

VT HALO GLOBAL ASIAN CONSUMER FUND

April 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29th April 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) rose 0.44% in April aided by stocks in India and China. Globally risk aversion continued as the US Fed continued to prepare the ground for sharp interest rate hikes in order to combat inflation. Asia markets were also weak with the Hang Seng Index flat in GBP terms and down 4% in HKD. Continued Omicron outbreaks in China led to strict lockdowns in Shanghai and mounting logistical challenges. Sectors with high exposure to Tier 1 cities are impacted the most and hence we have seen earnings downgrades to stocks such as Anta and Tsingtao in our portfolio. We very much believe in the long-term structural stories behind these names, such as increasing sportswear penetration in China, and premiumisation in beer. We also do not believe that Omicron will be as big an issue over the medium to long term, hence we are sticking with our positions whilst managing their position sizes in the portfolio.

Earnings season is well underway for the companies in the Fund, and we started with the Indian Banks HDFC Bank and ICICI, who both grew profits a robust 23% yoy and 59% yoy respectively. Both banks are growing the loan book at an impressive pace with HDFC growing at 23% and ICICI at 17% respectively. A sharp fall in credit costs helped drive the bottom line, particularly for ICICI whose management remain comfortable on asset quality trends, having built up healthy provision buffers.

HDFC Bank also announced it is to merge with its namesake HDFC Ltd, the non-bank mortgage provider. The merger is expected to significantly increase the bank's product coverage and cross selling potential. As per management, up to 70% of the bank's customers do not have mortgages from HDFC Ltd. Whilst near term regulatory requirement, such as priority sector lending requirements will likely result in a 200-250bp impact on ROE, management expect to see a recovery in ROE's and ROA's back to normalised levels in a few years' time.

Over in Vietnam we had strong results from Techcombank (TCB) with net profit growing 25%. Results were driven by strong loan growth of +28% yoy and improving margins. We believe the results to be very solid and we have seen 6% upgrades to Bloomberg consensus earnings YTD. We like TCB for its strong funding franchise with a CASA of >50%, which allows it to have one of the lowest funding costs in the system aiding margin expansion. In addition, it has consistently managed its asset quality well with lower than industry average NPLs, coupled with higher than average NPL coverage and we recently added to our position.

Finally, we had strong results from PNJ in Vietnam and MAPI in Indonesia. PNJ, the Vietnamese jeweller, grew revenue and profits +41%, a significant beat to Bloomberg consensus estimates. Vietnam is witnessing a strong consumption recovery as they further relax restrictions, opting now to "coexist" with Covid. Vaccination rates are high with 79% of the population having taken 2 doses, and we believe the strong momentum will continue. Concession operator, MAPI, is seeing a similar recovery in foot traffic and it saw revenue +24%, beating Bloomberg consensus by 5%. Indonesia is witnessing a strong post pandemic recovery and we like MAPI for its strategic positioning, serving Indonesia's growing middle class.

B £ Acc NAV 167.6p

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 \$ Inc GB00BRJTG974
C £ Acc GB00BRWQWZ32
C £ Inc GB00BRGCDT88
C € Acc GB00BK9WNT68
C € Inc GB00BK9WNS51

Asset Under Mgt \$93.7m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

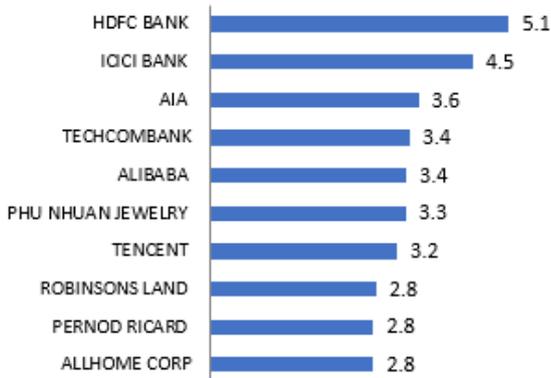
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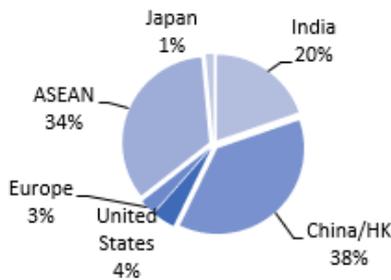
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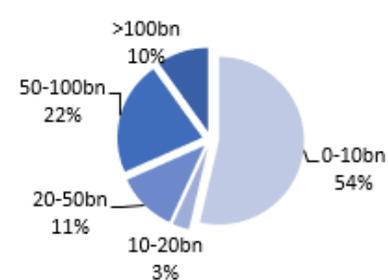
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Geographical Allocation %

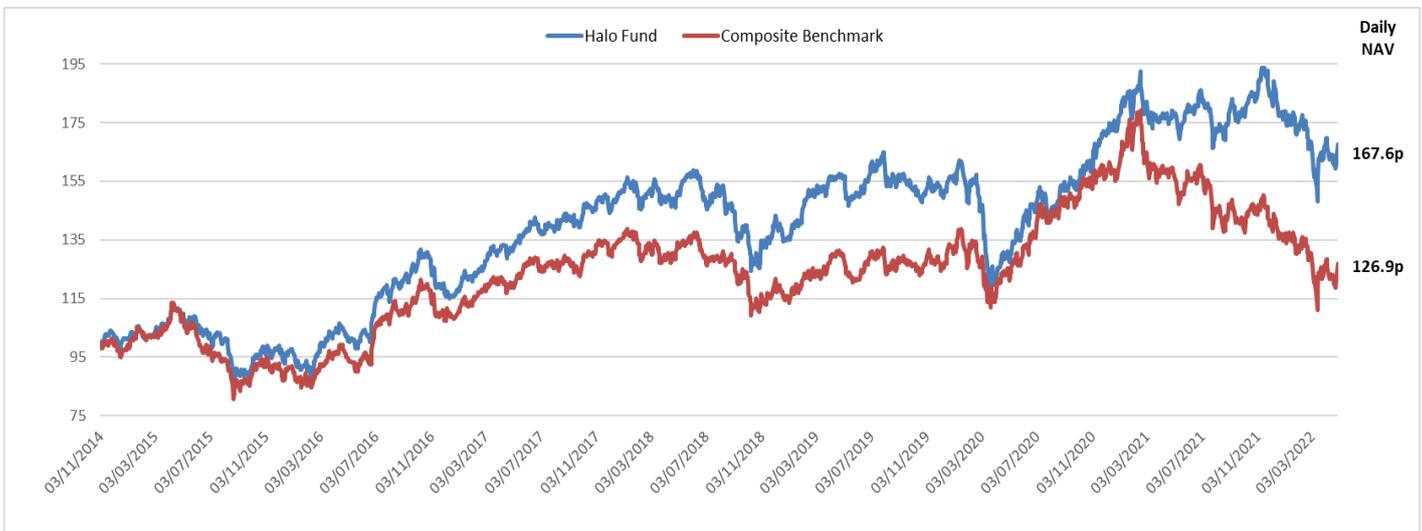


Market Cap Allocation % (USD)



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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