

VT HALO GLOBAL ASIAN CONSUMER FUND

June 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th June 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 4.8% in June, more than making up for the loss in May as stocks in China staged a strong rally. Share prices were driven by a confluence of factors: Shanghai and Beijing re-opened post Covid shutdowns alongside recovering economic momentum, whilst President Xi Jinping pledged to strengthen the macro policy adjustment and reiterated the growth target for 2022. In addition, China also eased the quarantine period for inbound visitors from 14+7 days to 7+3 days, further buoying sentiment.

Alibaba rose over 20% in the month and the stock remains attractively valued at a forward PE of 14x. Its e-commerce business continues to recover as Covid restrictions ease, and the economy opens up. Another stock leveraged to a recovery in domestic consumption is Meituan, which reported its 3rd earnings beat (relative to sell side expectations) in a row. Its food delivery business showed strong growth whilst efficiency improvements in its newer and loss-making business also surprised positively. Meituan is not alone in its pursuit of higher quality growth as it's a theme that runs across the Chinese internet names in our portfolio, and it's a topic we wrote about last month.

Over to ASEAN where the economies continue to show resilience despite external pressures. The Philippines economy is coming out of Covid restrictions and has enjoyed strong economic momentum for the last two quarters. The new president has installed a technically competent administration which has settled market nerves, and growth is expected to remain strong for the remainder of this year. As a commodity exporter, Indonesia's economy has continued to show strength. Industrialisation and strong commodity prices have led to a robust trade balance and fiscal revenues. High soft commodity prices feed into rural incomes supporting MSME's, and consumer and initial results from the banks show continued improved momentum both in asset quality and loan growth. Foreign ownership for ASEAN is still low, whilst eps revisions are strongly outperforming the rest of the region. In a timely visit, Andrew has just returned from a trip to Vietnam and the Philippines, something he will talk more about in his upcoming Quarterly Letter.

Finally, moving to India, we had the privilege of meeting the management of HDFC Bank in London recently. Management talked about the rationale behind its proposed merger with HDFC Ltd, and highlighted the structural opportunity in mortgages. Only 2% of the bank's customers currently have mortgages and given the low inventory levels geographically, and improved affordability, they see this as a significant opportunity. Regulations require mortgage customers to physically visit branches and given HDFC Ltd's small branch network of 390 vs the bank's at c6000, only a small portion of the bank's branches were able to distribute mortgages. The merger is expected to unlock this opportunity on day 1. In the initial phase, and largely due to HDFC Ltd's enlarged capital base, ROE will be lower, however, the bank anticipates returning to normalised ROE levels within a few years. Management expects to continue to be able to deliver high teens loan growth post-merger and this remains a top holding for the Fund.

B £ Acc NAV 169.8p

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 \$96.6m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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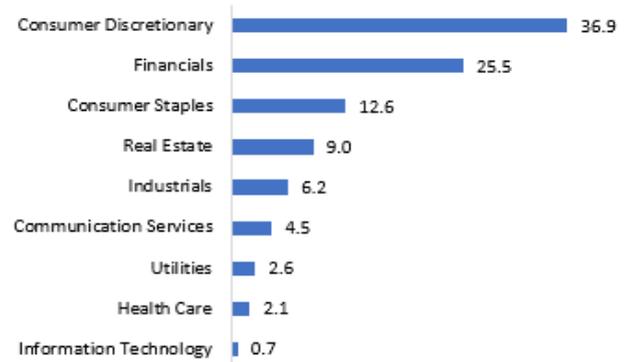


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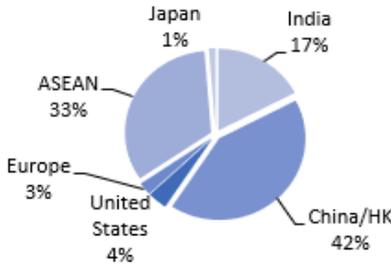
Top 10 Holdings (% of NAV)



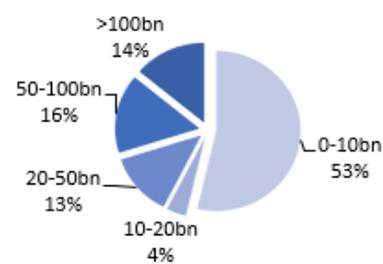
Sector Allocation (% of NAV)



Geographical Allocation %

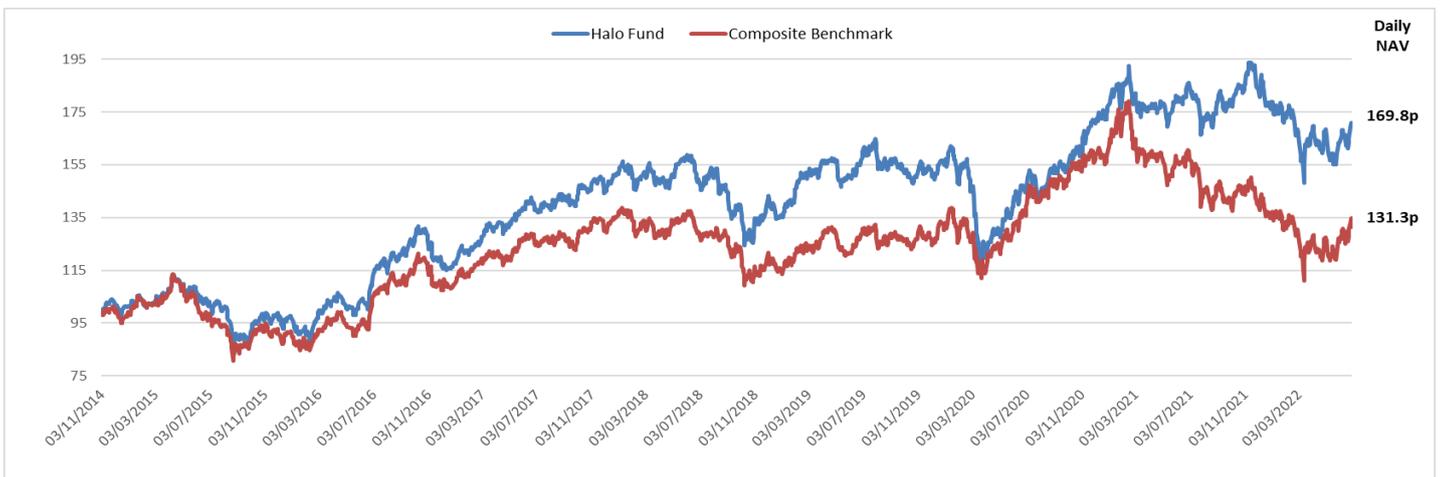


Market Cap Allocation % (USD)



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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