

VT HALO GLOBAL ASIAN CONSUMER FUND

December 2019 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st December 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

Global markets were buoyed in December and the Fund rose 1.4% yoy. The key driver for the "risk on rally" was the announcement of a US- China phase 1 trade deal and bottoming of Chinese macro data, which saw investors cyclically rotate into real estate, materials, IT and energy. The Chinese November activity data indicators beat expectations with November industrial production rising 6.3% yoy from 4.7% yoy in October and retail sales accelerating to 8% yoy in November from 7.2% in October, reviving expectations of a moderate cyclical upturn of the economy. The Fund did not benefit from the short-term rotation into the more cyclical sectors, as we remain focused on the long-term theme of domestic consumption which continues to remain resilient against the cyclical swings of macro ups and down.

The South East Asian markets have lagged the broader rally and we go into this in more detail in the upcoming quarterly report. Economic data in the Philippines remains firm with GDP growth accelerating to 6.2% yoy in Q3 and domestic consumption has been resilient growing at 5.9% in real terms in 3Q19. We continue to be positive on discretionary spending in the Philippines supported by the easing of inflation and a low interest rate environment. In particular, we continue to like tourism plays such as airports and casinos. Philippines tourism has been one of the fastest growing in the region with a 17-year CAGR of 8%, with Chinese tourists accounting for 18% of the pie, growing at CAGR of 28%. Philippine airports remain one of the key bottlenecks and we have exposure to this sector via our investment in Megawide, whose new airport terminals are expected to drive earnings growth this year. The Philippines market has de-rated this year following President Duterte's attempts to revoke long standing government contracts, however we would like to note that considerable portions of the market including our holdings are not exposed to this risk.

The MSCI India, whilst up 1.5% in December was another market that lagged the region. Indian equities sold off early in the month as the RBI negatively surprised the market by keeping rates on hold versus consensus expectations of a 25bp cut. The selloff was exasperated by a sharp surge in crude prices due to OPEC announcing production cuts. On Dec 11th the Indian parliament passed the Citizenship Amendment Bill which grants citizenship to Hindus, Sikhs, Buddhists and other non-Muslim religions sparking a series of protests at the perceived anti-Muslim law. Whilst a relatively market neutral event it is grabbing headlines and signals BJP's focus on pushing its Hindu first social agenda over an economic one. Something we continue to watch.

Onto stocks and one of the Fund's strongest performers Li Ning, witnessed profit taking in December as investors rotated into stocks more sensitive to a global upturn. In addition, the stock perversely sold off despite a positive profit alert from sportswear peer Anta. Anta expects solid earnings growth of over 35% in 2019 on the back of strong China sales, however they also warned of a small loss from its recent acquisition Amer Sports due to amortisation of the acquisition premium paid, a non-cash expense. Sales at Li Ning continue to remain strong with expected upside to sell side estimates. We view the sell off as disproportionate as the Anta loss on Amer acquisition is of little relevance and continue to like the growth and potential for margin improvement at Li Ning. It remains one of our top 10 positions.

NAV 155.2p

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	GB00BK9WNS51

Asset Under Mgt \$73.6 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.

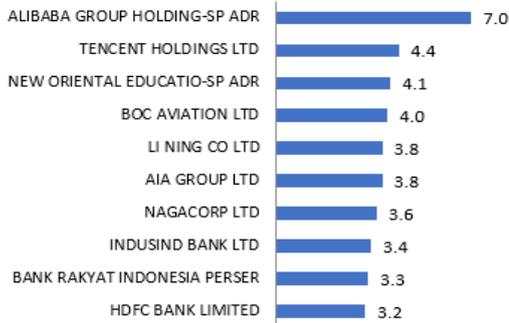
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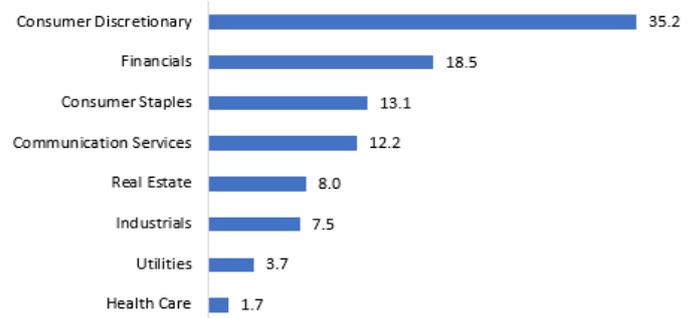


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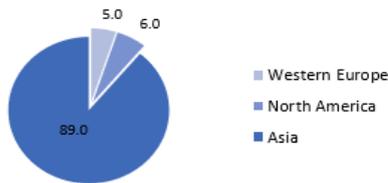
Top 10 Holdings (% of NAV)



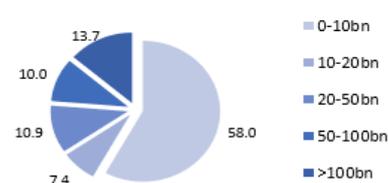
Sector Allocation (% of NAV)



Geographical Allocation %

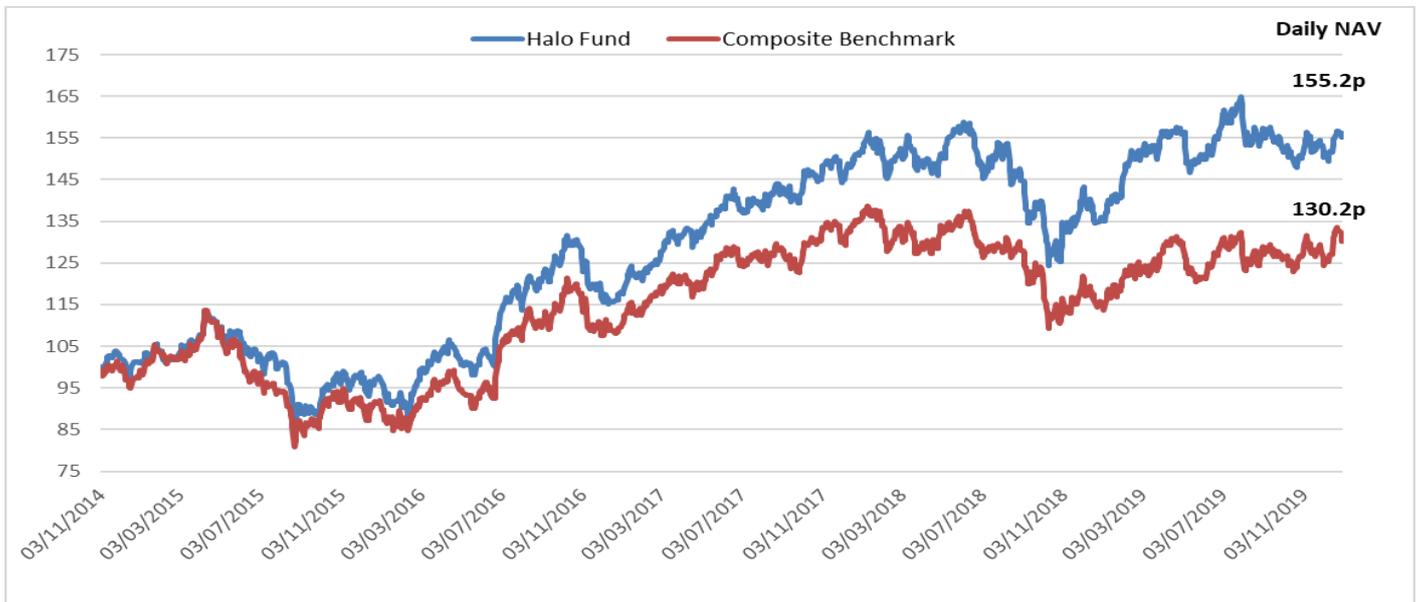


Market Cap Allocation % (USD)



Fund Performance since Inception

Performance data shown is of the B 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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