

# VT HALO GLOBAL ASIAN CONSUMER FUND

## February 2023 Monthly Fund Fact Sheet



All Data at 12.00 GMT 28<sup>th</sup> February 2023

### 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% in February in what was a volatile month for global equities. Strong US data and a more hawkish FED led to a sharp rise in US bond yields and the US Dollar, corresponding to a correction in most asset classes last month. The MSCI China led the declines falling 10.3% in USD as investors took profit after the sharp re-pricing of assets we witnessed in January.

As we enter the 4Q22 results season, Asia continues to see downgrades led by Korea and Taiwan. However, China is beginning to see improvements led by the internet where, of the companies that have reported so far, most are beating sell-side expectations and witnessing upgrades to earnings. BABA was one of the first internet companies to report for the Fund, reporting total revenue growth +2% yoy and adjusted EBITDA growth +16%. The profit was significantly stronger than street expectations driven by reducing losses in new businesses. China retail customer management revenue was still weak, declining 9% yoy, driven by weak GMV, which we believe was due to consumer sentiment being impacted by high Covid cases in January and February. However, the consumption recovery seems underway post Chinese New Year, with management seeing strong demand for apparel, sportswear, and outdoor categories as people's lives began to normalise.

Over to India where Varun Beverages, the Pepsi bottler grew revenue +28% yoy and EBITDA +48% yoy in what used to be seasonally its weakest quarter. Expansion into its newly acquired territories in the South and West of India are helping reduce seasonality in its business. The company acquired 5 new territories in 2019 from Pepsico and their resulting market share was nearly half what it was in the original territories presenting a significant opportunity for a closing of this gap. However, it has only just been able to reap the rewards of their expanded distribution as the country normalises post pandemic. Varun is positive on the outlook for demand for their beverages, targeting a medium-term volume target of 1bn cases in India by CY25 which implies a 15% volume CAGR over the next 3 years.

We just returned from a trip to India where we attended the Nuvama Indian conference to meet leading listed corporates. The middle to high end consumption theme was very much intact for our holding in Phoenix Mills, the high-end mall developer and Varun Beverages as evidenced by their strong quarterly results. Phoenix Mills continues to report strong consumption numbers for their malls with sales now well above pre-pandemic levels. Phoenix Mills' mall development pipeline comprises of marquee assets which should deliver high quality compounding earnings growth of +25% over the medium term. The key issue for the country remains inflation and this is impacting the rural consumer, which has been downgrading to small sized packs and the informal market. Rural volumes declined 8-9% yoy as real wages were negative, however, the rate of volume decline has slowed, and raw material price pressures seem to be abating. A good winter sowing season is also supportive, and corporates are beginning to see green shoots. We do not currently have exposure to the Indian staples space, but we have met a number of interesting companies, which we will be doing more work in the upcoming weeks.

**B £ Acc NAV 164.8p**

**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 GB00BK9WNNQ38  
C \$ Acc GB00BRWQX051  
C \$ Inc GB00BRJTG974  
C £ Acc GB00BRWQWZ32  
C £ Inc GB00BRGCDT88  
C € Acc GB00BK9WNT68  
C € Inc GB00BK9WNS51

**Asset Under Mgt** \$100.3m

**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.*

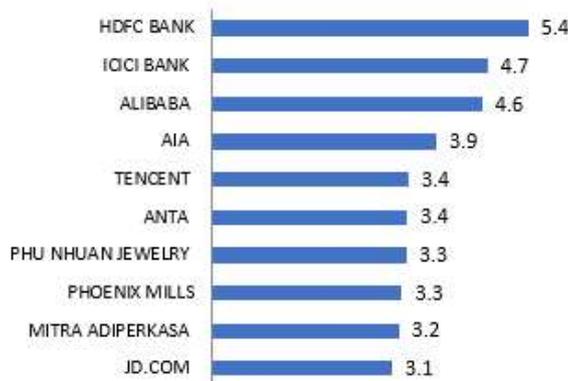
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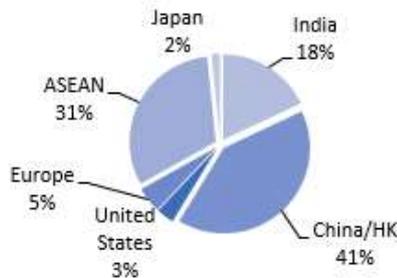
## Top 10 Holdings (% of NAV)



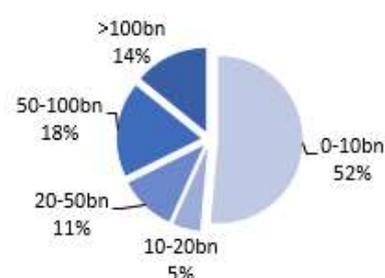
## Sector Allocation (% of NAV)



## Geographical Allocation %



## Market Cap Allocation % (USD)



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

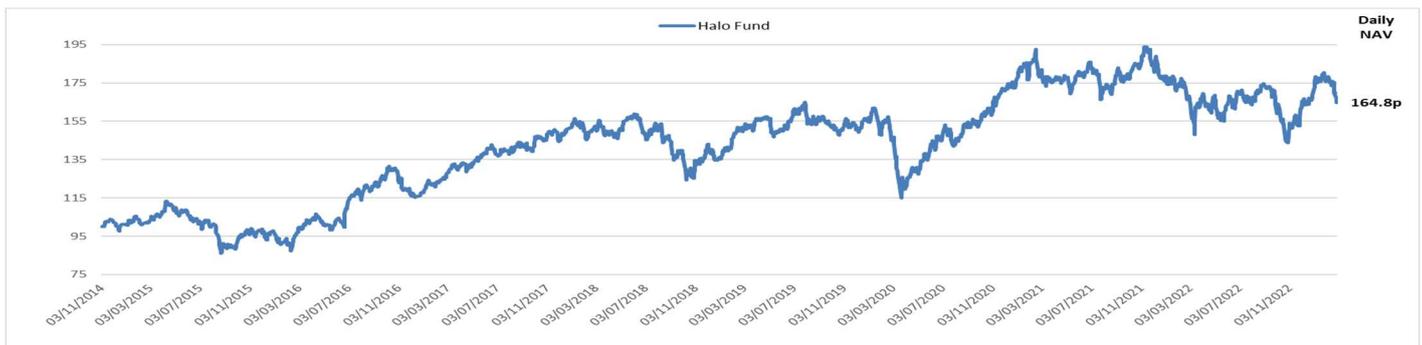
  

Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	-2.2	-2.1	13.8	10.6	67.5

NB: performance numbers are net of fees.

## 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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