

VT HALO GLOBAL ASIAN CONSUMER FUND

November 2021 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th November 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

Markets ended the month weak, with the MSCI Asia ex Jap down -3.63% in USD and -0.9% in GBP. Despite this, the Fund rose 1.1% in GBP driven by strong stock selection from India and China and aided by Sterling weakness. Market sentiment deteriorated mid-way through the month as inflation concerns mounted and the discovery of a new heavily mutated Covid variant sent shockwaves globally as investors worried about reopening delays.

The Philippines market had a strong month with the MSCI Philippines rising 5.7% in GBP terms as the re-opening of the economy and vaccination roll-out gathered pace. However, the market reacted negatively towards the end of the month on the discovery of the new Omicron Covid variant. The country is estimated to reach herd immunity (77m individuals vaccinated) by March 2022 and we believe that the country is better placed to cope this time around given the higher vaccination rates and significant improvement of hospital ICU capacity, which was at 32%, firmly in the safe zone.

November was a busy month for earnings as we had tech heavy weights Tencent and Alibaba both report weaker than expected results as macro weakness, regulation and competition weighed on the sector. Tencent's results were expected to be weak with no new major games launches and regulation, together with a slowing economy, impacting its advertising business. Importantly and regarding regulation, Tencent believes that the bulk of the heavy lifting has been done by regulators and any further regulations from here should be incremental and manageable. They also believe that the halt in new game approvals was temporary and looking forwards, we expect the resumption of game approvals to act as a positive catalyst for the stock. Alibaba, meanwhile, reported revenue growth of +29% and non-GAAP EBITDA -27%, both missing sell side expectations due to slower than expected growth from its core commerce business, which was impacted by a weak economy and competition. Guidance was also lowered and whilst we continue to believe that the stock has priced in a lot of the negatives, the heightened competitive environment and lower guidance was a negative surprise, so we reduced our position accordingly. We continue to believe that Alibaba is one of the best placed stocks in China to benefit from a secular consumption upgrade and hence maintain a position in the name. Alibaba also has numerous other divisions, such as the cloud computing division, Lazada, Ele.me and Ant Financial and if you place a market value on these divisions, the core business only trades on a PE of 5x, highlighting how depressed the current share price is today.

Staying with China, the higher education provider China Education Group reported an exceptional set of results with revenue growing 37.5% yoy and adjusted net profit growing 57% yoy. The company is growing both organically, from increased enrolment in existing schools, and inorganically via acquisitions. The government additionally has come out with policy that is supportive to the vocational education segment, yet despite this the stock has de-rated along with the sector, as investors have chosen to sell indiscriminately. We believe that with the announcement of the new policy the risk has been significantly reduced and remain holders of the stock.

B £ Acc NAV 184.1p

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 \$94.8m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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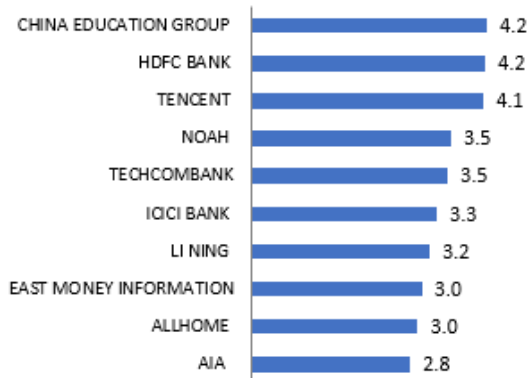
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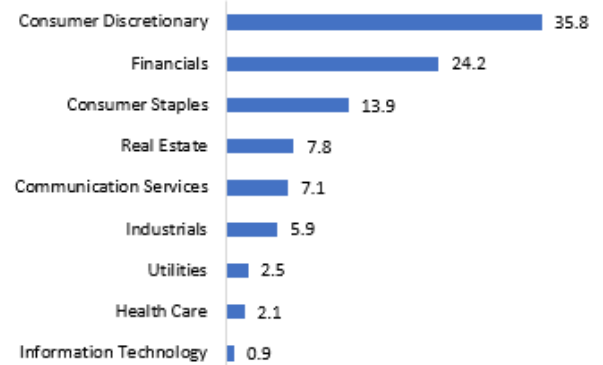


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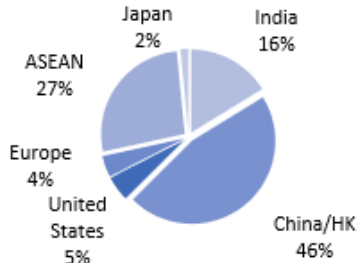
Top 10 Holdings (% of NAV)



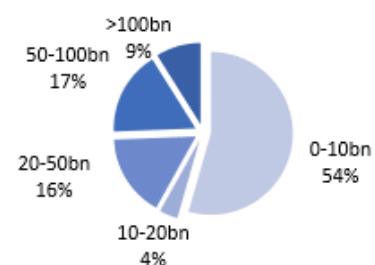
Sector Allocation (% of NAV)



Geographical Allocation %

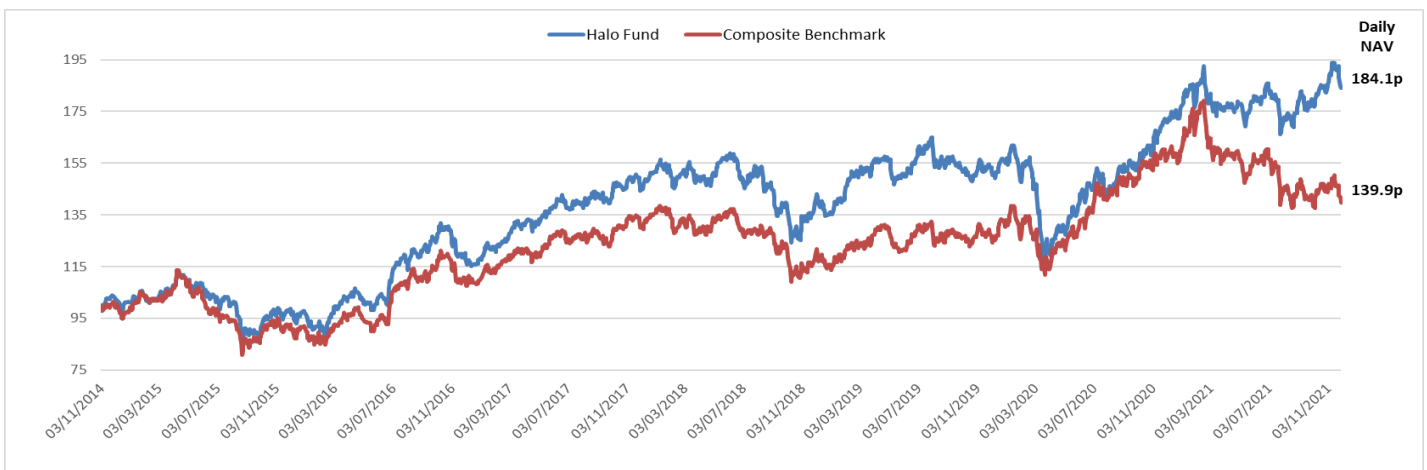


Market Cap Allocation % (USD)



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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