

VT HALO GLOBAL ASIAN CONSUMER FUND

September 2021 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th September 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 1.96% in September, Asian markets were weak however, with the MSCI AC Asia Pac index falling 2.1% and our bespoke index down 3.0% in GBP. The weakest markets were Korea, China H Shares and Taiwan, each falling 4.3%, 2.7% and 1.3% in GBP respectively. India was the standout market regionally with the MSCI India rising 2.7% in GBP.

A global shortage of energy showed up in China too, where the government ordered factory shutdowns further adding to growth concerns. This was in part due to a supply demand mismatch in coal, driving coal costs higher and in part due to their own commitments to meet energy intensity and consumption targets. In addition, a desire for blue skies during the upcoming Winter Olympics has meant production rationing is likely to continue in the North for a few more months. The spill-over from the troubled Chinese developer Evergrande also weighed on sentiment. Evergrande, China's most indebted developer missed a payment last month raising the risk of a default. To address skyrocketing property prices, China has been trying to reign in the property sector since August last year by attempting to force developers to control their borrowing. The risk of default for Evergrande led to concerns of a contagion effect to the broader market, which we feel is overdone. Evergrande is facing a liquidity crisis, however it has a large land bank which can be monetised and importantly we feel as this is a government induced issue, the government can step in and manage the fallout. To this extent we have already seen some marginal policy easing towards month end. Finally, consumption data in China was subdued during the month, impacted by a resurgence of Covid in China's south-eastern province of Fujian. However, we expect a rebound once lockdowns are lifted as witnessed in previous Chinese region lockdowns.

On a more positive note, Indian equities continue to enjoy their long bull run and year to date Indian equities are up 25%. Low interest rates, improved vaccine access and prior government reforms have set the foundation for a recovery and indeed most indicators (mobility, energy demand, e-way bill receipts) have surprised positively. In addition, strong central government receipts and tax collections, together with a record low deficit should support government capex into the second half of the year. The domestic market has also benefitted from strong inflows into domestic mutual funds which have totalled US\$11bn in the 6 months to August compared with net outflows of US\$10bn over the previous nine months. The Fund's Indian stocks were its strongest contributors in September, with the Indian office and residential property developer Prestige rising over 40%. As we had commented previously, there are early signs that the Indian property cycle may finally be turning, with pre-sales across the top seven cities rising 41% in July. Affordability is attractive with home loan payments as a percentage of income at 28% and post the landmark Real Estate and Regulation Act (RERA), the sector is consolidating with the leading developers gaining market share across the top 7 cities. Whilst we remain positive on the Indian market, we are mindful of valuations, which are approaching pre-Global Financial Crisis peaks. As a result, we have been trimming some of our Indian stocks in order to manage our positions sizes.

Finally, we added a new name in Indonesia, PT Mitra Adiperkasa (MAPI). MAPI is a leading concession operator with a portfolio of assets across retail including the likes of ZARA, Starbucks and active wear/sports.

B £ Acc NAV 179.8p

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 \$93.6m

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.

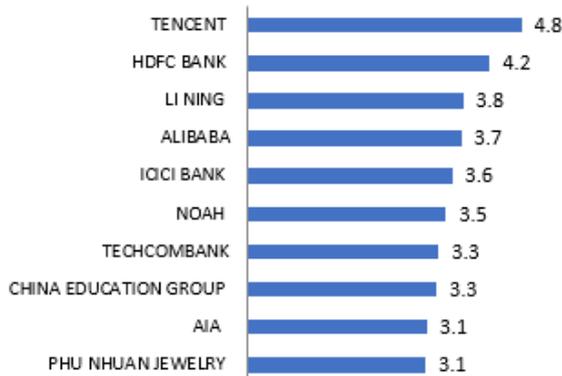
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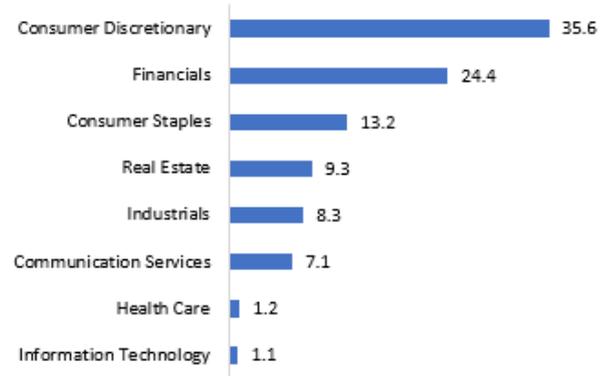


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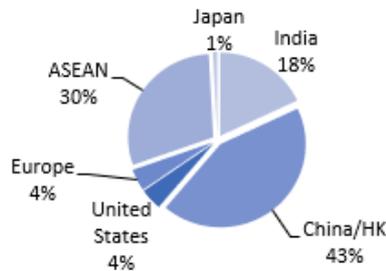
Top 10 Holdings (% of NAV)



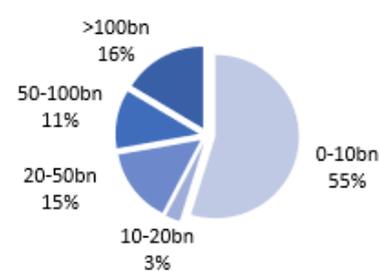
Sector Allocation (% of NAV)



Geographical Allocation %

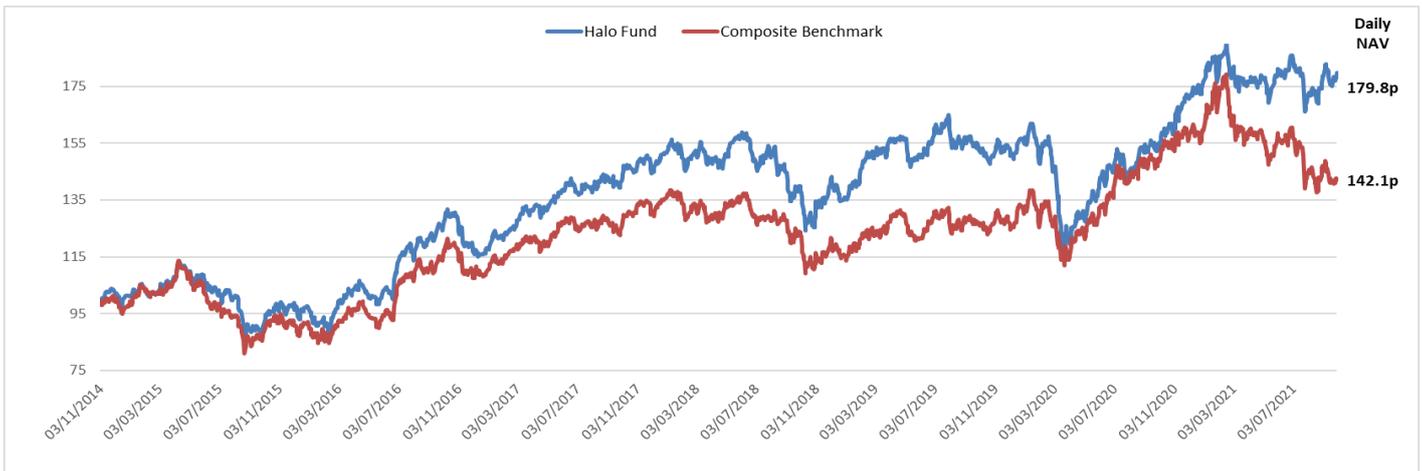


Market Cap Allocation % (USD)



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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