

VT HALO GLOBAL ASIAN CONSUMER FUND

December 2022 Monthly Fund Fact Sheet



All Data at 12.00 GMT 30th December 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 4.18% in GBP this month driven by its holdings in Hong Kong and China. China was an outperformer globally with the Hang Seng Index up 5% in GBP as policy makers further stepped up the pace of re-opening, as well coming out with more policy support for its beleaguered economy. We started the month with restrictions on movement loosened at a local level, followed up with the State Council announcing a further 10 measures where it removed the requirement for infected people to quarantine in centralised facilities. In addition, they scrapped the mobile tracking app which was used to monitor people's travel history along with the National Health Commission announcing that from Jan 8th, China will downgrade the significance level of Covid 19 to type II infectious diseases. The pace of loosening is coming much faster than we initially expected with China very recently removing the need for quarantine entirely, both domestically as well as for all arrivals from abroad.

We initially thought that China would adopt a more cautious and steady approach to reopening however it now looks as though they are instead going for a herd immunity approach. This U-turn in policy has been significant and explains the dramatic moves in markets we are witnessing. We have been highlighting to clients recently that we believe the China re-opening narrative will be one of the more significant investment opportunities this year and whilst valuations have bounced from near Asian financial crisis lows, the Jefferies quant-based model still suggest an average upside of 20% over the next year for Asian equities.

As we have mentioned previously, we believe that there is potential for a significant release of pent-up demand in China where consumers will be emerging from a near 3-year lockdown. During this time, household bank deposits have risen by 44% since the start of 2022 to USD 16.6tn. To put this into context, we estimate the increase in excess savings to be approximately \$5-6tn, which is over double the entire UK GDP in 2020 (USD 2.8tn). As confidence returns, we believe that from 2H23 the economic recovery will be led by private consumption and have positioned our Fund accordingly. We recently adding to the Chinese online travel agent Ctrip. Ctrip is highly leveraged to reopening with its hotel and air ticketing revenues still 30% below pre Covid 2019 levels. A normalisation alone would equate to 50% growth in this segment, and this is not accounting for pent up demand in the outbound segment where venues are only at 10% of pre-Covid levels.

It has been difficult not to talk about China these past few months and it was the Fund's worst performing market in 2022. The market was weighed down by several factors namely a state led crackdown on the property sector, regulatory tightening in the internet sector, a severely restrictive zero Covid policy, negative geo-politics and the risk of ADR de-listing. Nearly all these factors have now been reversed and geo-politics, whilst not completely reversed has seen a definite de-escalation, with the US Secretary of State Anthony Blinken now planning to visit China early this year. Both countries have resumed diplomatic talks that had been frozen following (the outgoing) house speaker Nancy Pelosi's trip to Taiwan. Whilst the media may focus on the unfolding human tragedy, as we have seen globally, the faster the pandemic spreads, the faster it will be over.

B £ Acc NAV 168.5p

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 GB00BK9WNR45
C \$ Acc GB00BRWQX051
C \$ Inc GB00BRJTG974
C £ Acc GB00BRWQWZ32
C £ Inc GB00BRGCDT88
C € Acc GB00BK9WNT68
C € Inc GB00BK9WNS51

Asset Under Mgt \$101.4m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Morningstar & Valu-Trac

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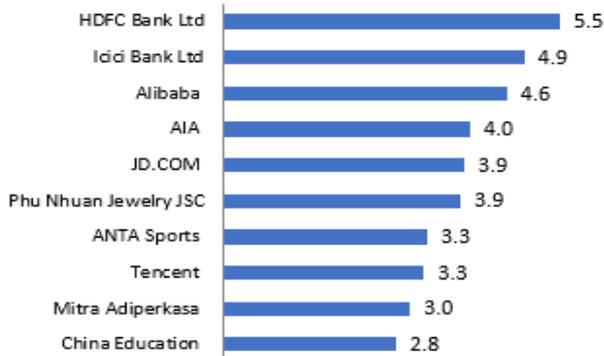
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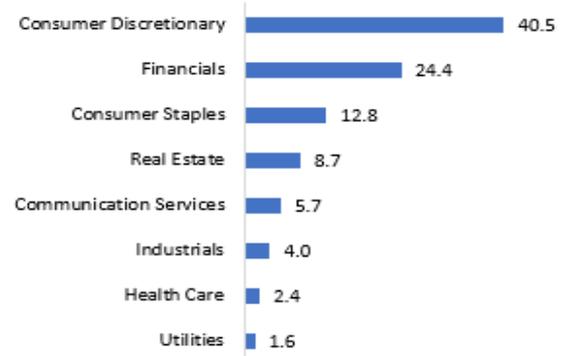


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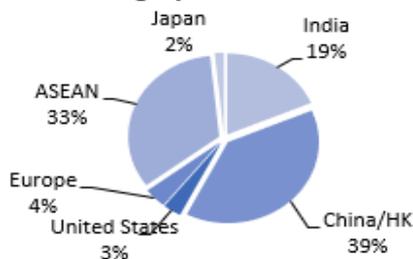
Top 10 Holdings (% of NAV)



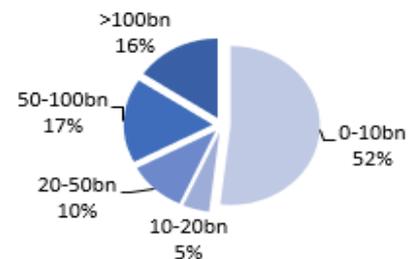
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)

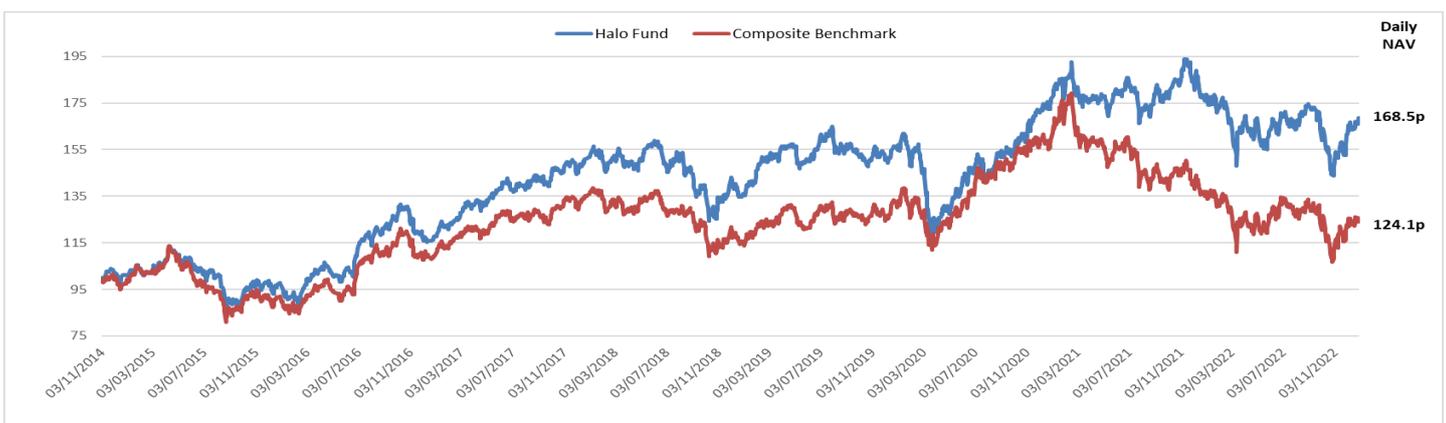


Annual Returns GBP (%)	2018	2019	2020	2021	2022
	-10.3	14.1	13.9	1.0	-5.7

Cumulative performance (%)	1yr	3yr	5yr	Incep.
	-5.7	8.5	11.1	68.6

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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