

# VT HALO GLOBAL ASIAN CONSUMER FUND

## November 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> November 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

Asian equities were buoyed in November by easing US-China trade tensions. The MSCI China in particular was aided by a pick-up in Chinese economic growth momentum with the November Caixin manufacturing PMI rising for the fourth consecutive month to 50.2, suggesting that growth may be at a turning point. The bottom-up micro story remains resilient in China with 61% of Chinese listed companies reporting EPS better than the previous year and forward earnings revisions also showing an improving trend. We remain positive on Asian equities and have made little change to the Fund's positions. Investors have become increasingly risk averse in 2019, as demonstrated by the outperformance of perceived safe-haven assets like gold, the Swiss Franc and the Dollar. Given earnings revisions in Asia appear to be turning more positive, this should set up equities for a strong performance in 2020.

Earnings season wrapped up with the Fund's largest position Alibaba reporting another expectation beating set of results. Alibaba's revenue and net income grew an impressive 40% yoy driven by the strong performance of their China commerce business and deeper penetration into previously untapped lower tier cities. One of Alibaba's key areas of focus is to reinvest in improving user experience, driving customer engagement and retention, which is starting to show through in their results. Singles day was another highlight with more than half a billion participants in this 24-hour shopping spree, resulting in GMV surpassing forecasts, growing 26% yoy to a record \$38bn. To put this in context this year's 5-day Black Friday/Cyber Monday event is expected to generate retail sales of \$29bn in comparison. We continue to like the e-commerce space as we think user growth will be driven by further penetration into lower tier markets, accelerating offline to online shopping and a consumption upgrade by the middle class, sustaining sector growth for the next 2-3 years. We initiated a new position in online retailer JD.com to further add to our exposure in this sector.

Another top ten holding Tencent reported net income growth of +24% yoy, falling short of sell-side expectations, as mobile games revenue was weak due to delayed revenue recognition. However, gaming revenue is expected to accelerate from here as the company's new launches remain the top 2 games in China, whilst the company's media advertising business is bottoming out. We continue to like Tencent for its strength in game development capabilities and its promising mini-program, Fintech and Cloud businesses. The company has always been conservative in monetising its ecosystem when compared to peers, however Tencent has over 300m daily active users for its mini programs, which we expect will eventually be utilised to deepen customer knowledge and strengthen monetisation.

Finally, we sold our holding in the Indonesian mortgage lender, Bank BTN, as we felt the visibility of earnings growth over the medium term to have diminished due to government policy. We added to our position in Philippine home improvement retailer All Home as it continues to offer compelling exposure to the Philippine middle-upper income class segment, where demand for home improvement is expected to improve driven by the strong real estate market.

## NAV 153.3p

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
A € Acc	GB00BK9W9C11
B \$ Acc	GB00BRWQWY25
B £ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCD571
B € Acc	GB00BK9WNR45
B € Inc	GB00BK9WNRQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS15

Asset Under Mgt \$69.5 m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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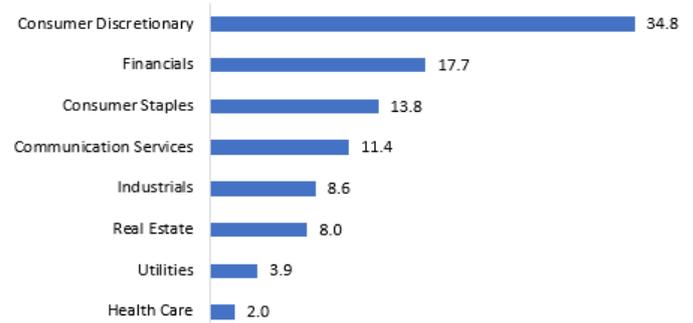


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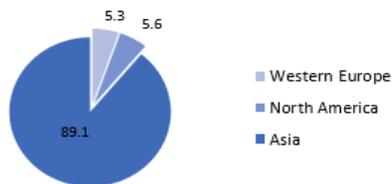
## Top 10 Holdings (% of NAV)



## Sector Allocation (% of NAV)



## Geographical Allocation %

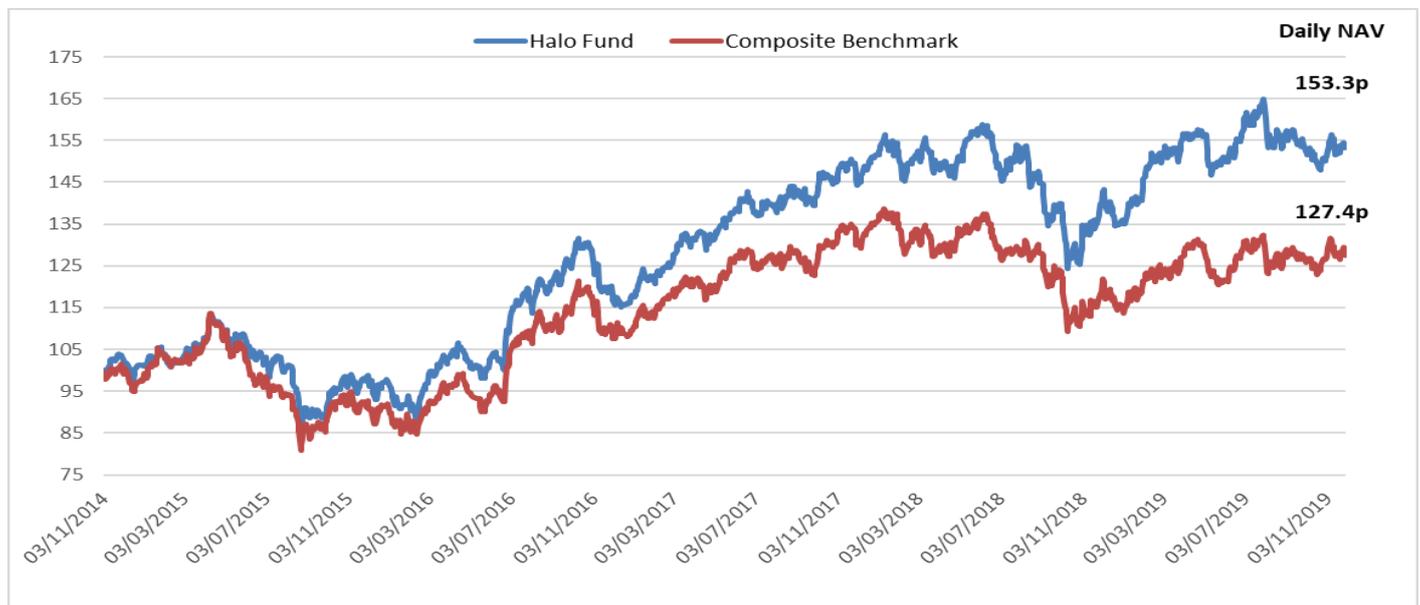


## Market Cap Allocation % (USD)



## 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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