

VT HALO GLOBAL ASIAN CONSUMER FUND

February 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 28th February 2022

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 (B £ Acc class) fell 2.7% in February in a month where geopolitics very much drove the price action. Global equities continued to correct as inflation became a key concern and oil prices spiked as Russia launched a large-scale military invasion of Ukraine on 24th February. It is not our area of expertise to comment on the goals or possible outcomes of the conflict. However, the immediate spill over effect to our region is in the form of higher energy prices, and to this extent India and the Philippines are most vulnerable.

In terms of our immediate exposure, the consumer staples sector in India would be hurt the most, however we have very little exposure in the Fund. India is one of Asia's largest importers of oil with imports as a percentage of GDP at 3%. Higher crude prices also tend to push up the prices of coal, gas, edible oils and fertilisers and the risk is that the rise in imports costs, once passed through to the consumer it will displace other consumption. The greatest impact is felt by those at the bottom of the income pyramid as food spend can take up to two thirds of income.

The Philippines is another net importer of oil with gas and fuel contributing 11% of the CPI basket and transport accounting for 7%. If oil prices stayed at today's levels the risk would be to inflation and hence consumption which makes up 70% of GDP. Again, we believe our portfolio is generally in good shape with the most impacted company being Jollibee, the fast-food restaurant, who has guided only a short-term impact to margins as price increases tend to lag input cost increases by one to two quarters.

Meanwhile in China we have the start of the twin sessions, which is the culmination of the Chinese people's Political Consultative Conference (CPCC) and the National People's Congress (NPC) on March 4th and 5th. Current expectations are for a 2022 GDP growth target to be set at approximately 5.5%. This is an important year for President Xi as he is expected to be re-appointed for another 5 years at the 20th National Congress in 4Q22. We therefore believe that growth and stability will be the priority for policymakers in China this year, with the implication being that we would expect a new credit up-cycle and turnaround in fiscal impulse. The impact of the Russia/Ukraine war is likely to be felt via inflation, but the pass through of commodity prices from PPI to CPI in China is very limited. Hence, we do not expect higher inflation to constrain monetary easing by policy makers in China this year.

Turning to year-end reporting, we had good results from Varun Beverages in India where sales and Ebitda grew 31% and 21% resp. This is a seasonally soft quarter and management were hopeful for a period free from Covid related disruption in the upcoming peak season, where their expansion in distribution should start to yield results. Bank Rakyat in Indonesia also reported a strong set of results with FY21 net profit +65% yoy. Management guidance was positive reflecting a continuously improving operating environment. The latest Omicron Covid wave seems to have peaked and the country is enjoying the tailwind of rising commodity prices which should translate, with a lag, into better consumption.

B £ Acc NAV 168.3p

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 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 \$87.0m

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.

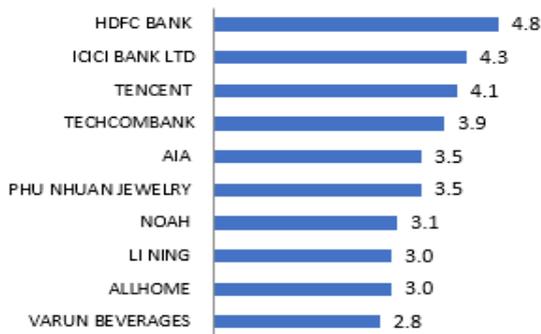
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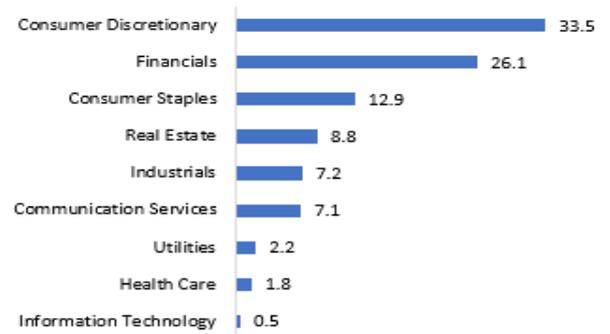


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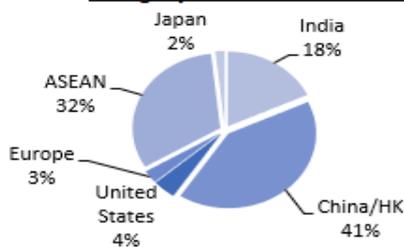
Top 10 Holdings (% of NAV)



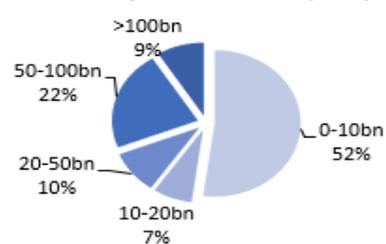
Sector Allocation (% of NAV)



Geographical Allocation %

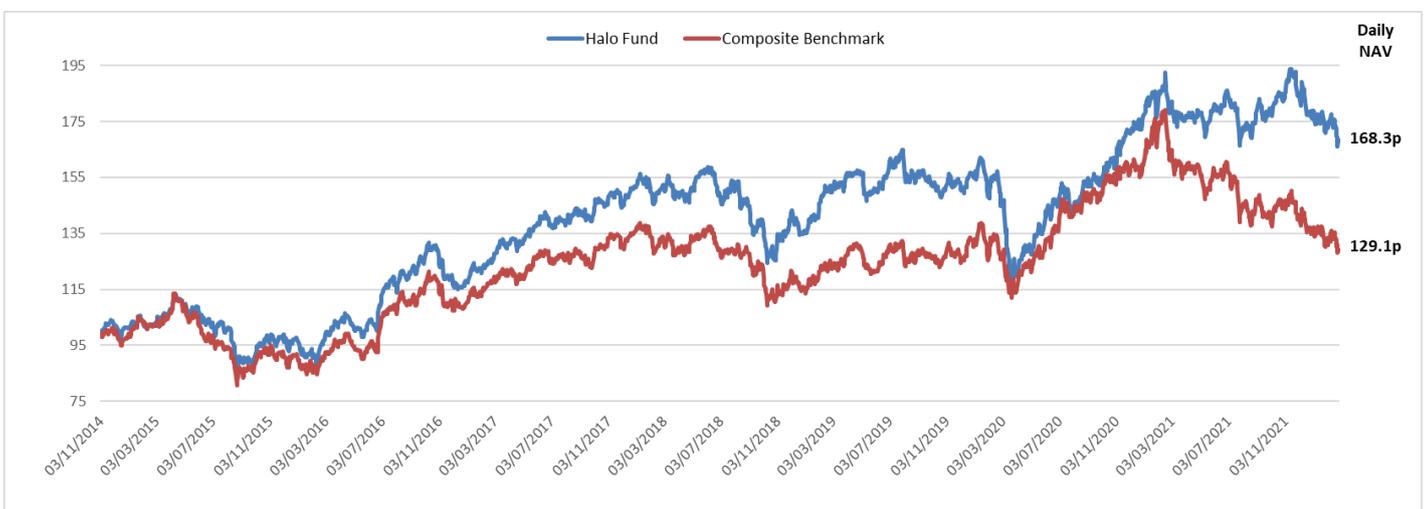


Market Cap Allocation % (USD)



Fund Performance since Inception

Performance data shown is of the B 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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