

VT HALO GLOBAL ASIAN CONSUMER FUND

March 2021 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st March 2021

Healthy Portfolio Description

The VT Halo Global Asian Consumer Fund aims to achieve an annualised total return before fees of 8-12% over the period of an economic cycle of typically 5-7 years. 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 fell 1.5% in Sterling terms for March following regional indices lower. Rising US treasury yields meant the market rotation continued in March as growth names continue to sell off and value outperformed. The sell-off in US listed Chinese ADRs was particularly acute in this respect. Low global growth and accommodative monetary policy over the past several years has resulted in extremely concentrated market positioning in these names and frothy valuations, leaving them particularly vulnerable should expectations for global growth and monetary policy reverse. Our exposure to these names has been minimal as we prefer to own companies who have a proven track record like Alibaba and JD. BABA is currently trading at a forward P/E of 19x which we believe is a material mispricing relative to its earnings growth of +25%. At this price we feel that the share price more than discounts the regulatory uncertainty surrounding the company and why it continues to be an important holding for the Fund.

March was a busy month for quarterly earnings. Tencent reported revenue +26% yoy with adjusted net profit growth of +30% yoy. Revenue was supported by strong gaming and advertising growth. Tencent's gaming revenue was driven by strong performance of legacy games in addition to successful new launches. In addition, its pipeline has several highly anticipated games slated for launch this year, which should keep revenue well supported. We remain positive on the gaming space which, whilst receiving a Covid related stay at home boost, has a number of structural factors at play: 1. the addressable market is expected to increase from a few hundred million PC users to over 5bn smartphone users; 2. smartphones have become more akin to a high-powered mobile PC; 3. entertainment and games are becoming more immersive and interactive, enabling companies like Tencent and Nexon, another of our holdings, to create long lasting franchises that can generate recurring revenue over many years. Regarding regulation, Tencent has repeatedly highlighted that it expects little impact from regulation as it already complies with requirements and management have repeatedly stated that they prioritise risk management and business integrity ahead of growth in this business segment.

JD reported top line growth of +30% as its e-commerce platform continues to show strong momentum across all product categories. However, there are signs that all players in this space are increasing investment and whilst JD is currently maintaining the balance between growth and profitability, this is something we are keeping a watchful eye on.

Our holdings in ASEAN are tackling a fresh Covid resurgence. The Cambodian casino and resorts operator NagaCorp reported results that missed sell side estimates due to voluntary shutdowns of its resorts. Prior to the shutdown, daily mass table buy-ins had reached 99% of pre-pandemic levels indicating pent up demand is there. The pandemic situation is still fluid in Asia, however we do not believe that the short-term closures will structurally affect the long-term recovery as underlying demand remains strong. The same can be said for our holdings in the Philippines, where Robinsons Lands' malls continue to show operating losses in Q1 as the country tackles a resurgence in Covid cases. However, a sequential recovery was evident in malls and whilst the road to further opening up remains unclear in the short term, we would like to highlight the bright spots such as the start of the government vaccination programme, the signing of the CREATE bill (corp tax cuts) and a market P/E of 17.9x which is well below its 5 year mean.

NAV 175.3p

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	GB00BK9WVNR45
B € Inc	GB00BK9WVWQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WVNT68
C € Inc	GB00BK9WVNS51

Asset Under Mgt \$91.2m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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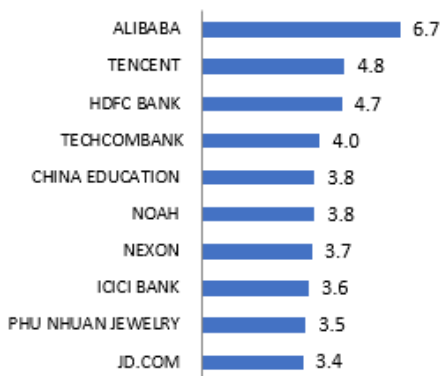
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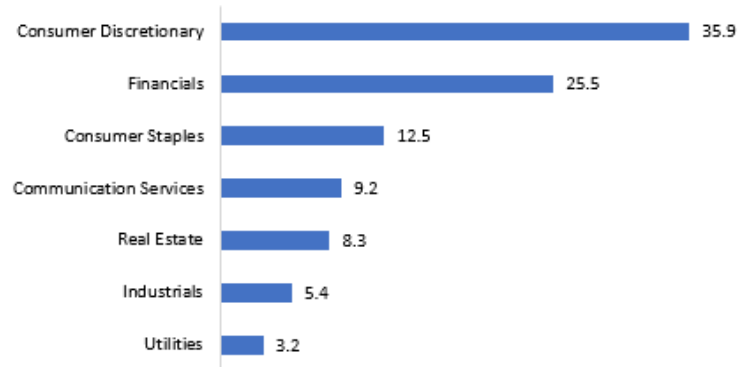


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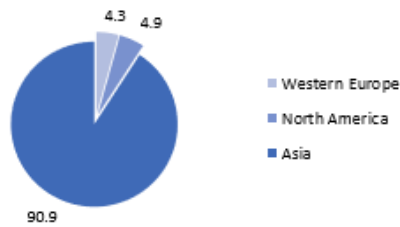
Top 10 Holdings (% of NAV)



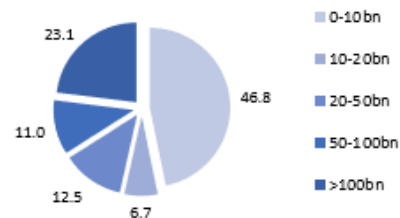
Sector Allocation (% of NAV)



Geographical Allocation %

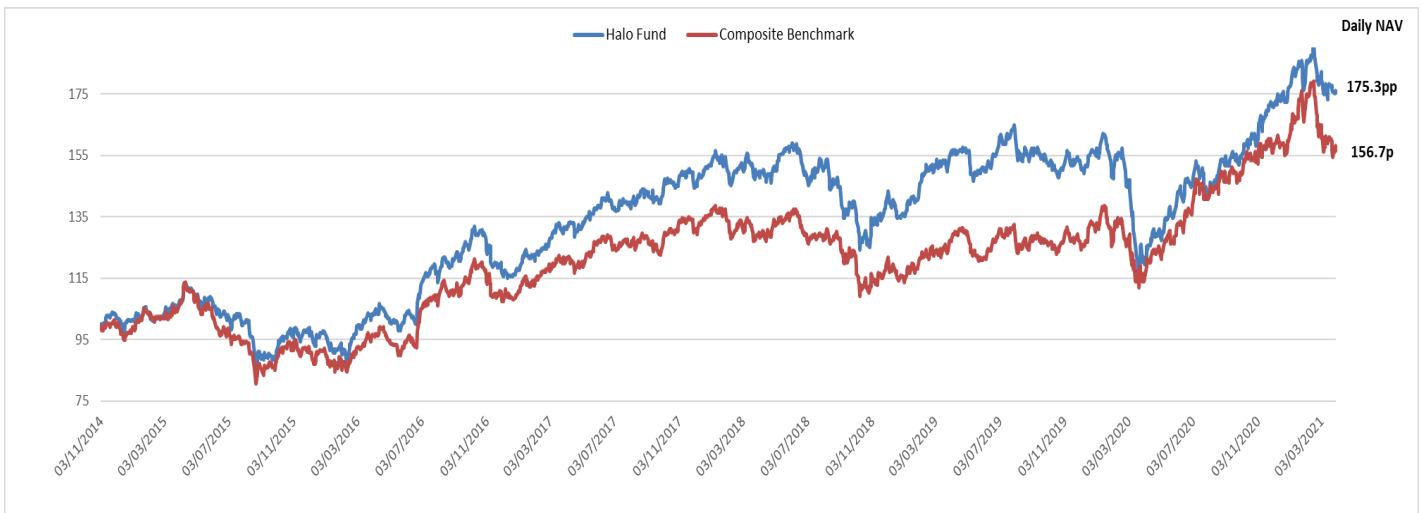


Market Cap Allocation % (USD)



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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