

# VT HALO GLOBAL ASIAN CONSUMER FUND

## August 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31<sup>st</sup> August 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 6.24% in August aided by a strong performance from our Indian and Vietnamese holdings and a weak Sterling. August was the finale of results season and the Indian mall operator Phoenix Mills saw a robust revival across all its malls with consumption now at 111% of pre-Covid Q1FY20 levels. Its other businesses are also seeing a strong recovery with hotels now at 85% occupancy and office rentals up 10% year on year (yoy). Despite this, the company's malls are not yet at full occupancy as a significant area is still in the process of being fitted out. As this area becomes operational in the next 3-6 months we expect consumption and thus rental income to improve further still. Ongoing industry consolidation due to the lack of supply of high-quality Grade A malls, and exposure to the structural story of India's consumption growth, keeps us positive on the outlook for this name. The Indian residential and retail developer Prestige Estates also reported a solid set of earnings. Pre-sales came in above street estimates as its new launches in Mumbai saw a strong response. Prestige reported the highest pre-sales of the major developers last fiscal year, yet it trades at a discount to them with an EV/Pre-sales of 2.3x, compared to Lodha's 5x, Godrej's 4x and Oberoi's 5.3x and we believe that successful execution in its new markets will be key to the re-rating of this stock. The broader economy continues to hold up well and the fiscal position is solid following GST collections +28% yoy however, we continue to be mindful of valuations and are pro-actively managing our position sizes given significant outperformance of these names.

The Indonesian speciality store and operator MAPI posted results that beat expectations with 1H22 revenue +34% yoy and core net profit +190% yoy. Indonesia is also witnessing a strong consumption revival, and whilst the country also faces inflationary pressure from a weak Rupiah and rising food/fuel costs, we believe the middle to upper income segments will fair better. The Indonesian market is one of the few markets in positive territory this year. Its balance of payments, and in turn its currency have been helped by its status as a commodity exporter. The banking system is also in relatively good health with system NPL's low at c2.6% and liquidity plentiful, with loan to deposit ratios at c82/83%. Earnings revisions have also been consistently positive this year driving the performance of our holdings there.

Finally, turning to our cosmetics companies Proya and Estee Lauder. The domestic Chinese mass skincare company Proya delivered another set of strong results, largely in line with its pre-announcement. Revenue and adjusted net profit up +35.5% and +60% yoy respectively. Proya is benefitting from a very strong product cycle and upgrading of product mix towards its higher margin "Hero" products, which is driving up gross margins (+5.5% this quarter). Estee Lauder meanwhile reported results ahead of sell side expectations with organic sales growth of +8% and constant currency EPS growth +12%. China was weak with retail sales -13% as Estee was hurt by Covid related shutdowns impacting its distribution centre, which was shut for 2/3rds of the quarter and its travel retail business in Hainan. We like both names as we believe that China's beauty industry will enjoy secular growth for the next decade, boosted by rising disposable incomes, changing demographics, and under-penetration of the category when compared with both developed Asian and Western countries.

**B £ Acc NAV 174.6p**

**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
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C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

**Asset Under Mgt** \$100.8m

**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.*

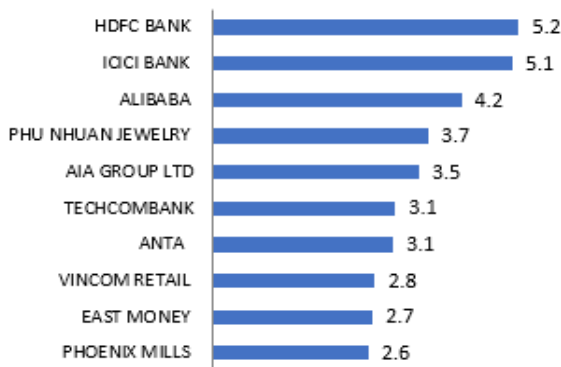
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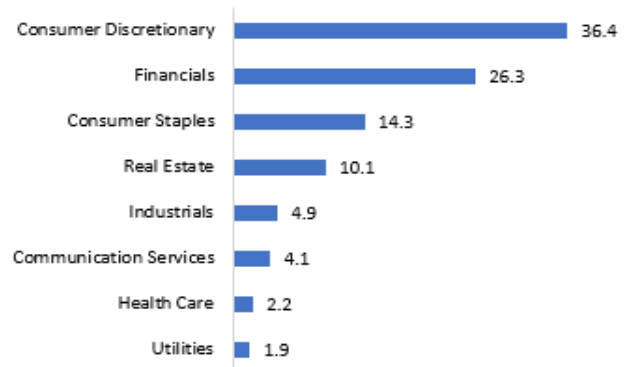


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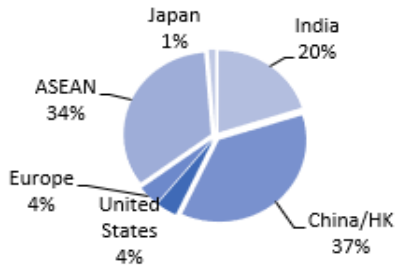
## Top 10 Holdings (% of NAV)



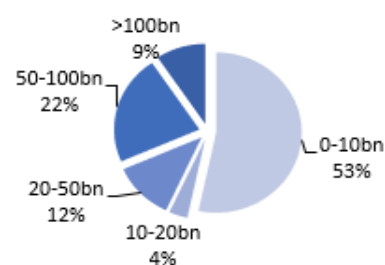
## Sector Allocation (% of NAV)



## Geographical Allocation %

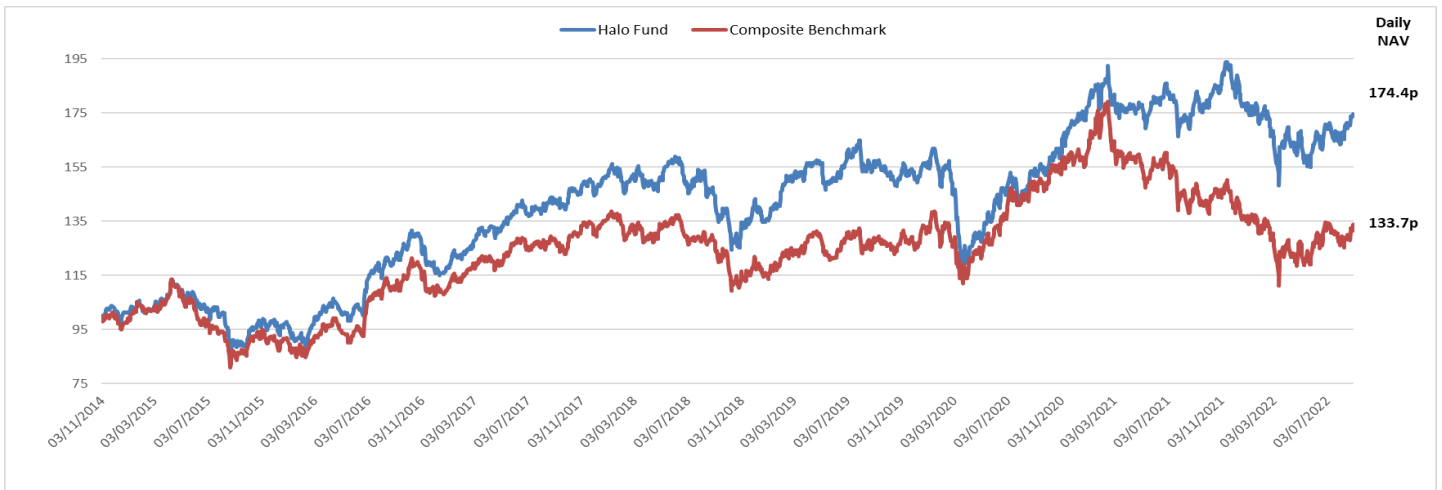


## Market Cap Allocation % (USD)



## 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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