

# VT HALO GLOBAL ASIAN CONSUMER FUND

## June 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> June 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 7.0% for the month due to markets maintaining a positive narrative as economies re-opened, with additional help from Sterling weakening against most currencies. The US/China technology dispute is still on going, but the phase one trade agreement continues to hold. Markets would react negatively if it failed as it would be interpreted as a further negative to global growth and result in a likely increase in friction between the two nations, although as we have highlighted in the past the impact to China itself would unlikely to be that material.

We have had positive preliminary Q2 GDP numbers out from Vietnam, which have to be taken only as an estimation given it was released 2 days before the quarter end. GDP for Q2, even with a 3 week lockdown, came in at 0.4%, which with Q1 GDP growth at 3.6%, leaves estimates for 2020 GDP to grow in the 3.5-4.5% range. This is likely to be the fastest growing country in the region. The stock market has not reflected this positive news as 80% of market participation is from retail investors who seem to take their cue from what is happening in the US rather than at home. The market is down 14.1%, which is significantly worse than China, Taiwan and Korea, even though its GDP is proving more resilient and more effective control of the outbreak of COVID-19.

Although it has been quiet on the corporate results front, there have been some newsworthy commentary from a number of companies we own. Firstly, the shopping festival "618" in China witnessed growth in sales of over 30% year on year and is likely to lead to both JD.com and Alibaba beating their sales targets for their quarter to 30<sup>th</sup> June. Secondly, sticking with the tech theme, Tencent announced that their 'Dungeon and Fighter' mobile version will be launched on 12<sup>th</sup> August. Nexon, the developer of the game and a company we also own have said there are over 50 million pre-registrations for the game. Nexon's shares have hit a high in June and we believe they can go higher on a successful launch in the second half of the year.

We have also had comments from two of our Vietnamese holdings, with PNJ the jeweller, publishing its sales numbers for May, up 22% year on year and mentioning the strength has continued into June. Secondly Techcom Bank held its AGM and guided to profits this year being up 1% on 2019, but this they admitted was conservative and assumed a second wave later in the year. Given loan growth is likely to be in the mid-teens and if there is no second wave, profit growth could even reach double digits in 2020.

Elsewhere we caught up with Bloomberry and Naga Corp the casino operators. Both remain closed even with no COVID cases in Cambodia. When both reopen, which we expect in July or possibly August they are only likely to operate initially at 30% capacity. The ramp up is going to be slower than we would have hoped, and we trimmed the size of both holdings in our portfolio. In India we added to our holding in HDFC this month as commentary from the management indicated retail loans have remained resilient. We also bought a small position in Jollibee, the fast food operator in the Philippines, following the shares hitting a 12 month low, whilst management have made some positive comments on the recovery in their operations both in the Philippines and abroad. Lastly we reduced our holding in SEA, the ASEAN gaming and ecommerce company due to concerns over its valuation, having risen 93% in two months.

## NAV 145.6p

<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

**Asset Under Mgt** \$58.9m

**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.*

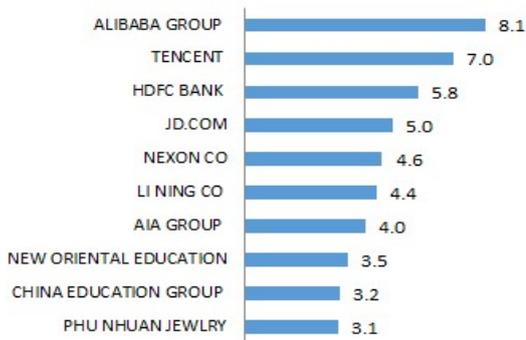
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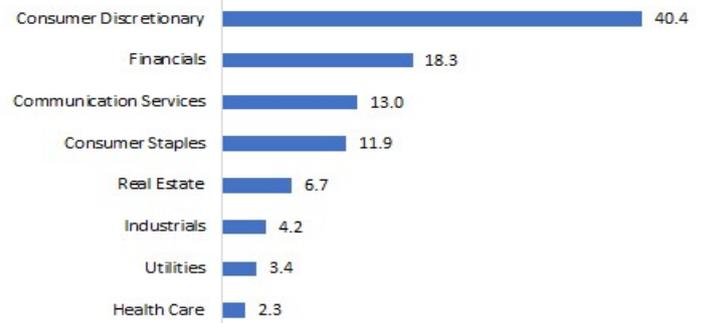


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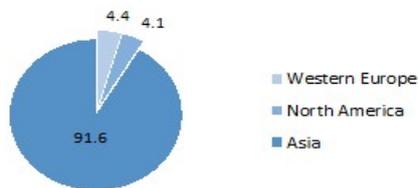
### Top 10 Holdings (% of NAV)



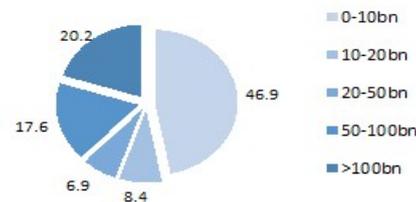
### Sector Allocation (% of NAV)



### Geographical Allocation %

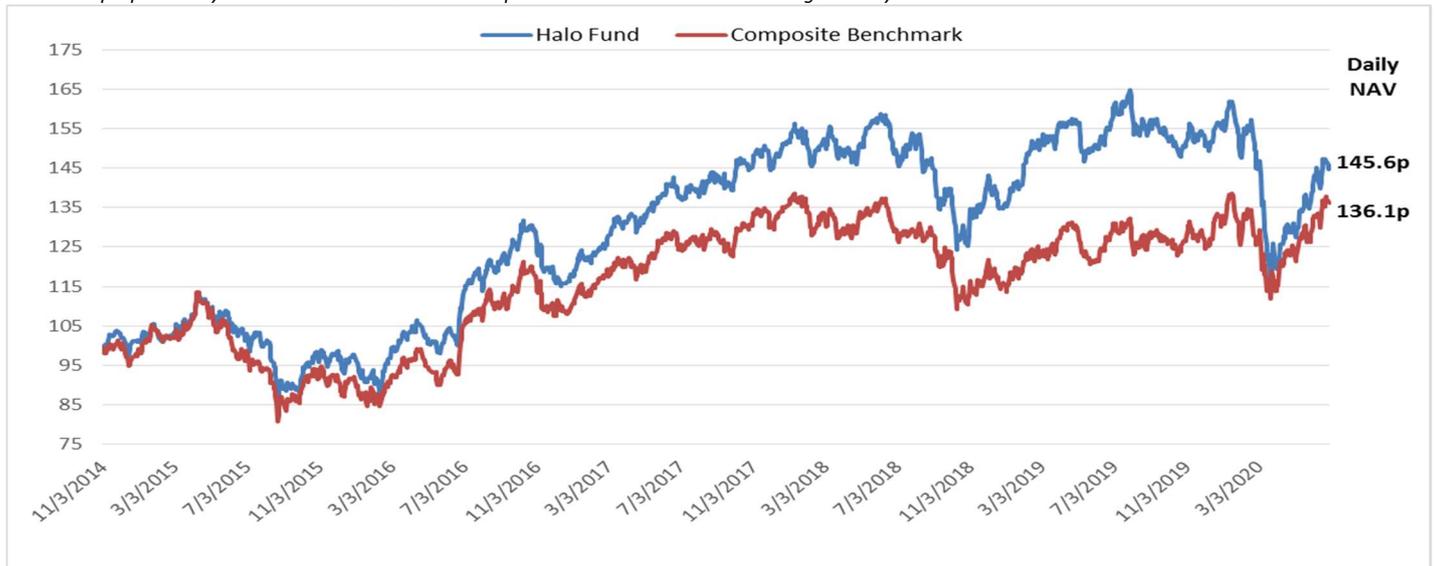


### Market Cap Allocation % (USD)



### 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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