

# VT HALO GLOBAL ASIAN CONSUMER FUND

April 2021 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> April 2021

## 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

Stock markets have been relatively muted in April with US bond yields falling much to everyone's surprise, given the revised upward revision to US GDP growth and expectations of rising inflation in the near term. We have also witnessed a second wave of Covid infections in India and again to the surprise of many the Indian stock market has only declined by 1.5% during April. The infection data in Mumbai where the second outbreak originated, has actually seen the number of new Covid cases start to decline from the second week of April. Perhaps herd immunity has been reached given research into the prevalence of Covid amongst the population indicated that in March around 50% of the population already had Covid antibodies. Delhi has also seen a similar pattern with the 7-day moving average number of cases rolling over from 21<sup>st</sup> April. It is likely that over the next couple of months the rest of the country will have seen the peak in the second wave and the economy will start to recover, especially as vaccines are rolled out to the over 45's. Investors are taking the opportunity to buy the dips and this is something we are also participating in. We have started to build two new holdings, being Indian Hotels, the owner of the Taj brand and KEI Industries, which sells branded electrical cables in DIY outlets. We believe recovery in the Indian economy has been delayed rather than curtailed.

The Fund rose 1.3% in April in Sterling terms, driven by some strong stock moves and earnings from some of our top 10 holdings. China Education Group (CEG), Techcombank and PNJ in Vietnam in particular. CEG delivered earnings 15% ahead of expectations and raised their guidance from Rmb 1.2-1.3bn to Rmb1.4-1.5bn. Analysts have duly raised their numbers for the year by 10% and the shares bounced 10% after their results. Our holding in CEG post the increase in the share price was close to 5% of the Fund and given the volatility of the stock we decided to trim our position back to 4%. Techcombank also had extremely strong Q1 earnings, with pre tax profits climbing 77% year on year and guided 2021 profits to at least VND 19.8bn, some 7% ahead of consensus. Given such a strong start to the year, we believe this guidance remains conservative. The shares having traded at close to 1x price to book are now being re-rated by the market to 1.6x. We expect that a bank of this quality with an ROE of 18% and the strongest capital adequacy ratio in Vietnam, should trade at 2x. With this decent upside potential over the next 12 months, it remains a core top 10 holding for us. Sticking with Vietnam we also had strong results from PNJ, the jeweller, with sales growth at 36% and profit growth of 25%. We are seeing further upgrades to the company's forecasts for the year and the shares have responded well over the month of April, rising 15.9%. They currently trade on a forward PE of 16.5x, which is not unduly expensive especially as we expect them to compound their earnings in the high teens/low 20s over the next 3 years.

We also had very respectable results from HDFC Bank and ICICI Bank in India, with commentary that they are not seeing any marked deterioration in the repayment of loans due to the second wave. We also had results from Proya, the cosmetics company, Tsingtao Beer and East Money in China. All three were ahead of expectations but there was little price reaction on the day as the share prices had run higher into the results. All in all this has given us greater confidence in seeing a strong earnings season and outlook, assuming there are no more Covid induced economic restrictions for the rest of this year.

**B £ Acc NAV 177.6p**

**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** \$95.0m

**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.*

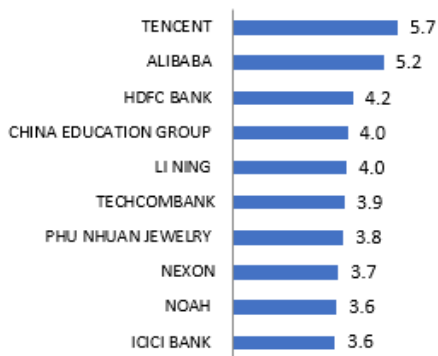
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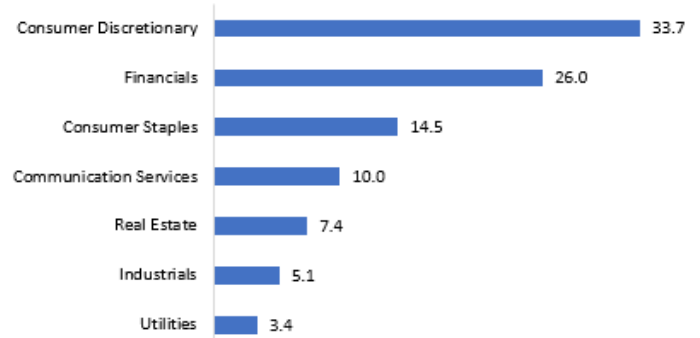


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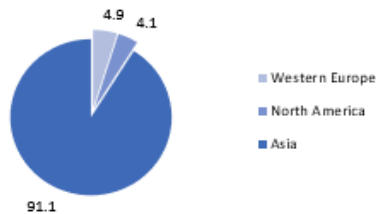
## Top 10 Holdings (% of NAV)



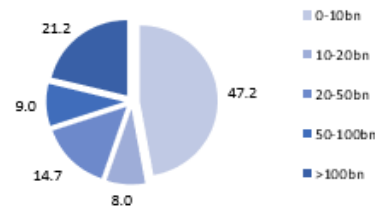
## Sector Allocation (% of NAV)



## Geographical Allocation %

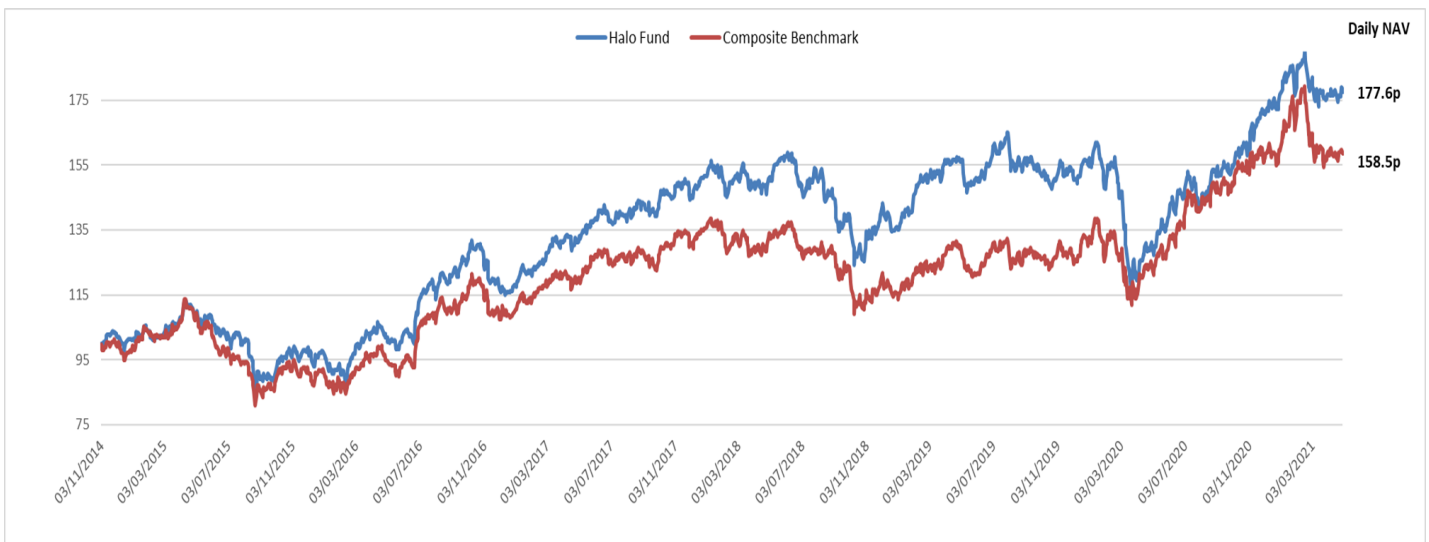


## Market Cap Allocation % (USD)



## 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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