

# VT HALO GLOBAL ASIAN CONSUMER FUND

## May 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> May 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 -3% in May as stock specific volatility drove performance. All Home in the Philippines was weak as it reported quarterly results that trailed analyst expectations, whilst we continued to see volatility in select Chinese names. Sentiment on Chinese equities turned positive at the margin, helped by more positive government announcements on stabilising economic growth, and building expectations of Shanghai and Beijing reopening. Lockdowns moved from accounting for nearly 40% of GDP in early April to 10% by end May and activity is expected to normalise in June. Also policy support has been forthcoming with a RMB 140bn tax rebate, a RMB60bn car purchase tax reduction and a RMB320bn deferred payment to social security contributions. We believe that any improvement in economic activity from the lifting of lockdowns along with further policy relaxation will be positive for Chinese equities. Covid remains the outside risk.

We are getting more positive on the health of Chinese corporates and believe a bottom in earnings may have been formed. Companies have started to report much better bottom-line earnings despite the top-line pressure as they have turned to aggressive cost cutting and business rationalisation. Earnings have started to surprise this quarter implying expectations have reached a trough. BABA reported a set of results that beat sell side expectations, with total revenue growing 8.9% yoy and adj. EBITDA declining 30% yoy, as its China retail commerce business was hit by covid lockdowns. Profit declines started to moderate given reduced losses in its strategic businesses such as Eleme, Taobao Deals, and community group marketplace Taocaicai. Management stated that the priority of the company is to achieve better efficiencies driving strong cash flows and a strong balance sheet, and that they will take a more disciplined approach to costs. BABA remains one of the best positioned companies for exposure to China's secular consumption upgrade theme.

Over in India the mall operator Phoenix Mills saw a strong recovery in its malls, with consumption recovering to 92% of pre-pandemic levels. Its hotels have returned to full occupancy and management are confident of a continued recovery in revenue this year, with a new mall scheduled to launch in November. Foreign investors have been continued sellers of Indian equities, selling \$23.4bn ytd, however the market has been held up by resilient domestic flows. In response to high April inflation of 7.8%, the central bank raised rates 40bps in May. Whilst interest rate hikes are a headwind to equity market performance, they are a net benefit to bank profits whose loan books tend to re-price faster than deposits thus increasing margins. The banking system is also in relatively good shape having gone through a clean-up over the past 2 years. Lastly in India, Prestige Estates the residential real estate developer, reported their best property pre-sales in history. Having successfully de-leveraged its balance sheet, the developer has an ambitious pipeline ahead and so far, early indications are positive. Demand is expected to remain strong, driven by favourable demographics and urbanisation, and despite the interest rate rises, affordability remains comfortable supported by strong income growth.

Finally a word on Mega Life Sciences which grew net profit by 77% yoy in Q122, beating market expectations by 50%. The company is on track to meet its 2019 target of doubling its revenue and profits by 2025.

**B £ Acc NAV 162.6p**

**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
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** \$90.5m

**Depository:** National Westminster Bank PLC

**Dealing Frequency:** Daily

**Daily NAV available:** Bloomberg, Morningstar & Valu-Trac

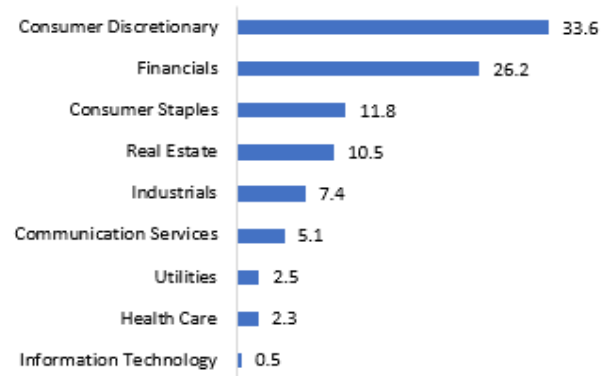
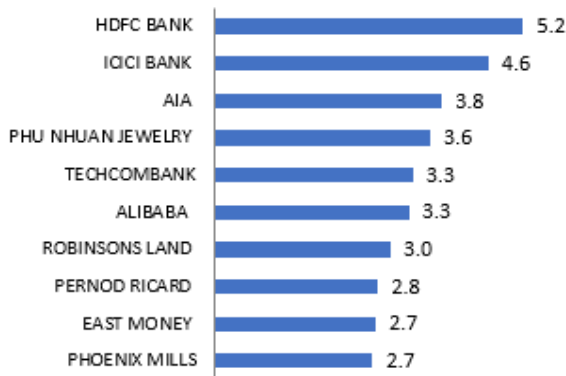
*Issued and approved by Halo Global Asset Management Ltd Authorised and regulated by the Financial Conduct Authority.*

# VT HALO GLOBAL ASIAN CONSUMER FUND

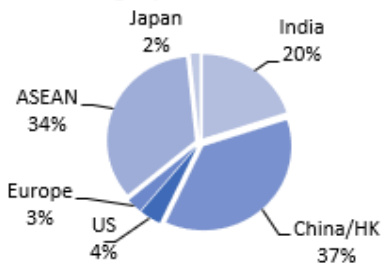
## May 2022 Monthly Fund Fact Sheet



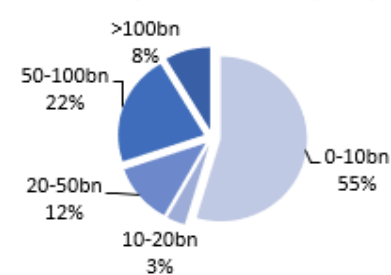
All Data at 12.00 GMT 31<sup>st</sup> May 2022



### Geographical Allocation %

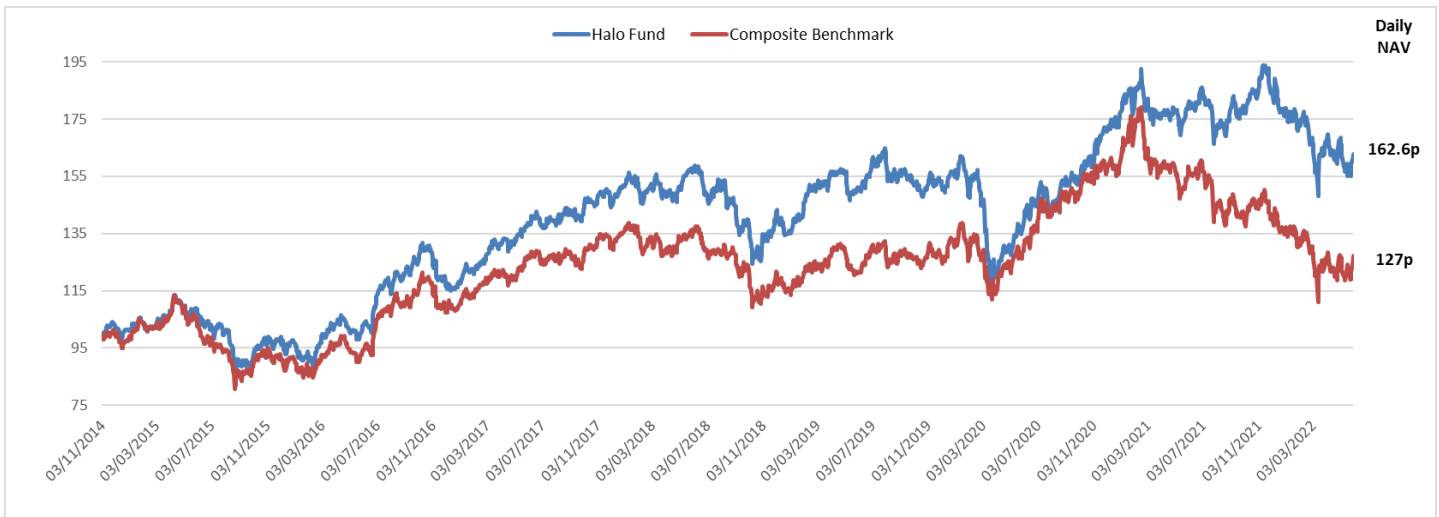


### Market Cap Allocation % (USD)



### 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.



Where this communication constitutes a financial promotion/marketing communication it is issued and only made available to, and directed at, (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is only available to relevant persons and will be engaged only with relevant persons. This is for professional clients and eligible counterparties only. This is an Undertaking for Collective Investment in Transferable Securities (UCITS) regulated by The Financial Conduct Authority (FCA) in the United Kingdom. The information herein was obtained from various sources. We do not guarantee its accuracy. This information is for your private information and is for discussion purposes only. A variety of market factors and assumptions may affect this analysis, and this analysis does not reflect all possible loss scenarios. There is no certainty that the parameters and assumptions used in this analysis can be duplicated with actual investments. Any historical examples which appear are not necessarily indicative of future investments. Neither the information, recommendations or opinions expressed herein constitutes an offer to buy or sell the specified investment product. Foreign currencies denominated investments are subject to fluctuations in exchange rates that could have a positive or adverse effect on the investor's return. Unless otherwise stated, any pricing information in this presentation is indicative only and is subject to change. Prior to undertaking any investment, you should discuss with your professional tax, accounting or other advisor how such a particular investment(s) affects you and whether it is suitable. All analysis (whether in respect of tax, accounting, law or of any other nature), should be treated as illustrative only and not relied upon as accurate. Halo Global Asset Management is authorised and regulated by the Financial Conduct Authority, No. 820966. This product may place your capital at risk; return figures quoted may not display all the short and long-term prospects for the investment