

VT HALO GLOBAL ASIAN CONSUMER FUND

July 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st July 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 fell 2.4%, which was driven by Sterling's appreciation of 5.5% against the USD, as a number of Asian currencies such as the Chinese Rmb and Vietnamese Dong are quasi-linked to the USD. Markets within Asia showed some divergence over the month based on the progress of COVID in their respective countries. The Vietnam index dropped 8.5% over two days as after having no infections for 99 days a flare up occurred in Da Nang, a major tourist destination, leaving the index down 3.2% for the month. The Philippine market has also struggled, down 4.5% for the month, as containment of the virus has not worked and the number of cases has accelerated from approximately 2,000 to 4,000 per day. On the other hand China data goes from strength to strength with PMI data for manufacturing and services in July reaching 52.8 and 54.4 respectively and economists now forecasting for Chinese GDP to return to the pre-COVID trend growth by the end of this year. The CSI 300 Index in China has returned 13% in July, with some commentators suggesting a bubble is forming, something for the moment we do not agree with.

Results season started in the second half of July and the early reporters paint a positive outlook for the rest of this year. HDFC Bank delivered profit growth of 16% against expectations of flat profits YoY and commented that they see very little stress in both retail loans or corporate loans. They have taken provisions up front for possible defaults and expect these to decline for the rest of the year. Analysts have duly raised their numbers and the shares bounced 5% post their results. We also had numbers from Techcom Bank in Vietnam, who also delivered 16% profit growth, against guidance for the year of 3%. Management were confident that the stressed loans of 3% of their book would fall further in the next six months if there were no large second waves of infections. Other companies to report in Vietnam, PNJ the jeweller and Vincom Retail reported in-line results, with PNJ demonstrating a bounce back in consumption, with sales in May and June up 20% YoY and this trend continuing in July. Vincom Retail commented that sales at its shopping malls were over 90% of pre COVID levels in their July earnings call.

In China we had New Oriental Education, the after-school tutoring company, meeting expectations but gave weak guidance for the next quarter due to Beijing having to close schools for the recent flare up. The shares though were actually up as this was viewed as transitory, with the outlook improving as they expect to take more market share and see higher net margin targets over the medium to long term. China Education Group, which saw their shares up 18% on the month, were buoyed by a number of sell side analysts taking up their profit forecasts on higher student enrolments and improved margin outlook.

The drag to performance apart from the one-off nature of the sell off in Vietnam due to the occurrence of new infections has been the discretionary stocks focused on tourism. Whilst we have reduced the size of all these holdings as the prospect of travel looks less likely this year, we maintain a position in them, with a view that ultimately a vaccine will allow life more or less to return to normal and this is something that is not reflected in their share prices. We continue to see upside in this space when viewed on a medium term outlook. In the meantime, we let our winners run and today this is dominated by the consumer internet and gaming names.

NAV 142.1p

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
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C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51
Asset Under Mgt	\$61.7m
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.

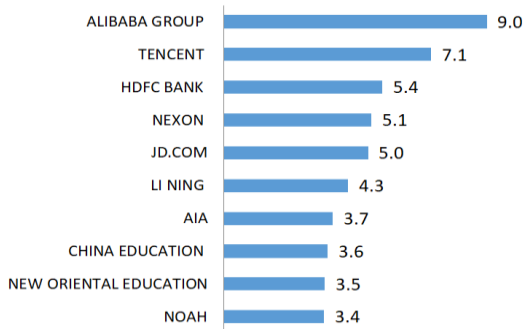
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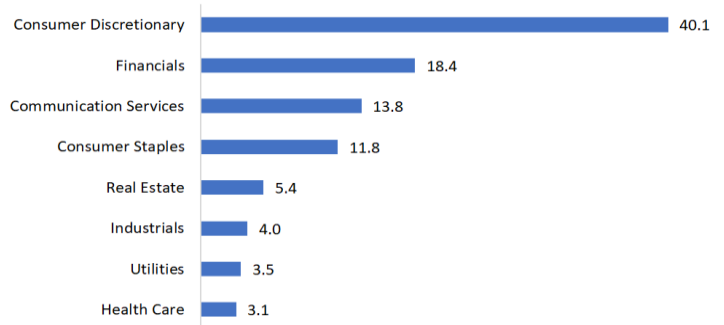


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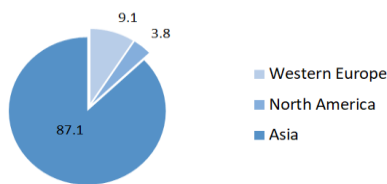
Top 10 Holdings (% of NAV)



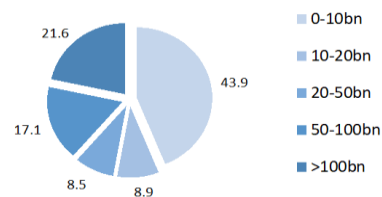
Sector Allocation (% of NAV)



Geographical Allocation %

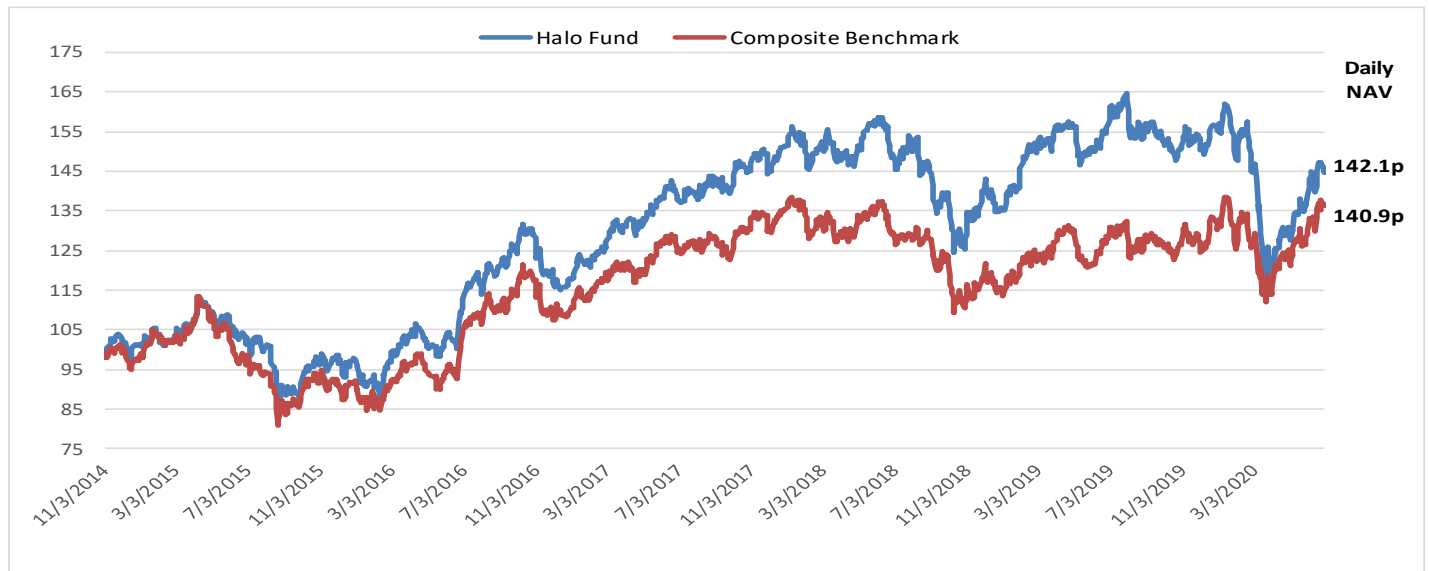


Market Cap Allocation % (USD)



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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