

# VT HALO GLOBAL ASIAN CONSUMER FUND

April 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> April 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's NAV rose 7.3% on the bounce in markets as easing of lockdown restrictions are announced in Asia, Europe and the US. Although the nadir of the fall in earnings will be in the quarter to June 2020, the market is now looking through this and to how the world can get back to work in the second half of this year.

This month has witnessed a number of fiscal stimulus announcements in Asian countries to help small businesses survive the lockdowns and ensure the poor are not left hungry. The Philippines total fiscal stimulus so far is 3.5% of GDP and they have announced a partial easing of the Enhanced Community Quarantine, or lockdown to you and me. Thailand again is now starting to ease its lockdown in areas with few reported cases and its fiscal stimulus is close to 14% of GDP. Indonesia has invoked social distancing but has not entered into a full lockdown as it is keen to allow the poor to work. Its fiscal stimulus is only 2.8% GDP. The "Golden Boy" of how to manage COVID-19 in ASEAN is Vietnam, who have reported 270 cases from over 200,000 tests and since April 24<sup>th</sup> have removed the lockdown for the whole country and are encouraging the country to return to normal. Sensibly it has continued to shut its borders to foreigners.

Asia has certainly coped with the virus better than the West, but the markets have been less forgiving and they have fallen further. We have witnessed continued net selling by foreigners every day in April for ASEAN markets resulting in some real value in stocks. We are starting to add to one or two from our cash and will add more if the S&P 500 comes off from its recent strong run and drags Asian markets with it.

In the meantime we are in Q1 results reporting season and so far they have been broadly as expected, or better. HDFC Bank's numbers were in line but we expect provisioning to rise for the rest of calendar 2020 and we expect them to gain market share in India as others pull back. In Vietnam results from Techcom Bank were significantly ahead of expectations driven by a widening net interest margin, as well as greater amount of activity from their clients so benefiting their transaction revenue. Vincom retail announced further tenant rent-free periods in their malls for the first 3 weeks in April and help for the rest of the quarter as shoppers start to return. This means their earlier 2020 earnings guidance of 15% growth is likely to fall to -10% for the year, but then strongly recover in 2021 as new malls are opened and life returns to some sort of normality.

In China we had strong earnings from New Oriental Education who have guided to a weaker quarter as their overseas test-prep business will suffer, as Chinese willingness to travel to Western universities diminishes. But its core after-school tutoring business remains strong and earnings for the year to May 2021 will be above 20%. China Education Group, which owns several universities, reported better than expected numbers and the shares responded well, climbing over 15%. Again, they will produce over 20% earnings growth this year and next. Indeed, most of our Chinese holdings will continue to deliver positive earnings growth this year and combined with our other holdings we expect the Fund to see somewhere between 0% to -10% EPS growth for the year. This is down from 20% at the beginning of the year but is certainly better than we will witness in Asian and Western markets for 2020.

**NAV 131.1**

<b>Investment Manager:</b>	Halo Global Asset Management
<b>Fund Manager:</b>	Andrew Williamson-Jones
<b>ACD:</b>	Valu-Trac Investment Management Ltd.
<b>Fund Type:</b>	UK UCITS IV OEIC
<b>Launch Date:</b>	3 Nov 2014
<b>Classes:</b>	A, B, C
<b>Base Currency:</b>	Sterling
<b>Dealing &amp; Valuation:</b>	Daily 12.00pm
<b>Year End:</b>	30 June
<b>Management Fees:</b>	A: 1.15% p.a. B: 0.85% p.a. C: 0.65% p.a.
<b>ISIN:</b>	
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
<b>Asset Under Mgt</b>	\$52.6m
<b>Depository:</b>	National Westminster Bank PLC
<b>Dealing Frequency:</b>	Daily
<b>Daily NAV available:</b>	Bloomberg, Morningstar & Valu-Trac
<i>Issued and approved by Halo Global Asset Management Ltd Authorised and regulated by the Financial Conduct Authority.</i>	

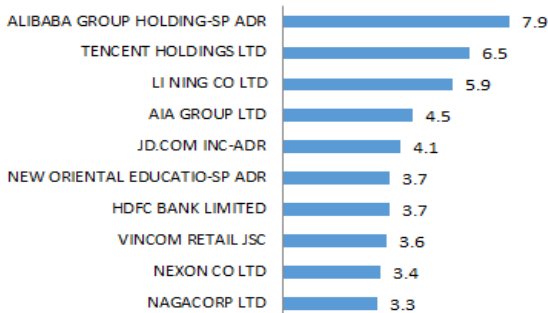
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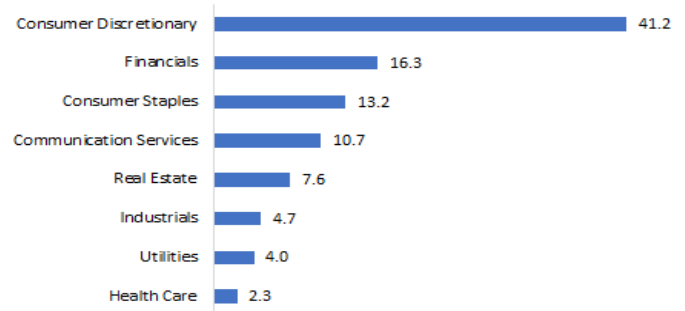


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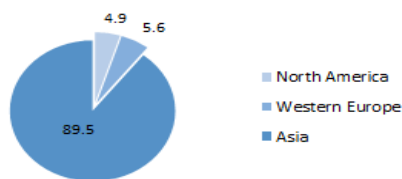
## Top 10 Holdings (% of NAV)



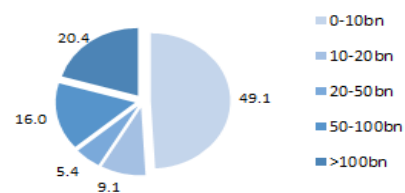
## Sector Allocation (% of NAV)



## Geographical Allocation %

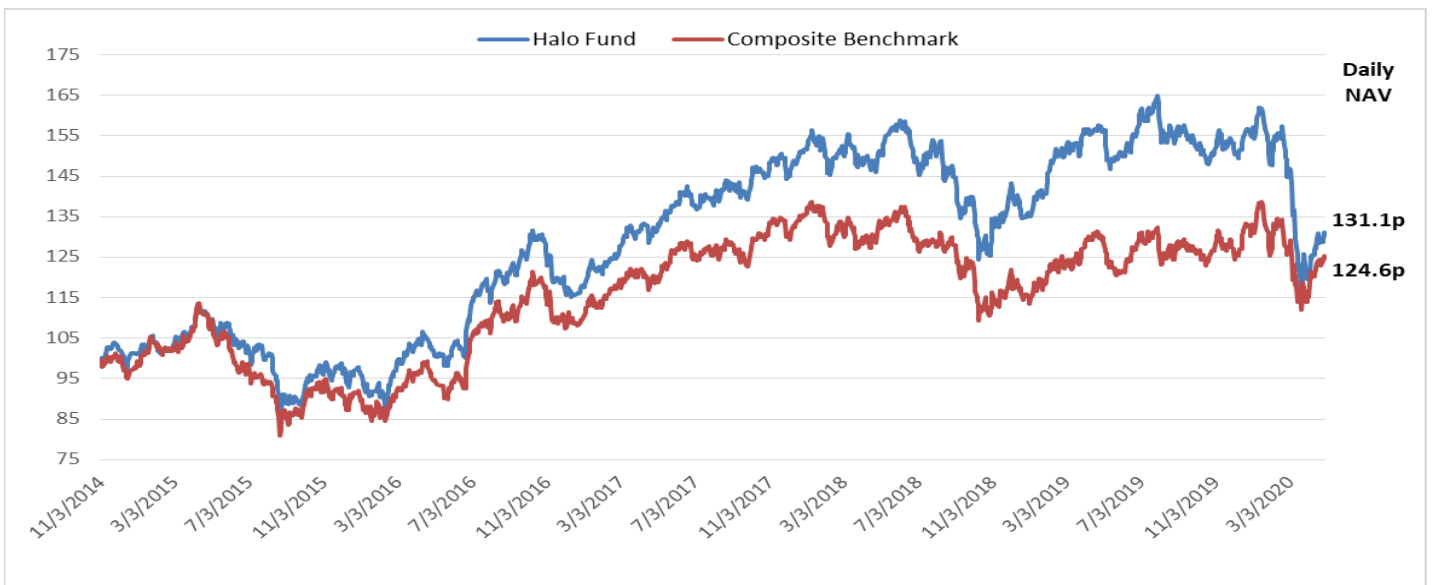


## Market Cap Allocation % (USD)



## 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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