

VT HALO GLOBAL ASIAN CONSUMER FUND

May 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29th May 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 3.8% for the month with MSCI Asia ex-Japan up less than 1% in Sterling terms. This has been driven by some well received results from some of our holdings, as well as a good performance from the Vietnamese market, which has been the best performing Asian market this month, with a 12.3% rise. Our US and European companies who have a large exposure to China and its consumption recovery have also added to the performance. Asia in general has clearly managed to handle cases of COVID-19 better than Europe and the US, and the recovery in the economies of a number of countries in Asia is happening faster. Deteriorating US-Sino relations is acting as a brake on markets, given the uncertainty as to how the US plans to respond to the new security law being imposed on Hong Kong by Beijing, together with further escalation of the tech war with Huawei and other hi-tech industries in China.

The impact of politics on markets and stocks was clearly in evidence with Alibaba's results during May. Their results were ahead of expectations both on revenue and profits, with forward guidance as expected. They indicated trading in April and May was back to December 2019 levels implying a very strong recovery. The shares though ended the day down and fell further in subsequent days as we saw further US headlines about how the administration would like to restrict Chinese access to US capital and technology, with Alibaba used by the market as a proxy to reflect the pessimistic situation. Given the upgrades we saw for March 2021 profits and the increase in value of its Cloud business and Ant Financial, the core business has in effect been de-rated further. This is something which has not occurred to its competitors, Tencent and Meituan, whose primary listings are in Hong Kong. We believe fair value for Alibaba is somewhere between \$280-300 per share, with the shares currently trading at \$200.

Other notable results this month have come from Nexon, the Japanese computer gaming company, who are about to launch a mobile version of their game, Dungeon and Fighter, in China this summer. We are excited by this as pre-launch registrations in China are now over 40m. The shares rose 28% in May on the back of the good results and the expectations of a better year to come. JD.com and Tencent also had strong results and both shares had been rallying into the results but the shares continued higher as the outlook for both remains positive. We also have purchased a small position in SEA, a pan-ASEAN gaming and e-commerce company, whose business is also benefitting from the lockdowns in ASEAN, which is encouraging consumers to try online shopping for the first time and also playing more online games whilst at home.

Outside the consumer tech sector, we had Q1 results from Mega Life Sciences, the Thai healthcare company, who also surprised on the upside as they benefitted from pantry filling as areas of Indochina entered lockdown in March. The shares themselves have climbed 20% post the results and we have taken the opportunity to trim our holding. We reinvested the proceeds into Health and Happiness, the Chinese baby food and health supplement company, that is on a lower valuation with a faster growth outlook.

As mentioned we have seen the likes of Nike, Estee Lauder and Pernod Ricard recover to within less than 10% of their all-time highs. As Estee and Pernod have large and very profitable duty-free operations, which have been severely impacted, we have decided to trim both holdings.

NAV 136.1

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
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C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51
Asset Under Mgt	\$54.7m
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.

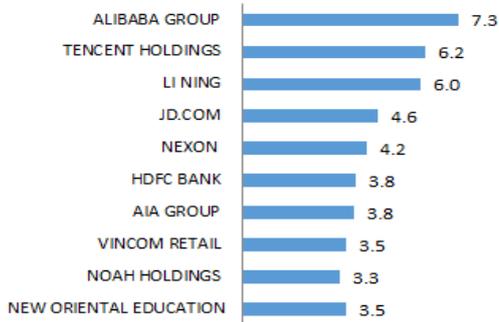
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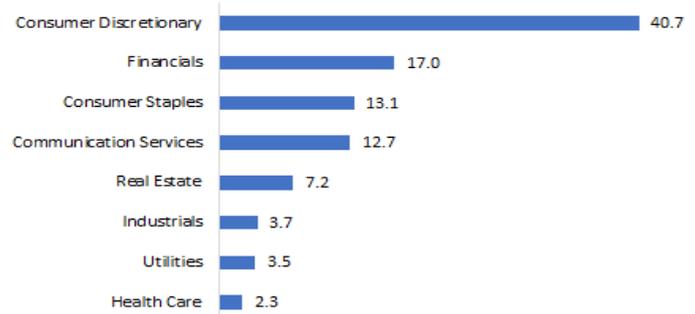


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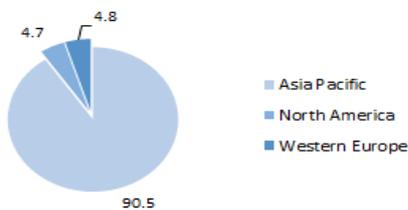
Top 10 Holdings (% of NAV)



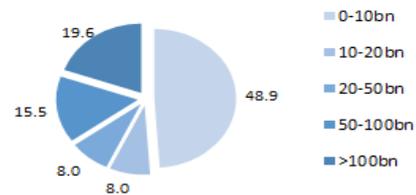
Sector Allocation (% of NAV)



Geographical Allocation %

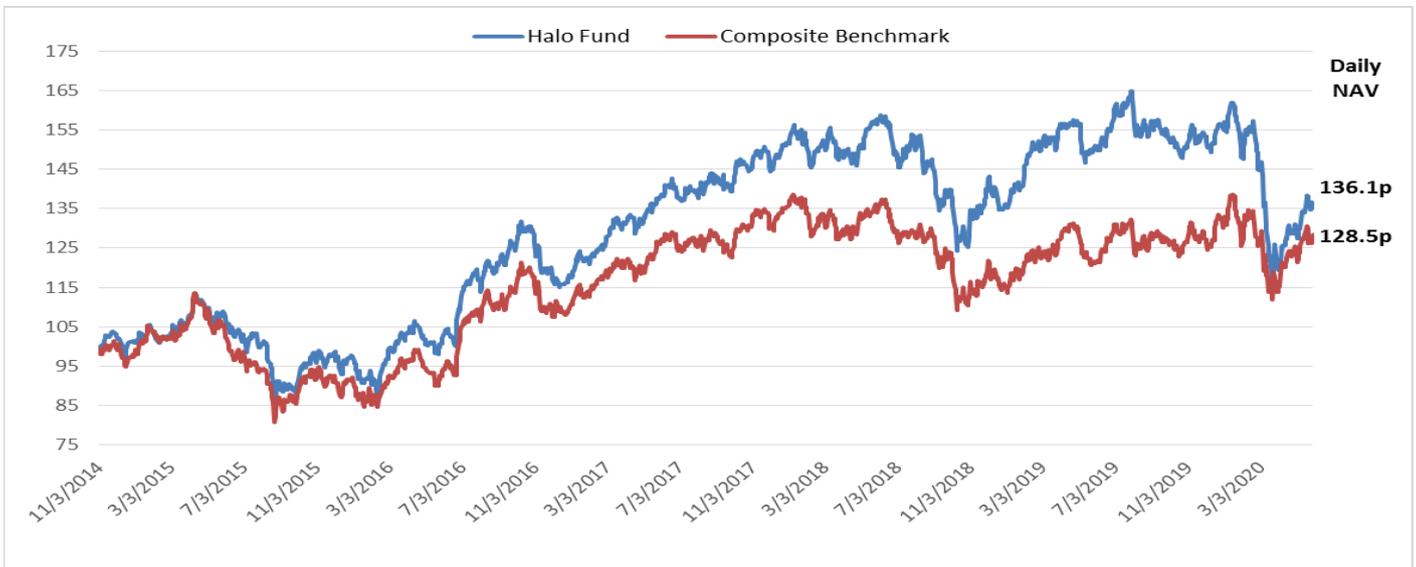


Market Cap Allocation % (USD)



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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