

VT HALO GLOBAL ASIAN CONSUMER FUND

November 2020 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th November 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 rose 8.2% in November as risk assets globally saw a huge rally, supported by positive news flow around vaccines and a Biden victory in the US. ASEAN, the region hit hardest in Asia, saw the biggest gains as investors sought out Covid-19 economic recovery plays. Throughout the year, the Fund has maintained a barbell stance, balancing structural growth and virus recovery themes, and this style drove the strong performance witnessed this month.

We remain positive on the ASEAN markets; namely the Philippines, Indonesia and Vietnam in which the Fund has +18% invested collectively. This position differentiates us from our peer group, who we believe to still be largely underweight relative to their respective regional Asia Pac ex-Japan benchmarks. This is evidenced by the Philippine and Vietnamese markets continuing to see selling by foreign institutional investors throughout November. Amid the crisis we have witnessed some significant reforms such as the Indonesian Omnibus Law and the Vietnamese Securities Law, which remove structural impediments to growth and increase market transparency, so supporting economic growth over the longer term.

Earnings revisions have witnessed a V shaped recovery and consensus now expects Asia ex-Japan to grow +25% in 2021 following flat earnings in 2020. This is mirrored in the Fund where we continue to see strong upgrades to consensus earnings expectations for our holdings. China Education Group, the private higher education provider, reported strong results with revenue and net profit up by 27% yoy. Earnings were driven by organic growth in students, improved operational efficiency of acquired schools and additions of new schools via M&A. We like China Education due to its position in higher education, which is an area that enjoys strong government support given the essential role its vocational schools play in aiding the job prospects of its students.

Our Chinese e-commerce investments JD.Com and Alibaba both delivered strong sets of earnings. JD grew revenue and adjusted earnings +29% yoy and +53% respectively, whilst Alibaba grew revenue and adjusted earnings +30% and 44% respectively. Despite another record-breaking singles day which saw GMV hit RMB 769.7bn and over 800m consumers participate, the positive news was overshadowed by new anti-trust regulation in China. The regulation aims to promote fair competition, protect consumer rights and ensure sustainable and healthy development of the sector. We believe the operational and financial impacts to be limited for a large platform like Alibaba as merchants should continue to favour its superior eco-system, better service quality and larger traffic. However, we have reduced our position in light of the regulatory overhang.

Tencent also reported a solid quarter with gaming and revenue growth both accelerating. There has undoubtedly been a "Covid-19" effect with more people staying in and watching/playing games. We remain positive on Tencent whose online game revenue is expected to be supported by a strong pipeline of highly anticipated new games. We also expect Tencent to be less impacted by the antitrust regulation due to its focus on gaming, which is already highly regulated.

We also initiated a position in the Chinese domestic travel operator Tongcheng Elong.

NAV 171p

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	GB00BK9WNNQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

Asset Under Mgt \$79.6m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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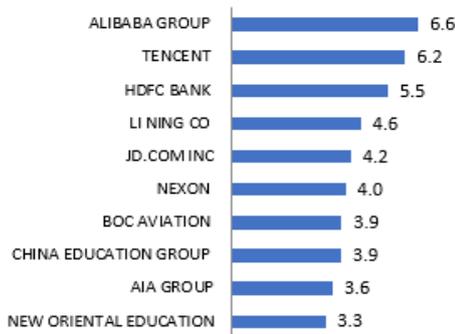
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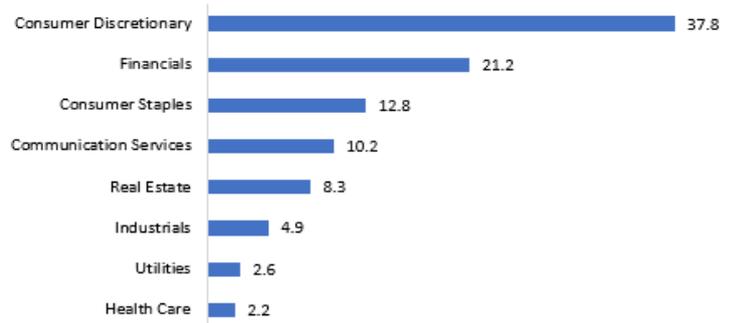


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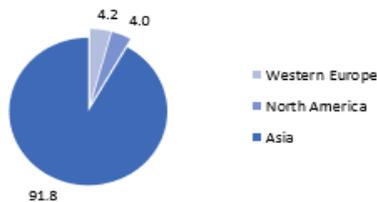
Top 10 Holdings (% of NAV)



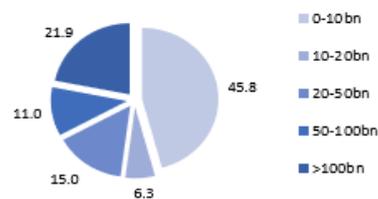
Sector Allocation (% of NAV)



Geographical Allocation %

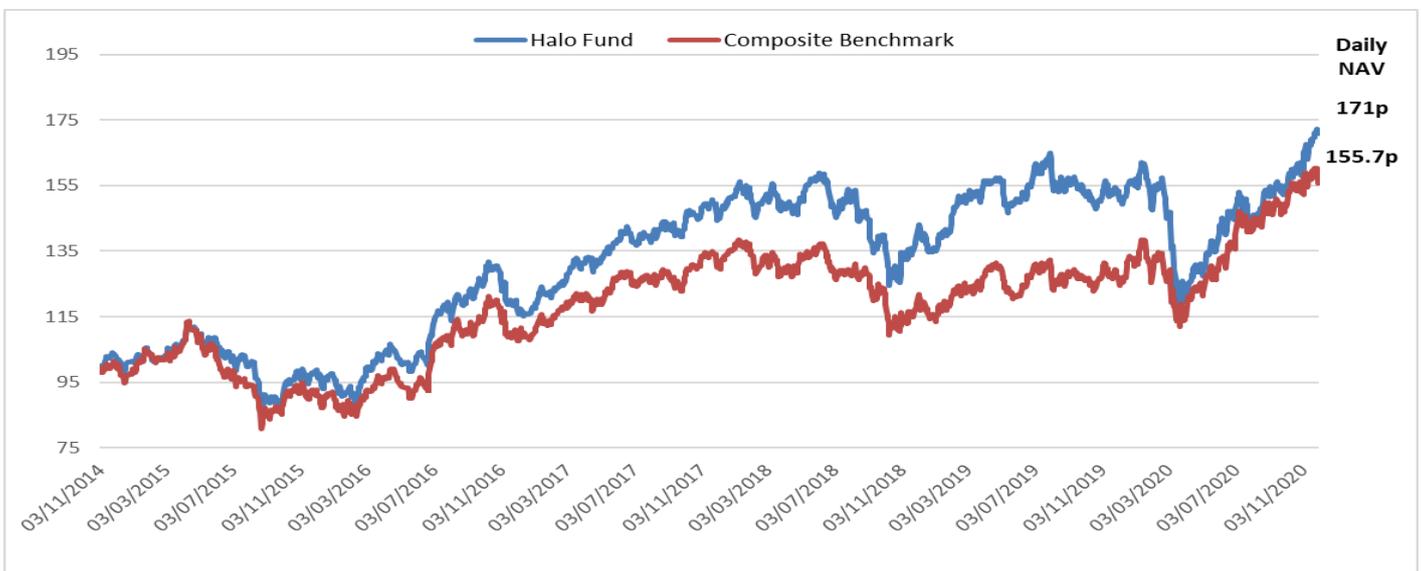


Market Cap Allocation % (USD)



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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