

# VT HALO GLOBAL ASIAN CONSUMER FUND

September 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30<sup>th</sup> September 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 6.2% in September in a volatile month for equities. The broader MSCI Asia Pac index was down over 10% for the month, with the MSCI China and Vietnam indices falling -11% and -12% respectively in local currency terms. Activity data in China showed a continued improvement with retail sales +0.5% and industrial production +4.2% however, a deepening property market slump continued to weigh on overall growth and sentiment. The Indian and Indonesian bourses outperformed with strong local flows underpinning the former, whilst Indonesia's relatively stable balance of payments and positive terms of trade have provided a counterbalance to the global market volatility. Sterling was a tailwind depreciating 3.9% during the month.

We have written previously on the topic of inflation, and how we believe the region is better placed relative to its developed markets, yet we have continued to see inflation accelerate over the recent months. Digging into the detail, core inflation rates (ex food and energy) in Emerging Asia remain generally below that of developed markets. The exceptions being India (6%) and the Philippines (c4.5%) which as fast growing and low GDP/capita countries, should have higher average inflation rates, as demand typically outstrips the supply of goods during the growth stages of an economic cycle. As demand recoveries have not been excessive in the region, we expect inflation to moderate in line with a fall in global commodity prices over the next 12 months.

As the Covid threat fades and countries gradually loosen their travel policies, we have resumed travel to the Asian region and this month visited companies in Indonesia and Malaysia. The domestic economies of both remain strong and liquidity in their banking systems plentiful. In Indonesia the policy makers have been focussing on industrialisation (developing special economic zones) and structural reforms, aimed at increasing the value-add in exports. Indonesia holds the world's largest reserves of nickel and over the next several years the country is expected to provide most of the supply needed by the global EV industry. Lower commodity prices are cited as a risk to Indonesia's growth recovery, and whilst the current account surplus (0.7% of GDP is expected to drop back into deficit next year as the economy recovers and commodity prices fall, it is unlikely to be as high as it has been historically, given the down-streaming in nickel. We met with the management of Bank BCA and Bank Rakyat who both reported seeing strengthening credit demand alongside the improvement in the economy. Meanwhile, Malaysia is set to see some of the highest economic growth in Asia Pac (2Q GDP +8.9% yoy) this year, driven by domestic consumption. The market has seen net upgrades of 1% to street forecasts for net profit, and bank credit growth is also picking up. Elections are expected to be held by mid 2023 and whilst it is still too early to try to forecast the likely results, the pre-election run up tends to be positive for consumers as the government and main political parties increase spending. It has been some time since we last visited the country, and we were pleasantly surprised to meet several interesting new consumer companies, which we will be doing more work on in the next few months.

**B £ Acc NAV 163.8p**

**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	GB00BK9WNRQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

**Asset Under Mgt** \$90.8m

**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.*

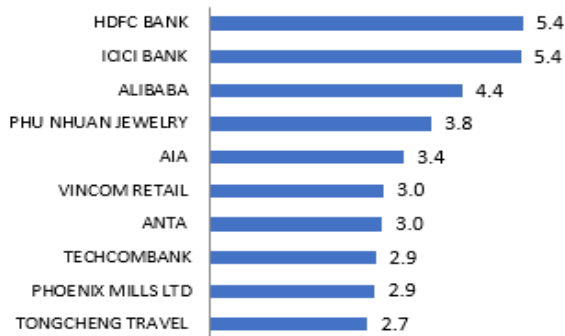
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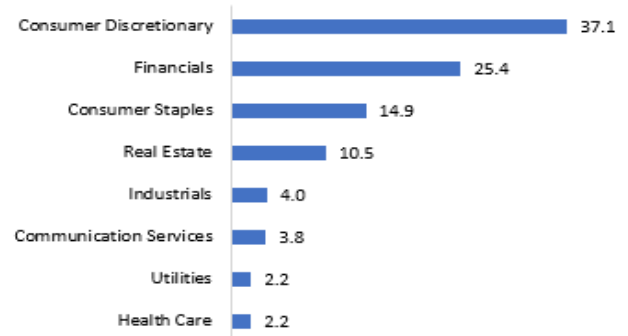


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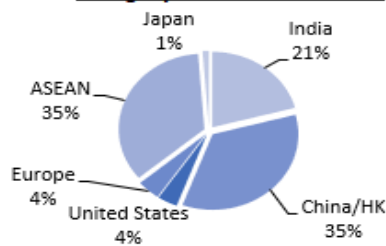
## Top 10 Holdings (% of NAV)



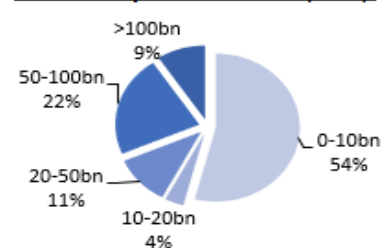
## Sector Allocation (% of NAV)



## Geographical Allocation %



## Market Cap Allocation % (USD)

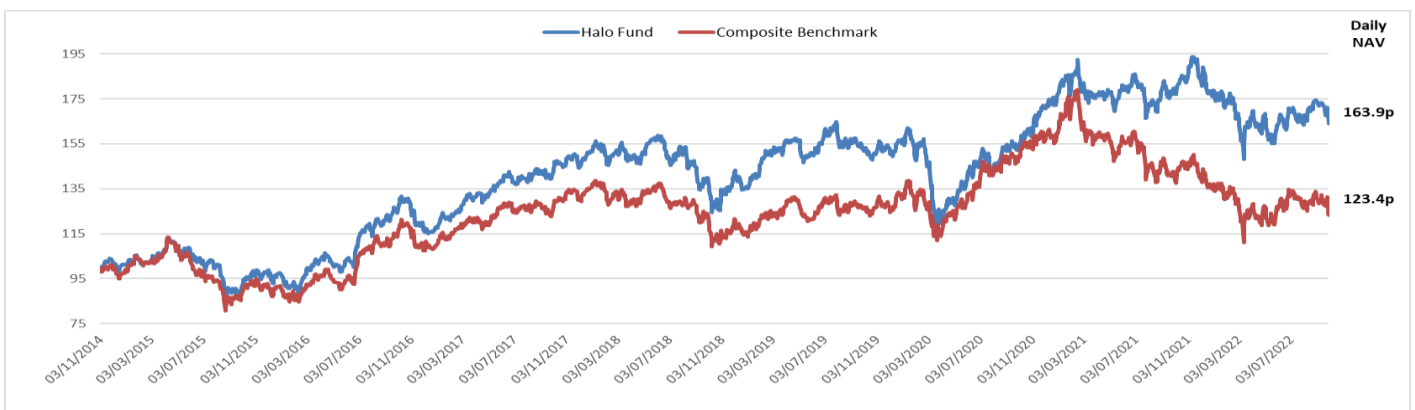


Annual Returns GBP (%)	2017	2018	2019	2020	2021
	28.4	-10.3	14.1	13.9	1.0

Cumulative performance (%)	YTD	1yr	3yr	5yr	Incep.
	-8.3	-8.9	7.2	16.2	63.9

## 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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