

VT HALO GLOBAL ASIAN CONSUMER FUND

August 2021 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st August 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

The Fund rose 4.3% in August, making up half of what it lost in July. The Indian and Philippine markets both had strong months with the Indian market continuing its strong bull run (MSCI India +25% ytd in \$ terms). India's daily vaccinations hit a massive 10m and comfort around the government's vaccination campaign, as well as high frequency indicators like August petrol sales (+10% yoy), diesel (+19%) and power (+8% 2Yr CAGR) bouncing back, buoyed investor confidence.

The Philippines had a strong month with the PCOMP rising +9.3%. Metro Manilla continues to be in the second strictest form of quarantine, and yet August saw foreigners return to the market buying a net \$85m in the month. Despite a forecast 2 year consensus eps of +35%, foreign ownership remains at record lows. Vaccinations are beginning to ramp up and the Philippines is expected to have 70% of the whole population vaccinated by March 22.

August was a busy month for results, and we saw Chinese internet giant Tencent report results that saw adjusted net profit growing 13% yoy. We noted last month that we expected regulatory pressure to stay however, we believed the financial impact to be relatively limited. Tencent has always taken a pro-active approach to regulation and in the call, they highlighted how they already have the strictest measures in the gaming industry on protection for minors and that they are actively engaging with the regulators and industry to do more. Tencent also noted that they believe the aim of the government was to foster long term sustainable development of the industry. While there will be some impact to earnings from regulations, we came away feeling more comforted that Tencent will be able to navigate the current regulatory landscape with minimal impact to its business model.

JD also reported results with revenue rising 26% yoy. Results showed good execution on several fronts with 27% growth in active buyers resulting in a record 32m new users in the quarter, +6.4% yoy. As a company that has historically been on the receiving end of anti-competitive practises from its largest peers, JD's management noted how they thought their business model was aligned with the current regulatory direction. Their omni channel initiative in particular, allows merchants to integrate their offline stores with online orders and they collaborate with DADA (51% owned by JD) another one of the Fund's holdings here. We added to both JD and Tencent in the month.

The Chinese online travel agency Tongcheng Elong reported results with revenue growing 78% yoy and adjusted EBITDA +98% yoy. Results are backward looking with the current Delta outbreak and corresponding lockdowns in China impacting Q3 however, we believe the company is well paced to benefit from the pent-up domestic travel demand in China.

Finally, the Chinese infant milk formula (IMF) and adult nutrition producer H&H reported results with revenue and adjusted net profit rising 5% and 7% respectively. However, management turned notably more cautious on the IMF market and their pro-biotics segment suffered a steep fall in sales growth due to a high base and increased competition. We sold our position as we felt competitive intensity was here to stay and the risk to margins was on the downside due to higher marketing spend. In addition, the company's key business area of IMF was turning notably weaker.

B £ Acc NAV 176.4p

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 \$95.4m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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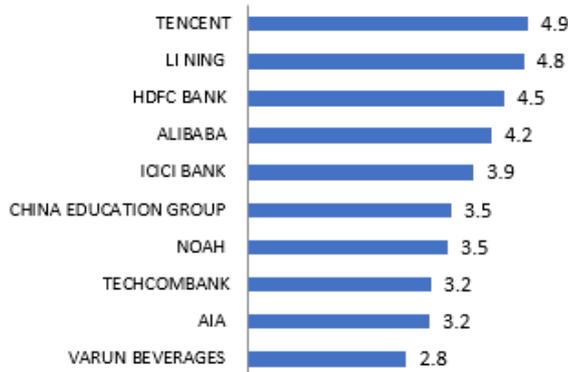
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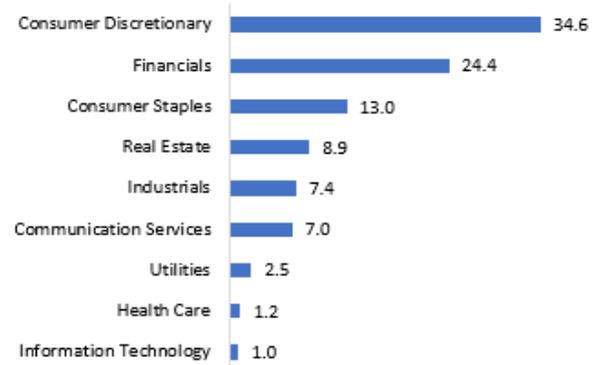


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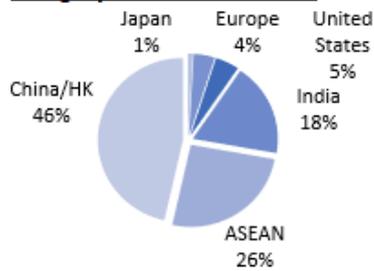
Top 10 Holdings (% of NAV)



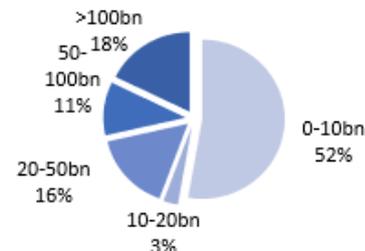
Sector Allocation (% of NAV)



Geographical Allocation %

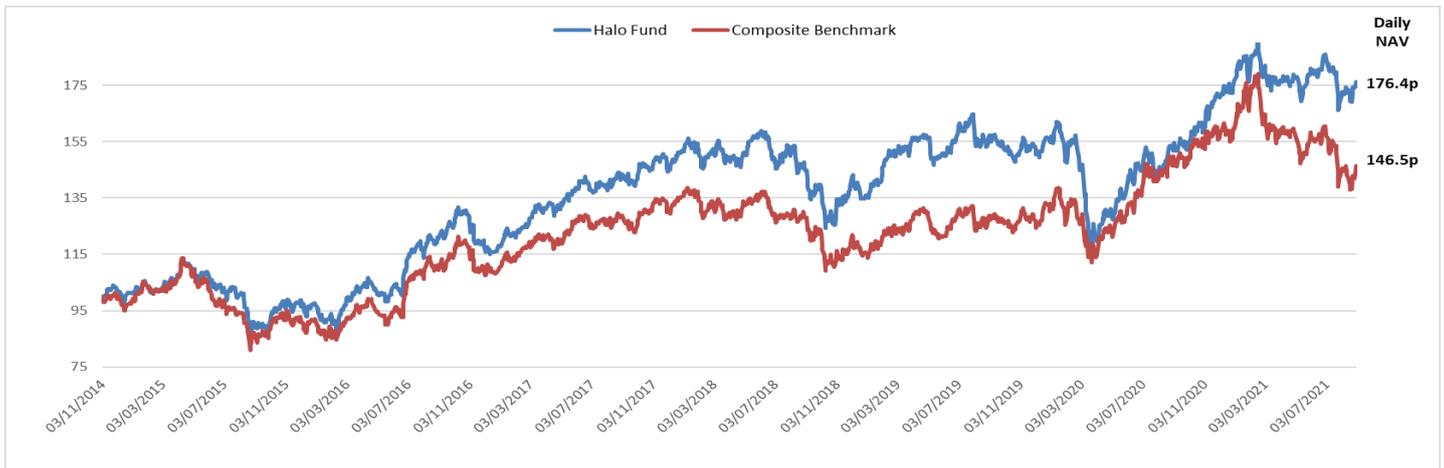


Market Cap Allocation % (USD)



Fund Performance since Inception

Performance data shown is of the B E 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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