

VT HALO GLOBAL ASIAN CONSUMER FUND

February 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29th February 2020

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 NAV fell 2.1% cushioned partly by Sterling's depreciation and also by expectations of stimulus from the Chinese government, as the country starts to recover from the lockdown to contain the spread of the coronavirus. It has been interesting to observe that the China CSI 300 index has been the best performing stock market in Asia this year and is up 0.5% as I write on the 4th March. Meanwhile other emerging Asian markets, and in particular the ASEAN countries of Indonesia, Philippines and Vietnam, which have so far been largely unaffected by the coronavirus, are down 10.3%, 12.1% and 7.5% respectively. So it appears the fear factor of having the virus is worse than the reality of experiencing it when it comes to the market reaction. Admittedly these countries do not have the healthcare systems to cope with it or the autocratic control to invoke the quarantine measures required to halt the spread of the virus. We can only wait and see over the coming months if the sell-off has been an overreaction.

The Fund's consumption focus and greater exposure to these ASEAN countries has naturally been affected by the sell-off, especially stocks in the tourism space. The share prices of casinos Nagacorp in Cambodia, whose main customers are from ASEAN countries and Bloomberry in the Philippines, driven by mass gaming from locals, have declined more than that of Sands China, which has been closed for over 2 weeks and recently reopened. We expect in Sands China's case that guests will slowly return over the next 6 months, assuming the virus in China disappears over the next month or two. The other casinos have definitely seen a fall in visitation but nothing like Sands China. Given Sands' price held up remarkably well, we took the opportunity to trim our holding. We believe the business model for all 3 operators remains sound and guests will return in due course and the share prices today more than discount a difficult 2020.

Results from companies continued through February, with Estee Lauder reporting very strong 2019 numbers and the management made a stab of the expected impact of the coronavirus on the next six months, with effectively a hit to earnings of close to 10%. The shares initially bounced on the news and we trimmed our holding and they have subsequently fallen by 10%. We also had strong results from our Indian stocks, with Varun Beverages, the Pepsi bottler, beating expectations and analysts raising profit forecasts for 2020. Likewise, for Inox, the Indian cinema operator, with the shares hitting new highs after reporting results and again we have trimmed our holding. Lastly Phoenix Mills, the shopping mall owner, beat numbers and the shares responded well. We saw good numbers from Alibaba but they highlighted sales could decline in Q1 2020 principally due to coronavirus linked logistic problems and lack of delivery drivers, together with reduced advertising on its sites. The market though is looking through this short-term issue, with the franchise appearing even stronger than before. Likewise, for JD.com which posted a strong set of results a couple of days ago. They guided to at least 10% growth in Q1 2020, which is certainly better than expectations and the stock was up 13% on the day of the results.

So in summary the results season for Q4 19 has been good for the Fund but frustratingly other events have swamped these positive reports. We ensure the businesses we invest in are strong and will weather this downturn. They will come through it in due course and given our long-term horizon we have not sold holdings but only trimmed a few of them as mentioned.

NAV 144.9p

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
A € Acc	GB00BK9W9C11
B \$ Acc	GB00BRWQWY25
B \$ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCD571
B € Acc	GB00BK9WNR45
B € Inc	GB00BK9WNR38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51
Asset Under Mgt	\$65.6m
Depository:	National Westminster Bank PLC
Dealing Frequency:	Daily
Daily NAV available:	Bloomberg, Morningstar & Valu-Trac
<i>Issued and approved by Halo Global Asset Management Ltd authorised and regulated by the Financial Conduct Authority.</i>	

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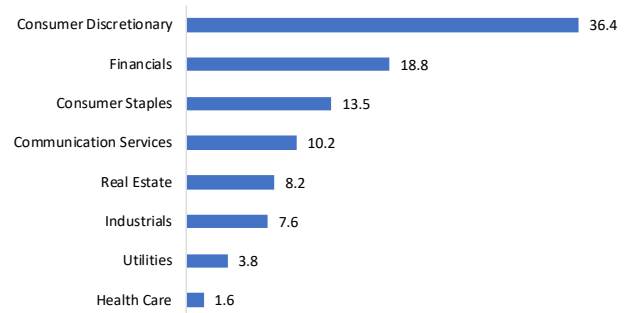


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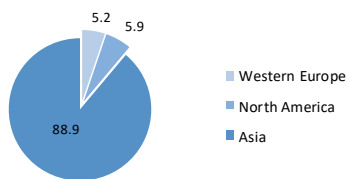
Top 10 Holdings (% of NAV)



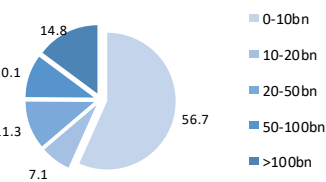
Sector Allocation (% of NAV)



Geographical Allocation %

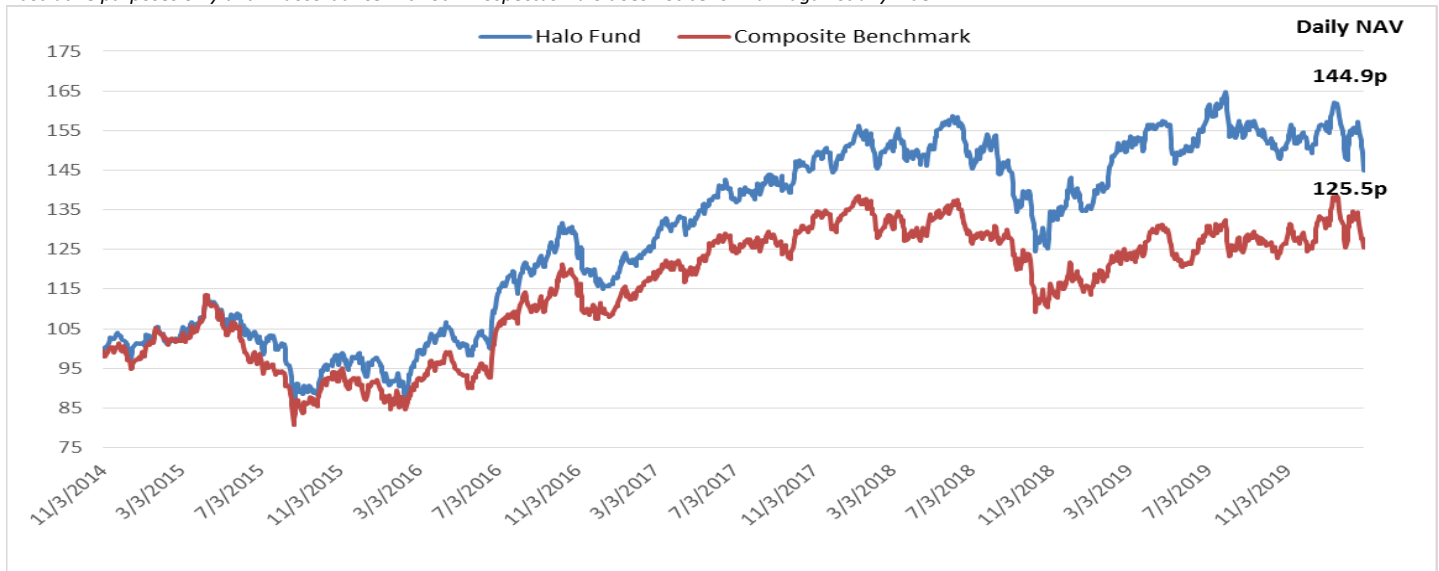


Market Cap Allocation % (USD)



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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