucking the domestic slowdown and reported a blockbuster quarter. A strong slate of movies from both Hollywood and Bollywood drove footfall higher in the quarter and 1H EBITDA grew 47% yoy. Inox continued to upgrade its existing multiplexes, introducing more premium screens. This enhanced movie going experience is leading to an improvement in Food & Beverage revenue helping margins increase by 222bps yoy in the 1HFY20.

The Chinese after school tuition specialist New Oriental Education, posted strong quarterly numbers, leading to upgrades across the street. The company saw Non-GAAP operating profit growth of +47% yoy with a huge 360bps margin expansion. Following a heavy period of investment, the company is now entering a period of margin expansion driven by controlled sales and marketing expenses and rising utilisation of its schools. We believe the company is entering a multi-year cycle of rising margins and earnings, driven by better utilisation of its learning centres and better expense control as EDU's brand remains un-rivalled in the offline education space.

Estee Lauder saw earnings grow 18.7% also beating expectations however, the company negatively surprised the market by guiding down expectations for the rest of the year. We believe the company is being overly cautious as they themselves noted that they are seeing no signs of any slowdown in their key growth areas namely Asia and travel retail.

We also had results from our Vietnamese holdings. PNJ the jewellery retailer reported sales in the quarter being stronger than expected. Vincom Retail the mall operator, also raised guidance by 3-5% above initial expectations. Techcom Bank saw a surge in mortgage lending, which is expected to continue for the rest of this year and next, helping provide good visibility for their net interest income in 2019 and 2020. We topped up all three positions during the month.

### NAV 150.5p

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	\$68.0 m
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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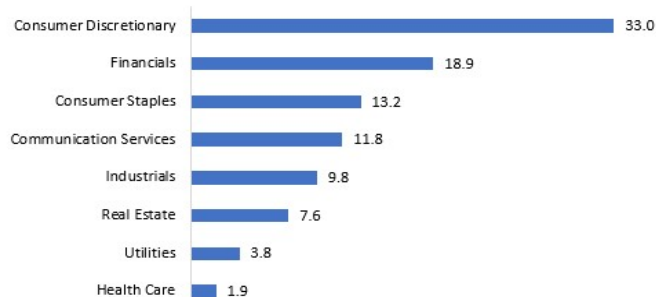


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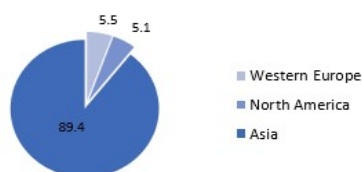
### Top 10 Holdings (% of NAV)



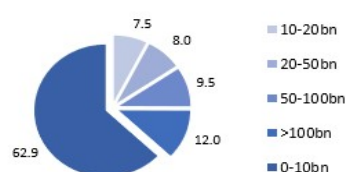
### Sector Allocation (% of NAV)



### Geographical Allocation %

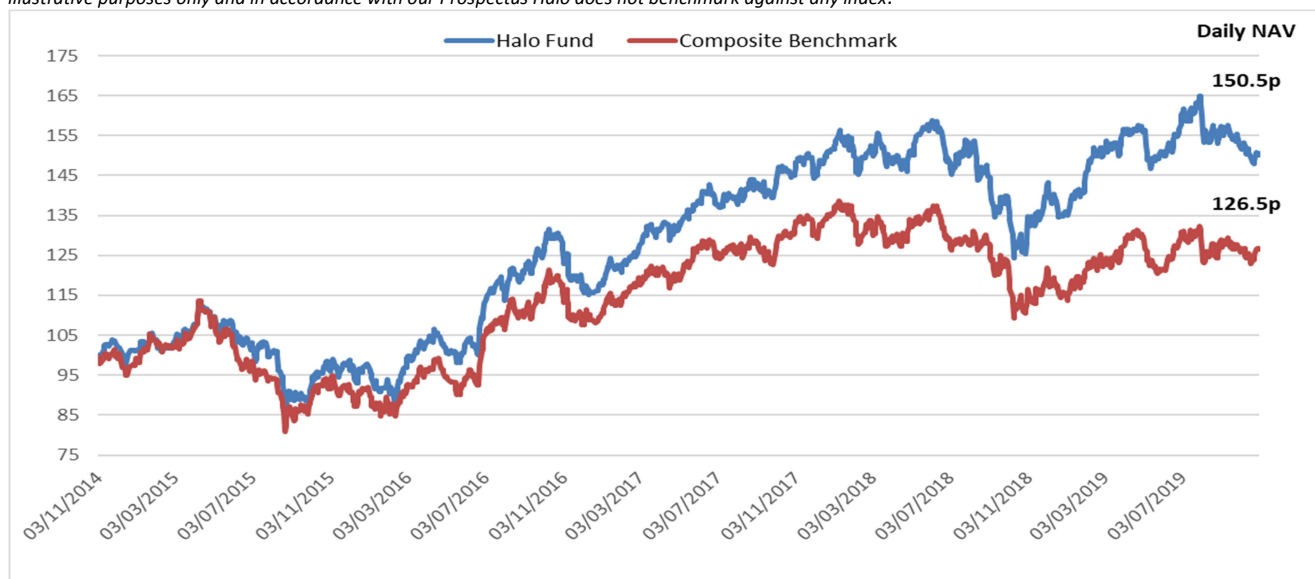


### Market Cap Allocation % (USD)



### 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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