

VT HALO GLOBAL ASIAN CONSUMER FUND

August 2023 Monthly Fund Fact Sheet



All Data at 12.00 GMT 31st August 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 1.7% in August as global markets corrected. Chinese markets were weak as the market remained unimpressed with the policy stimulus announced so far. Mainland China's Caixin manufacturing PMI saw improvement to 51 for August, pointing to an improvement in demand but services PMI slowed to 51.8. The PBOC delivered a surprise 15bp rate cut on the one-year medium lending rate. Elsewhere in the region inflation started to surprise negatively as food inflation crept up. India's inflation rose to 7.4% on the back of an increase in vegetable prices due to uneven monsoons. Both rice and wheat prices are running at or near highs and this tends to hurt rural Indians the most, where cereal is 17% of expenditure. The rains in September are expected to be normal which should help alleviate some of the pressure, however if the rains remain sub-optimal, we expect the government to release buffer stocks of rice and wheat. Headline inflation has been edging up in Indonesia and the Philippines too and given the volatility is driven by food and fuel prices we expect it to be temporary and are not expecting further interest rates hikes. Central banks have been proactive in raising rates and core inflation continues to trend down leaving the door open to rate cuts later in the year.

Phoenix Mills, the Fund's 3rd largest position, reported another solid set of numbers this quarter with its Q1FY24 consumption at its malls up 9% yoy. The company recently opened 2 new malls and Phoenix is seeing increasing margins due to operational leverage as the malls increase their trading density. Phoenix Mills is India's largest developer of large format high quality malls with 90% of its income coming from its mall portfolio, providing a steady lease annuity income that is subject to rent renewals every 5 years. India has some of the lowest per capita stock of grade A malls at 0.04 sq.ft/capita compared with 24 for the US and 12.5 for the UK. This equates to only 100 Grade A malls for an estimated middle-class population of 400m. Grade A retail assets are typically institutionally owned, centrally located malls offering a full suite of experiences to the consumers as well as a mix of well-known international and domestic brands. Supply is expected to be constrained due to the limited availability of large land parcels in desirable locations, the complexity in building such large format malls and long gestation period (it takes 3-4 years to build a mall and another 2-3 years to reach maturity). Phoenix Mills is an established and experienced developer in this space and a result has stronger retailer relationships and the highest trading densities in India. We expect a mid-teens earnings CAGR over the medium term driven by a combination of new malls and organic rent growth. We see Phoenix as a low-risk compounding business supported by an annuity which should double over 5 years.

Bank Rakyat in Indonesia reported its 1H23 results with profit growth of +19% yoy and ROE of +20%. We spoke about Bank BCA last month and we view both our Indonesian banks holdings as high-quality compounders. The stock has outperformed the Jakarta stock Index by +29% over the past year, rising 30% in local currency. Bank Rakyat is the largest micro and SME bank in Indonesia, in a country where two thirds of adults don't have access to formal financial services. The bank has been re-focussing on this segment as it looks to increase the portion of micro and SME loans to +50% from 48% currently.

B £ Acc NAV 160.6p

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: B, C

Base Currency: Sterling

Dealing & Valuation: Daily 12.00pm

Year End: 30 June

Management fee: B: 0.95% p.a.
C: 0.75% p.a.

ISIN:

B \$ Acc	GB00BRWQWY25
B \$ Inc	GB00BRJTG867
B £ Acc	GB00BRWQWX18
B £ Inc	GB00BRGCD571
B € Acc	GB00BK9WNR45
B € Inc	GB00BK9WNQ38
C \$ Acc	GB00BRWQX051
C \$ Inc	GB00BRJTG974
C £ Acc	GB00BRWQWZ32
C £ Inc	GB00BRGCDT88
C € Acc	GB00BK9WNT68
C € Inc	GB00BK9WNS51

Asset Under Mgt \$104.2m

Depository: National Westminster Bank PLC

Dealing Frequency: Daily

Daily NAV available: Bloomberg, Refinitive Morningstar & Valu-Trac

Issued and approved by Halo Global Asset Management Ltd Authorised and regulated by the Financial Conduct Authority.

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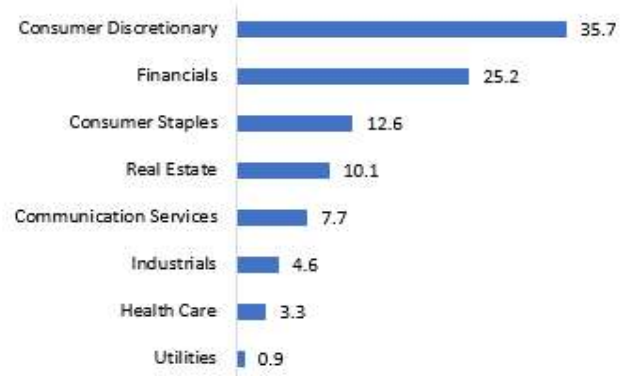


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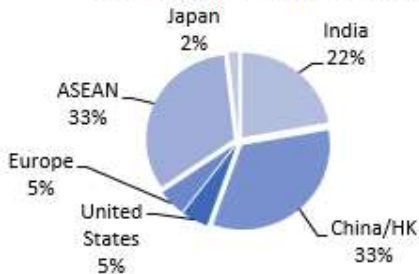
Top 10 Holdings (% of NAV)



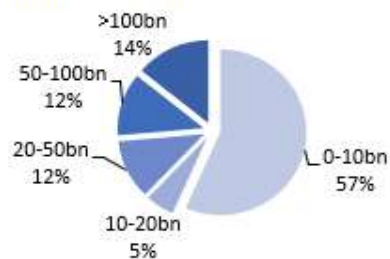
Sector Allocation (% of NAV)



Geographical Allocation %



Market Cap Allocation % (USD)



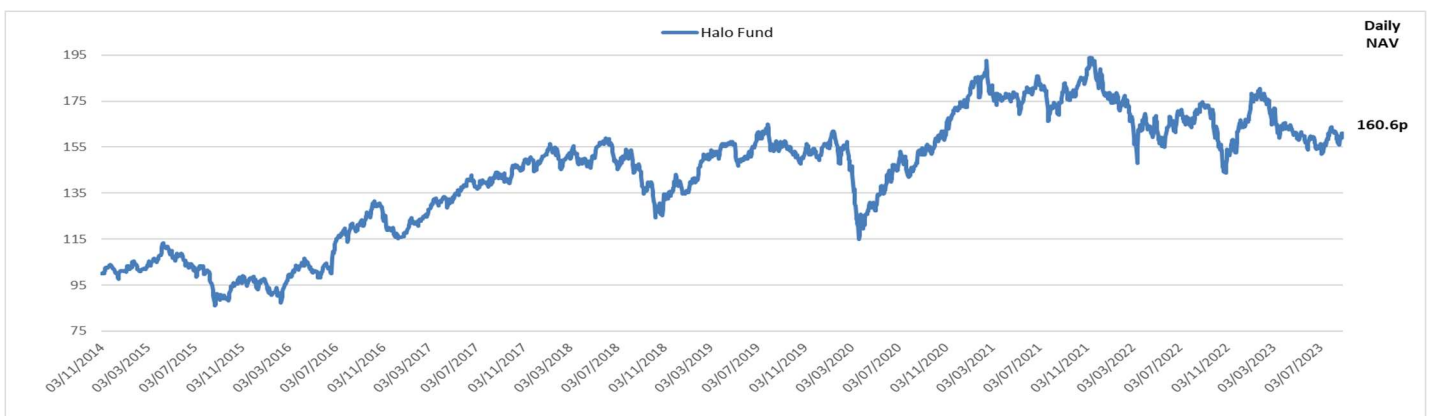
Annual Returns GBP (%)	2018	2019	2020	2021	2022
	-10.3	14.1	13.9	1.0	-5.7

Rolling performance (%)	Ytd	1yr	3yr	5yr	Incep.
	-4.7	-8.0	4.9	12.8	63.3

NB: performance numbers are net of fees.

Fund Performance since Inception

Performance data shown is of the B £ Net Acc. share class. **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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