

VT HALO GLOBAL ASIAN CONSUMER FUND

July 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 29th July 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 3.2% in July as Asian markets, led by China gave back some of last month's gains. The MSCI China Index fell 9.4% in the month as concerns about the property market resurfaced, whilst investors were also left disappointed by the lack of any new stimulus from the Politburo meeting on July 28th.

China's property sector continues to struggle with sales of the leading developers falling 21% yoy in July and 38% yoy. Sentiment towards China continues to be weak damped by the recent mortgage boycott campaign and renewed Covid related localised lockdowns. As a result, demand has not been responding as expected to the policy easing measures, which included mortgage rate cuts. Developer financing remains challenging, and we expect this issue to bubble along until we see more definitive support measures from the government. However, the 20th National Party Congress is fast approaching, and we are unlikely to see any meaningful policy before then. The good news is that we believe there is pent-up demand, particularly in household consumption. In 1Q 22 the savings rate of China was c.3% higher than pre-covid levels and as uncertainties caused by the pandemic fade, we believe a large part of the excess savings could be released. There is still a growing middle class in China and the structural trends we invest in such as e-commerce, premiumisation, digitalisation and tourism, are still intact. Calling exact market timing is difficult and not our expertise, but where we can add value is by taking advantage of the volatility in markets to add to our high conviction positions.

Outside China earnings season was kicked off by the Indian banks HDFC and ICICI, who both reported earnings growth of +19% yoy and +50% respectively, ICICI having had a low base due to high Covid related provisioning last year. Both banks are seeing strong retail loan growth, improvement in asset quality and stable margins. Foreigners had sold \$6.4bn worth of equities in June and after 9 consecutive months of selling, foreign ownership is now nearing decade lows. The government's tax receipts have remained strong this year which means capex will remain well supported countering any growth slowdown.

Sticking with India, the Indian cable and household wire manufacturer KEI reported a strong set of results that were above sell side expectations, with adjusted profit growing 50% and a 31% 3-year CAGR. The company shifted focus towards expanding its retail business and widening its geographical reach, which resulted in significant outperformance versus its larger peers. KEI is taking share off the unorganised segment, whilst at the same time improving its balance sheet, by lowering net debt significantly and improving its cash flow, which is driving a re-rating of the stock.

Finally, we had strong earnings from Techcombank in Vietnam, with net profit growing 23% yoy. Loan growth again looked strong at 21% yoy with improving asset quality trends. As we mentioned last month the economic prospects of ASEAN look strong. 2Q GDP for Vietnam was at a multi-year high at 7.7% and whilst inflation is rising (CPI at 3.1% in July), it is expected to remain within the central bank's target of 4%. The country is witnessing a broad-based recovery with significant improvement in consumption, and we believe the outlook for the second half remains strong, supported by government stimulus measures and a recovery in tourism.

B £ Acc NAV 164.4p

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	GB00BK9WNQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51
Asset Under Mgt	\$99.2m
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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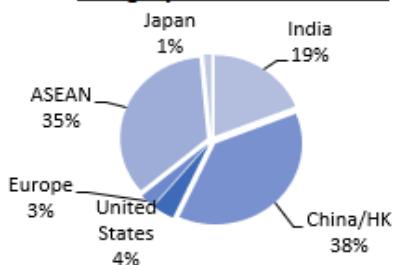
Top 10 Holdings (% of NAV)

HDFC BANK	5.1
ICICI BANK	4.8
ALIBABA	4.0
PHU NHUAN JEWELRY	3.7
AIA	3.7
TECHCOMBANK	3.1
EAST MONEY	2.8
VINCOM RETAIL	2.8
PERNOD RICARD	2.7
VARUN BEVERAGES	2.5

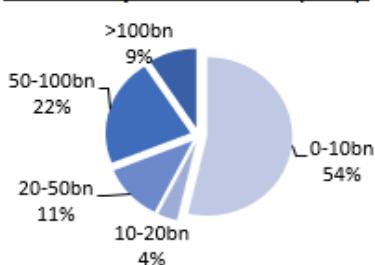
Sector Allocation (% of NAV)

Consumer Discretionary	35.1
Financials	26.4
Consumer Staples	13.3
Real Estate	9.6
Industrials	6.3
Communication Services	4.4
Health Care	2.2
Utilities	2.2
Information Technology	0.5

Geographical Allocation %

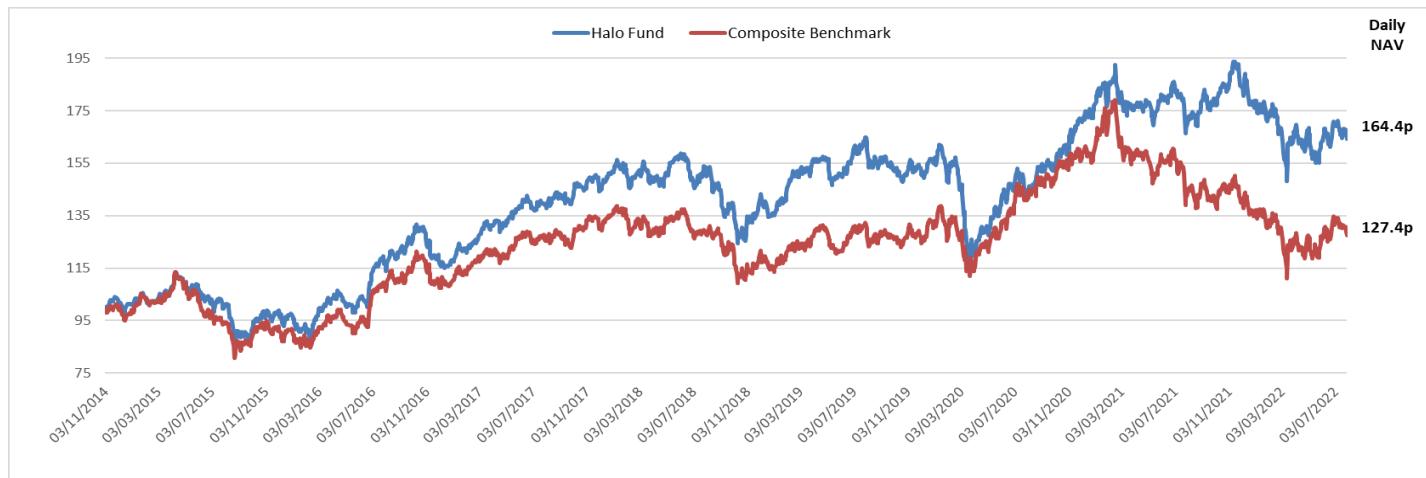


Market Cap Allocation % (USD)



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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