

VT HALO GLOBAL ASIAN CONSUMER FUND

October 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st October 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 12.3% in October. China was the main drag with the Hang Seng Index down 14% in October on a confluence of negative factors, namely renewed Covid outbreaks, geopolitical tensions and concerns over the outcome of the 20th Party Congress. The US-China relationship showed no signs of thawing as the US ratcheted up tensions even further by imposing a new set of export restrictions for semi-conductors to China, the aim being to prevent China from accessing advanced chips, equipment, and components to protect US national security. Unfortunately, on this front the direction of travel is one way as Biden explicitly set out in his National Security Strategy document which set as a key principle, "outcompeting China and containing Russia", whilst further describing the broad fight as "between democracy and autocracy". America intends to slow China's ascent, but we believe one consequence of this is a doubling down by China on investing in its own key industries with technology being key. Whilst no doubt a negative, we would like to remind investors that at Halo we focus only on companies serving the domestic Asian (in this case Chinese) consumer and we do not invest in Asian tech hardware, which will be disproportionately impacted by these measures.

Another key event this month which rocked foreign investor confidence was the 20th Party Congress and as expected President Xi was confirmed as President for an unprecedented third term. Markets did not like the stacking of the 7-member Politburo Standing Committee (China's top governing body) with Xi loyalists and the subsequent exit of all independent technocrats. At Halo we feel that markets overreacted to the personnel changes and whilst there is no doubt of them being Xi loyalists, the incoming team also have impressive technocratic backgrounds. Li Qiang, rumoured to be Xi's number 2 and the next Premier, has a wealth of economic experience, most recently in Shanghai but also in Jiangsu province. He is known for extolling the virtues of the free market and the importance of private enterprise. Much was also made of the importance of how many times the word security was mentioned in the speech, and whilst there is a definite shift towards maximising security, we believe that economic growth is still crucial to security.

Economic growth is also crucial to realising another of Xi's goals, Common Prosperity. If China is to achieve its goal of becoming a mid-level developed country by 2035, they need an approximate annual compound GDP growth rate of 4.7%. Redistributing wealth is one way to achieve common prosperity but getting more people into the middle-class bracket is another important one. We continue to believe that consumption will play an outsized role in driving China's growth, which is why we invest thematically in sectors such as vocational education, sportswear manufacturers, e-commerce and domestic travel. We believe the current pessimism on stocks to be excessive with China's discount to the world, in terms of trailing P/E, at its biggest in its own history. The biggest factor right now constraining China's growth is its "Dynamic Covid" policy as China continues to see sizeable Covid outbreaks. We would like to highlight that the events of the last month were not the forum for policy changes, and now with the political calendar clear we should see more on this front. Whilst it is important to note that any adjustment to policy is likely to be gradual and slow, market valuations like P/B is at levels not seen since the Asian financial crisis. Expectations are extremely low leaving the market sensitive to any change in direction of policy, which was evident in the first few days in November.

B £ Acc NAV 143.6p

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 \$83.5m

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.

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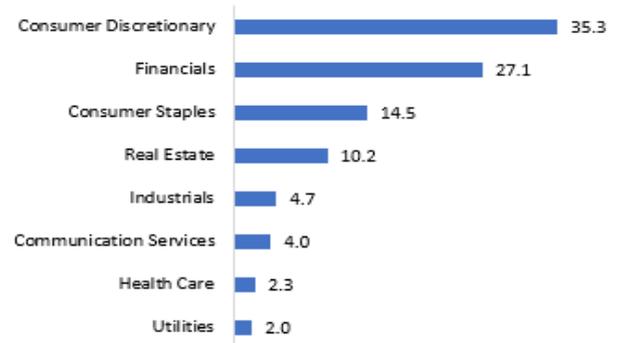


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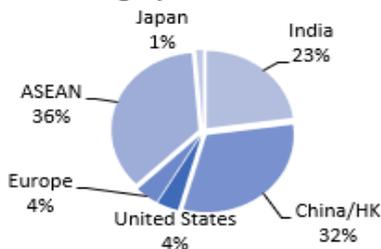
Top 10 Holdings (% of NAV)



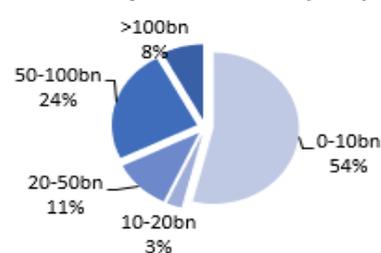
Sector Allocation (% of NAV)



Geographical Allocation %



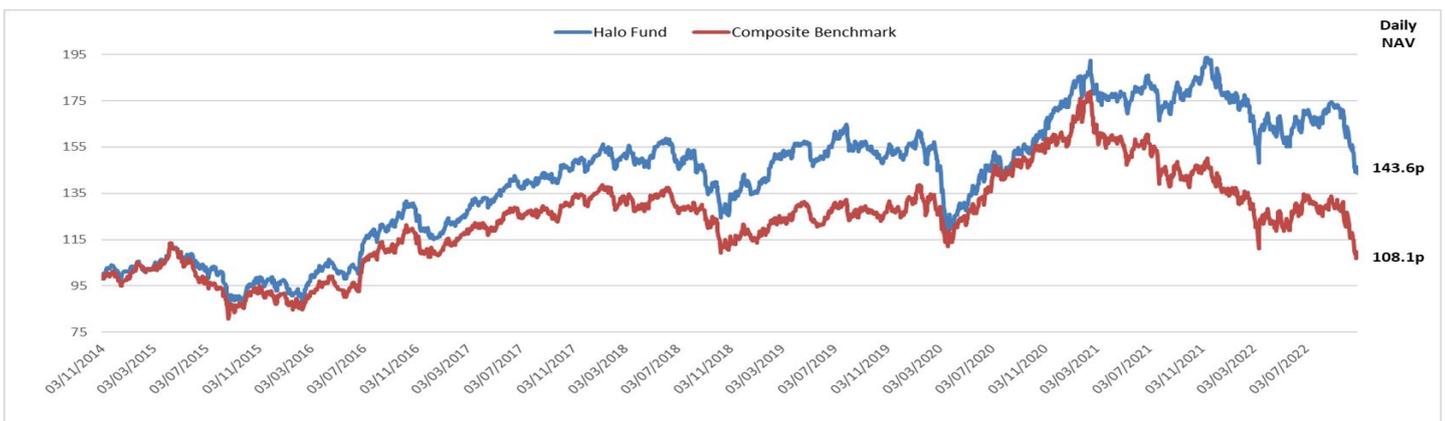
Market Cap Allocation % (USD)



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.
	-19.6	-21.1	-4.4	-0.9	43.7

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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